

**INFLUENCE OF COUNTY GOVERNMENT IMPLEMENTATION OF  
SELECTED STRATEGIES ON GROWTH OF MICRO, SMALL AND MEDIUM  
ENTERPRISES IN SAMBURU COUNTY**

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**A Thesis Submitted to the School of Business and Economics in Partial Fulfillment  
for the Conferment of Degree in Masters of Business Administration of Kenya  
Methodist University**

**August, 2021**

## DECLARATION

### Declaration by Student

I declare that this research thesis is my original work and has not been presented in any other university for award of any degree.

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### Recommendation

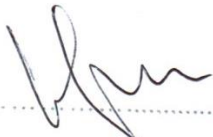
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## **DEDICATION**

This research thesis is dedicated to my husband and my children for being a constant support and encouragement throughout this program. God bless you.

## **ACKNOWLEDGEMENT**

I would like to acknowledge my researcher supervisors, Dr. Eunice Kirimi, PhD and Dr. Nancy Rintari, PhD for their able guidance and assistance during the research thesis development process, without which this work would not have been possible. Special thanks to my immediate and extended family for their support towards completion of my thesis. I cannot forget to offer my gratitude towards NACOSTI for timely issuance of research permit when I applied. To all the respondents who were involved in data collection process, I will forever be grateful for making this work success. My heartfelt acknowledgements to this study's research assistants for their selfless dedication towards ensuring that data collection process was done swiftly and with high level of professionalism. Last but not the least, my appreciations goes to the Kenya Methodist University (KeMU) library staff for guiding me towards ensuring that in-text citations and references were done in accordance to APA 7<sup>th</sup> edition.

## ABSTRACT

The support of the MSMEs' growth by the county governments in Kenya could not be taken lightly. This is because the growth of MSMEs is important for the economy. The purpose of the study was to examine the influence of government implementation of selected strategies employed in supporting MSMEs' growth in Samburu County. Specifically, the study sought to establish the influence of strategic legislative steps taken by the county government to promote growth for MSMEs; determine the influence of strategic business development services offered by the county government in supporting MSMEs' growth; establish the effectiveness of strategic targeted technical assistance offered by the county government in supporting MSMEs' growth; and establish the influence of strategic procurement practices by the county government in supporting MSMEs' growth in Samburu County. The research followed a descriptive design. The target population was made up of 2,546 MSME owners and 15 Government officers. The research used a sample of 255 MSME owners and 15 government officials chosen using simple random sampling technique and purposive sampling technique. The researcher collected data using questionnaires and schedules for interviews. The study was able to collect both quantitative and qualitative data. Using descriptive analysis, the quality data obtained from open-ended questions was analyzed. Quantitative data analysis was performed using descriptive statistics such as frequencies, percentages, and means; and inferential statistics such as Pearson Correlation and Regression Processing, using SPSS Version 25. The findings were summarized in charts and table format. The study concluded that the influence of government selected strategies on MSMEs growth performance in Samburu County was statistically significant and the model can be used to predict the growth performance of MSMEs in Samburu county. There was a positive significant relationship between legislature measures, business development services, procurement practices and growth performance of MSMEs. However, there was a negative relationship between targeted technical assistance and growth performance of MSMEs. The study therefore recommended that there should be a wholistic curriculum that has been set to ensure training level improved from basic level training to medium training with incorporation of management skills to MSMEs operators. This would boost their management skills hence improving the survival of most MSMEs in Samburu county. County government should partner with non-governmental organization to facilitate managerial trainings for MSMEs development. The results would be used by the County Government to isolate effective strategies from ineffective strategies employed in supporting MSMEs and improving their effectiveness as well.

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## LIST OF ABBREVIATIONS

ADB	Asian Development Bank
BDS	Business Development Services
CDF	Constituency Development Fund
GDP	Gross Domestic Product
DANIDA	Danish International Development Agency
DFID	Department for International Development
FAO	Food Agricultural Organization
ILO	International Labour Organization
OECD	Organization for Economic Cooperation and Development
RBV	Resource-Based View
ROA	Return on Assets
ROE	Return on Equity
MMSMEs	Micro Small and Medium Enterprises

# **CHAPTER ONE**

## **INTRODUCTION**

### **1.1 Background to the Study**

Micro, Small and medium-sized enterprises [MSMEs] played a crucial role in national economies around the world, creating jobs and adding value and leading to innovation (OECD, 2017). MSMEs were crucial in attempting to promote more sustainable development and environmental sustainability. Growth performance management was an improvement of measurements that are used in determining business achievement (OECD, 2017). The economic growth trend and accelerated industrial development forced many countries to open their markets to the world. Together, governments around the world were dedicating and developing management strategies for MSME growth to help them meet new market challenges in a dynamic global business environment. This was motivated by the fact that in many countries such as the OECD countries, rose to the challenge of low growth. MSMEs in some countries definitely struggled the prolonged effects of 2007-08 global financial crisis, which overwhelmingly affected new and small companies, widening the productivity gap between MSMEs poor trade, investment, and growth (OECD, 2017).

Business management strategies were seen as enablers of business growth as they reorganizes business operations and enhance accessibility to business opportunities and markets; improved business-related efficiencies; and increased efficiency and performance. Among the most important factors affecting MSMEs and entrepreneurship were the regulatory conditions. MSMEs faced greater issues than large companies when

it came to reviewing the regulatory framework and addressing strategic management standards (OECD, 2019). MSME strategic growth needed a cross-cutting management strategy that reflected on many areas (such as policy capacity to strengthen sound economic and financial policies, stakeholder capacity to develop favorable microeconomic working environments among others through streamlined regulatory and legal paradigms), good governance; ample and affordable funding; appropriate infrastructure; supportive healthcare; adequately qualified workers, competent public and private institutions; and the capacity of MSMEs to adopt sustainable (OECD, 2019).

Given extensive business development literature, notably little was known about which SME assistance programs work and why (Acevedo & Tan, 2010). In Latin America, for instance, international financial organizations, multilateral development banks, regional donors and governments were making substantial funding available for MSME management support programmes. Nevertheless, most of this funding was based on specific areas: offering financial loans to MSMEs, and promoting general business management climate changes that primarily favored larger companies, including multinationals, rather than small and medium-sized enterprises. Many management aid programs were often overlooked (Acevedo & Tan, 2010). However, there was limited research on the influence of such management strategies on the growth of MSMEs.

MSMEs were known worldwide as the management foundation of developed economies, as they expressively contributed to global economic prosperity and sustainability through job creation, poverty reduction, food preservation and wealth formation. It was a consciousness of the important roles played by small and medium-sized companies, which led to increased emphasis and awareness on the management approach to

establishing and maintaining a viable SME market. Small and medium enterprises were crucial to encouraging sustainable economic development and poverty reduction. They formed a large number of companies and employed a large number of people in developing economies. There were expected to be around 400 million MSMEs in countries with low and median incomes accounting for around 60 percent of Gross domestic product (International Labour Organization, (ILO), 2015).

In the European Union, MSMEs made up close to 100 percent of all firms and their employment rates were rising (Eurostat, 2017). The UK Department for International Development [DFID] expressed that little and medium-sized organizations employed and managed a normal of 66 percent of lasting all day laborers in the creating scene (DFID, 2012). For example, in India, MSMEs represented around 40% of fares in 1998-2008; in China, 60% of exports; and in Vietnam, 20% of exports (International Trade Centre, 2014).

The contribution of MSMEs towards employment across Africa was substantial. In Zimbabwe, for instance, Small and medium enterprises accounted for the employment and management of at least 57% of the productive population (Zindiye et al., 2012). Small business sector growth was seen as key to achieving wider management and development goals. These priorities included alleviating poverty, extending job opportunities to rural areas, improving women's situation and increasing indigenous control of economic investment.

As indicated by the National Council for Law Reporting (2012) about MSMEs Act in Kenya, Micro-undertakings were depicted as those having lower than 10 staff with a

yearly deals of not exactly KES 500,000 and a riches making of not exactly KES 5 million for administrations or not exactly KES 10 million for endeavors occupied with assembling. These organizations were characterized as the one drawing in the middle of 10 and 50 representatives with a yearly turnover of between KES 500,000 and KES 5 million and capital formation of between KES 5 and KES 20 million for administrations or between KES 5 and KES 50 million for assembling organizations. Table 1.1 gave the characterization of MSEs.

**Table 1. 1**

*Classification of MSEs by the MSE Act, 2012*

<b>Entity (Service to trade, industry or business)</b>	<b>Employees numbers</b>	<b>Turnover Limit (Annual)</b>	<b>Plant and Equipment expenditure +Registered Capital</b>	<b>Investment in Equipment + Registered Capital</b>
<b>Micro-Enterprise</b>	Less than 10 people	Not exceeding KES 500,000	Not exceeding KES 10M	Not exceeding KES 5M
<b>Small Enterprise</b>	More than 10 but less than 50	Between KES 500,000 to 5M	More than 10m but less than 50M	More than 5m but less than 20M

Source: MMSMEs Act (2012)

Fatoki (2014) stressed that MSMEs were suffering from weak growth in management, including inadequate financial and management knowledge resources hence government support programs were critical to overcoming some of these restrictions. This was mainly challenging, given that MSMEs were often acknowledged as a primary tool for the creation of economic values, and their increasing social and environmental impacts were highly significant. Government venture development programmes were a major



mechanism required to aggressively stimulate the growth of MSMEs. However, the volatile economic and management environment has adversely affected MSMEs in Africa. Driving developmental programmes among MSMEs was considered as a major strategic task in the many developed nations and MSMEs were given a place of prominence particularly because they added to the nation's wealth by yielding more jobs, markets, industries, technology and net productivity improvements leading to a fair distribution of incomes and higher living standards for the population (Jahanshahi et al., 2011).

According to Mazzarol (2014), effective government strategies for fostering the growth of MSMEs could be modeled along with the entrepreneurial ecosystem. The main elements of this ecosystem were regulatory environment and management resources; financing and leveraging; education and training; mentors advisors and support systems; government policy and local and global markets. Government policy's job was to build management policies that worked but resist the urge of direct involvement to try and effect change. A comprehensive approach that covered all components of the environment could be established rather than trying to 'cherry pick' areas of special interest.

The Danish International Development Agency [DANIDA] (2009) report called attention to that, Public specialists could deliver backing to MSMEs in an assortment of ways, for example, by advancing: financial or administrative estimates, for example, credit, specialized help and duty motivations for business improvement administrations, for example, preparing, counseling administrations and IT changes. Augmentation administrations and promoting management support for provincial ventures were particularly valuable focused on specialized help, data and counseling administrations

and financing for explicit endeavors, flexibly anchor projects to which little and medium-sized undertakings were connected as providers or wholesalers, and even acquirement and nearby substance programs.

In Indonesia, strategic assistance for small firms was a significant policy aspect; stretching from providing unfettered entry to these businesses in some industries; to more conventional finance credit or subsidy schemes; and training and counseling. In provision for the MSMEs, it was a responsibility of the Government since 2008, and most agencies and several local government authorities contributed to helping small and medium-sized enterprises. A law required government-owned businesses, to devote up to 5 percent of its net income to help small and medium enterprises and cooperatives in their growth. This included giving delicate advances to non-bankable firms and sponsorships to finance specialized help programs in zones, for example, assembling and coordinations, promoting and proficient abilities development through coaching programs.

In Latin America, Acevedo and Tan (2010) examined 20 impact assessments of SME management support programs for the World Bank in developing nations based on three forms of assistance: resources for business development, research and development (R&D) services (promoting R&D investments, stimulating growth and introducing new technologies and production lines), and financing programmes (normally concessionary working capital loans, debt restructuring, and financial incentives for investment promotion). Acevedo and Tan generally found positive impacts on intermediate outcomes from program participation, yet mixed results for firm-effectiveness impacts. Substantial amount of research in developed countries had positive impacts on sales and exports measured output, although there was no proof that employment had improved.

Government strategies for supporting MSMEs were necessary for every country to succeed in entrepreneurship (Acevedo & Tan, 2010). These were the rules that allowed young companies to operate within structures that were not restricted to their growth. Governments that usually supported MSMEs to develop and implement structures tailored to growth which supported enterprise growth. Examples of such strategies included reduced burden on business formation. Entrepreneurship flourished when businessmen had the ability to start their companies without high operational requirements. Such steep criteria ranged from operating taxes to registration processes. Government made sure that multi-level market requirements for entry was achievable to help both explicit and implicit business.

Another approach was to encourage access to MSME and start-up capital. This was through offering loans or investments, governments could help by encouraging local banks in this field to partner with start-ups and small businesses. Government also had provision of state loans targeting small businesses, start-ups or women entrepreneurs. These were opportunities which fostered entrepreneurship in the environment. Governments could likewise change their monetary arrangements to cultivate development for independent companies. Lessening corporate duty or improving independent venture charge guidelines could positively affect the economy by expanding the odds of new businesses in new enterprise.

As indicated by an overview by Curtis (2016) Governments could uphold MSMEs by advocating different ways: strategy or administrative estimates, for example, credit, specialized help and government endowments; business advancement administrations, for example, preparing, warning administrations, data and innovation move. Expansion

administrations and advertising help was particularly valuable for country organizations; customized specialized help, data and counseling administrations, and subsidizing for explicit organizations; gracefully chain networks by which MSMEs were connected to huge organizations as providers or merchants; and acquisition and nearby substance programs. This was through which Governments and additionally enormous organizations gave homegrown MSME data sources or administrations.

The public government actualized a scope of activities and measures for enterprising development in Nigeria by creating organizations and offices that furnished business people with help administrations. Bubou et al. (2014) accentuated that any push to propel any market framework without exceptional spotlight on sufficient government financing for the development of MSMEs was probably not going to yield huge long haul results.

In spite of the MSMEs progressions, nonattendance of admittance to credit/subsidize was generally exhibited as a main point of interest for MSMEs. Credit objectives work in collection of courses in Kenya where lacking capital market fueled finance managers to rely upon self-financing or acquiring from friends or relatives which was not adequate to engage MSMEs endeavor their business practices in a perfect world. Nonappearance of admittance to long haul credit for MSMEs compelled them to rely upon critical cost passing record. There were distinctive cash related troubles that face MSMEs. They joined the noteworthy cost of credit, high bank charges and costs. The circumstance found in Kenya particularly during the cresting season 2008 insisted the prerequisite for credit among the typical and low acquiring business visionaries. Different money moneylenders for pyramid plans came up, promising desire among the 'little examiners,' which they made it to the financial open door through fragile getting. The strategy for

thinking behind setting off to these plans among a nice number of MSMEs was basically to search for decisions and sensitive credit with low advance expenses while making benefits. Money related prerequisite remained a huge test going up against MSMEs in Kenya (Wanjohi & Mugure, 2008). Finding fire up represent the business was the best obstruction that various MSMEs experience. Significantly in the wake of starting, getting sufficient reserve to help business advancement was another issue.

Various MSMEs owners or chiefs required regulatory management planning and experience. The ordinary owner or overseers of free organizations build up their own specific manner to manage the heads, through a methodology of experimentation. Accordingly, their organization style was presumably going to be more intuitive than orderly, more stressed over ordinary assignments than long stretch issues, and more insightful than key in its thought (Hill, 1987). Notwithstanding the way that this mindset was the key quality close to the start up period of the endeavor since it gave the imaginativeness required, it presented issues when complex decisions were made. A result of poor authoritative limit was that MSMEs owners were not all around orchestrated to defy changes in the business condition and to configuration fitting changes in advancement. A lot of the people who run MSMEs are standard bundle whose enlightening establishment is lacking. Along these lines they were not well be set up to do regulatory timetables for their endeavors (King & McGrath, 2002).

The board capacities related to the owner/chief and the undertaking. Bennet (1997) described the board as stressed over the sending of material, human and cash resources with the arrangement of good management structure. Haimann (1977) looked at the board as a technique of getting tasks accomplished with and through people by overseeing and

energizing their undertakings. Cant and Lightelm (2003) in a review of privately owned business disillusionment kept up that business visionaries normally have keen considerations and were capable anyway they didn't have the faintest thought on the most ideal approach to keep up a business and have no fundamental valuation for business basics. Capable experience was referred to as a huge factor affecting various pieces of inventive firms. Experience took various misrepresentations and broadness of experience was exhibited to be a critical factor driving the introduction of firms, with the amount of past occupations quite related to new firm execution (Marvel & Lumpkin, 2007). Thapa (2003) found a positive relationship among training and private endeavor accomplishment. The likelihood of dissatisfaction was in like manner seen as related with the owner/boss' work understanding going before business dispatch and preparing. Human capital is the most essential administrator of SME execution.

The enlistment of educationally qualified specialists was a fundamental start for possible human capital headway in all organizations. Human breaking point turned into an essential document of contention in the domain of business to the extent that the headway of such cutoff points through getting ready had become first worry in arranging the key plan of business affiliations (Tim & Brinkerhoff, 2008). Instruction and aptitudes were required to run MSMEs. Investigation demonstrated that bigger aspect of the bundle finishing scaled down MSMEs in Kenya were not actually solid and steady with respect to guidance and capacities. Studies suggested that those with more instruction and planning will undoubtedly be powerful in the SME region (King & McGrath, 2002). In light of everything, for private dares to do well in Kenya, people were generally instructed similar to aptitudes and the chiefs. MSMEs in ICT had all the reserves of being

doing incredible with the developing of various business colleges offering diverse PC applications. Further, contemplations demonstrated that most of those running MSMEs in this part had in any occasion accomplished school level guidance (Wanjohi & Mugure, 2008).

In Kenya, the Government consolidated its ideal SME technique with an unmistakable plan for ladies, utilizing a reserved objective of 30% of the spending plan to be allocated to miniature and independent companies worked by youngsters, ladies or individuals with inabilities. Anyway it stayed muddled how these endeavors meant MSMEs development particularly with devolution (International Trade Center, 2014).

### **1.1.2 Samburu County**

Samburu County was an area in the previous Rift Valley Province, Kenya. It secured a region of about 21,000 km<sup>2</sup> (8,000 m<sup>2</sup>) in northern Kenya where the Samburu, Turkana and numerous different clans lived. It extends north from the Wuaso Ng'iro River toward the south of Lake Turkana. As indicated by the 2019 registration, the region had a populace of 310,327. Inside Samburu County were the towns of Maralal (capital and biggest town), Baragoi, Archers Post, South Horr, Wamba, Lodosoit, and Kisima. It likewise incorporated the Samburu National Reserve, Bisanadi National Reserve, and Buffalo Springs National Reserve, Mount Ng'iro, Ngoro Mountains, Mathews Range (Ol Doinyo Lenkiyo), Kirisia Hills, and Loroki Forest. All these had given massive ascent in different MSMEs exercises inside the area.

According to the Samburu County Second County Integrated Development Plan 2018-2022, there were micro, small scale traders, medium scale trades and large scale traders

(retail shops, wholesale, supermarkets, kiosks/canteens, mobile transporters, hawkers just to mention but a few, operating in the county where the revenues were collected. There were a total of 2,546 of MSMEs in the county. For the last five years the county government had supported these MSMEs by establishing Samburu county youth and women enterprise development fund and disburse a total Kshs 67 million to 404 youth and women groups. These groups were also offered business skills through capacity building and training. Other partners which assistd MSMEs in the county are BOMA-kenya, Kenya Women Enterpise Fund, Affirmative Action and Uwezo Fund from CDF office. The County government also linked the MSMEs with other partners such as export promotion council and FAO.

**Table 1. 2**

*Amounts Disbursed to MSMEs in Samburu County*

S/No	Namee of Sub-County	Amount Disbursed		
		2014/2015	2016/2017	2016/2017
1.	Samburu Central	20,050,000	6,600,000	4,150,000
2.	Samburu East	11,500,000	2,000,000	4,000,000
3.	Samburu North	12,750,000	1,800,000	4,200,000
<b>Totals</b>		43,300,000	10,400,000	12,350,000

Source: Samburu County Integrated Development Plan (2018)



## **1.2 Statement of the Problem**

Globally, the growth of small and medium-sized enterprises is vital to any given nation's economy. Governments support MSME management initiatives in practically every country in Asia, Latin America, and many of the countries of Africa. Government support management programmes create effective systemic constraints that make MSMEs more capable to contribute to growth by manufacturing goods and services, and generating jobs. In Kenya a study by Ongolo (2013) observed different organizational and regulatory complexities which MSMEs face. In the dispensation of the county era, the weights of these challenges vary from county to county. These included: weak management of the SME operations; ineffective private and public county-level dialogue (UNDP, 2015); law enforcement and awareness disparity on regional and county policies system (Mazzarol, 2014). There were also reports that the majority of MSMEs were scattered, without any structured institutional management structure to address their issues. Moreover over 80% of Kenya's MSMEs were agribusiness-based with minimal capacity of technological innovation (Ongolo & Awino, 2013). One of the main aims of government support programs is stimulating growth and improving MSMEs' performance. Work on government assistance from outside and inside Kenya did, however, suggest a positive result (Ongolo & Awino, 2013).

While many programs have been successful, others have suffered from a vast array of priorities and poor coordination, also leading to duplication with no single government department coordinating MSME promotion policies. Some governments did not have the capacity or skills to facilitate effective policies for MSMEs. But the increasing rate of MSMEs failure had indicated a counter-effect. Was the new devolved governance

structure mitigating these difficulties to boost SME growth? There was limited research on whether county government strategies employed in supporting MSMES' growth are effective, and thus the motive of the study to explore the influence of county government implementation of selected strategies on growth of small and medium enterprises in Samburu county.

### **1.3 General Objective**

The main objective of the study was to examine the influence of county government implementation of selected strategies on growth of micro, small and medium enterprises in Samburu county.

### **1.4 Specific Objectives**

- i. To establish the influence of the strategic legislative measures by the county government in supporting MSMES' growth in Samburu County.
- ii. To determine the influence of strategic business development services offered by the county government in supporting MSMES' growth in Samburu County.
- iii. To establish the influence of strategic targeted technical assistance offered by the county government in supporting MSMES' growth in Samburu County.
- iv. To establish the influence of strategic procurement practices by the county government in supporting MSMES' growth in Samburu County.

### **1.5 Research Hypothesis**

H<sub>01</sub>: There was no relationship between the strategic legislative measures by the county government and MSMES' growth in Samburu County.

H<sub>02</sub>: There was no relationship between strategic business development services offered by the county government and MSMES' growth in Samburu County.

H<sub>03</sub>: There was no relationship between strategic targeted technical assistance by the county government and MSMES' growth in Samburu County.

H<sub>04</sub>: There was no relationship between strategic procurement practices by the county government and MSMES' growth in Samburu County.

### **1.6 Significance of the Study**

Kenya's Constitution emphasized incisively devolution as primary instrument for promoting sustainable local-led development across counties. The study results were hoped to give evidence and guidance to create policy decisions to enhance regulatory and institutional management of MSMEs at county level. It was anticipated that the improved structure led to a conducive business environment for MSMEs, thereby supporting local-level enterprise development.. This also related to improving living conditions, contributing to poverty alleviation and thus added value to socio-economic growth by oscillations. The performance of the study was therefore supposed to lead to the creation of the county system, following the devolution process that was yet to be picked up.

### **1.7 Scope of the Study**

The research was performed in Small and Medium-sized companies in Samburu County. The focus was amongst the business owners and county government officers involved with the MSMEs support programmes. The confine of the study was to establish the effectiveness of legislative measures, business development services, targeted

technical assistance, procurement and local content programmes by the county government in supporting MSMES' growth in Samburu County. The proposed study was expected to be finalized within a period of six months.

### **1.8 Limitations of the Study**

The participants showed some reluctance in providing information sought due to its sensitivity, especially on matters of organizational challenges and support received from the county government. To address this constraint, the participants assured that the information provided was confidential and was made aware of the intent of the research, which was purely for educational purposes in this case.

The study was pretty much focused on the questionnaires and was thus likely to feel the stress associated with their use. Such drawbacks such as not being able to detect deceptive responses by the researcher. In countering this, the researcher also used other approaches in data collection such as interview schedules.

The research conducted in Samburu County, whose operational conditions and characteristics affecting the research outcome was not a reflection of the entire country. The findings were generalized to the county only. This meant that the generalization of the findings to the rest of the country though possible, it needed to be done cautiously.

### **1.9 Delimitations of the Study**

The research identified four government selected strategies for SME growth and these were legislative measures, business development service , targeted technical assistance and procurement practices. The researcher selected them due to related weaknesses

reported in past studies. In addition, there was limited research into their impact on performance of the Government in Samburu county's MSMEs.

The study focused on small and medium enterprises in Samburu County, and not any other type of enterprise. This was because of the standardization of the unique challenges faced by the MSMEs.

The study collected data directly from the SME owners and thus was expected to collect useful data required to make reliable conclusions and recommendations that could be used to improve the influence government selected strategies on sme growth performance.

#### **1.10 Assumptions of the Study**

This study assumed that the county government of Samburu had put in place management strategies for SME growth and that these strategies were felt by SME owners. The second assumption was that SME owners were better placed to comment on the influence of government strategies on their business growth. The study lastly assumed that the county government of Samburu had put in place strategic legislative measures, provided business development service, targeted technical assistance and adopted procurement practices in supporting MSMES' growth in Samburu County.

## **1.11 Definition of Terms**

### **Business development services**

These were non-monetary administrations and items offered to business owners at different phases of their business needs ((International Labor Organization, 2015).

### **Legislature**

This was a deliberative gathering with the position to make laws for a political element, for example, a nation or city (Kadete, 2014).

### **Procurement**

These was the path toward finding and consenting to terms, and making sure about items, organizations, or works from an external source, normally by methods for a contribution or genuine contribution measure (Arrowsmith, 2010)

### **Micro, Small and medium Enterprises**

Micro-undertakings were depicted as those having lower than 10 staff with a yearly deals of not exactly KES 500,000 and a riches making of not exactly KES 5 million for administrations or not exactly KES 10 million for endeavors occupied with assembling. These organizations were characterized as the one drawing in the middle of 10 and 50 representatives with a yearly turnover of between KES 500,000 and KES 5 million and capital formation of between KES 5 and KES 20 million for administrations or between KES 5 and KES 50 million for assembling organizations. (MMSMEs Act, 2012).

### **Technical assistance**

This was a non-cash related assistance given by public or worldwide specialists. It can show up as sharing information and capacity, direction, aptitudes planning, transmission

of working data, and guiding organizations and may similarly incorporate the trading of specific data (OECD, 2017).

## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.1 Introduction**

This chapter presented a review of past literature with respect to the influence of government selected strategies on sme growth performance in Samburu County. The chapter contained the theoretical review, the conceptual framework and the empirical review. The empirical review covered the concept of small and medium enterprises, legislative measures by the government and MSMES' growth, Business development services and MSME Growth, Procurement practices and MSME Growth, and Technical Assistance and MSME Growth.

#### **2.2 Theoretical Review**

This study was supported by the Social Systems Theory by Ludwig von Bertalanffy 1968 The Resource-Based View and the Penrose's The Theory of the Growth of the Firm.

##### **2.2.1 Social Systems Theory**

This study was inspired by Ludwig von Bertalanffy's (1968) group theory of social systems, which postulated groups as networks. Groups were defined as individuals that were separated equally from their environment and had certain boundaries where environmental interactions took place. Environmental transactions to Community structures were inputs while frontier management was needed to distinguish suitable



inputs from other probable inputs by coding. Many societies were open systems that took into account the need for internal collective action and other forms of living.

This theory was the basis for this research because small and medium-sized businesses were part of street vendors operating in this context (Morgan et al., 2004). The opportunities presented both inside and outside the framework of the markets that drove our achievement of the SME targets. These opportunities included accessibility of loans and other financial services, business efficiency, training and education, technical innovation and infrastructure, among other factors (Collis & Montgomery, 2007). Kenya's small and medium sized enterprises market could be called an open framework. The system included small and medium sized companies, manufacturers and customers.. Nevertheless, the program was regulated by a variety of regulations which also included licensing. Notwithstanding carefully crafted licensing policies, the efficiency of MSMEs was adversely affected.

### **2.2.2 Resource Based Theory**

Business organizations encountered shortages of resource supply, while at the same time had to efficiently optimize resources. They needed to acquire comparable external resources and look for other capabilities to counter the shortage of resources (Bontis et al., 2000). Furthermore, enterprises were able to look for specialists to provide goods and services of a better quality. At the same time, the business produced quality goods without the need to hire a large number of people. For MSMEs, access to resources and ideas was usually limited, so outsourcing permits companies to collect new ideas and inventions. It also resulted in potential cash inflows due to a transfer of assets to new

providers. Taking into perspective that it was discussed above, resource-based theory assumed that resources were purchased from suppliers to augment in-house competences rather than completely procured resources (Lumpkin & Dess, 2001).

The Resource Based View of Organisations suggested that the company's resource profile determined efficiency, while the basis of higher output was embedded in the possession and distribution of conspicuous materials that are difficult to replicate (Mazzarol & Choo, 2003). RBV recommended that enterprises achieved a sustainable competitive advantage if they had certain vital resources and if they made good use of those resources in their chosen markets. Debra and O'cass (2004) argued that a company's unique features were capable of producing hard to replicate core resources, which determined the difference in results between competitors.

The resource-based view therefore specified the underlying roots and triggers of the company's competitive advantage. Higher performance was primarily associated with the qualities of its resources and capacities that were unique, significant, difficult to imitate and not replaceable. The Resource Based View (RBV) of the firm suggested that firm success rested on company specific resources and capabilities.

### **2.2.3 Penrose's The Theory of the Growth of the Firm**

The Theory of the Growth of the Firm was postulated by Edith E.T. Penrose in 1959. Penrose (1959) focused on that "organizations were associations shaped by people to fill individuals' needs. Supervisors were propelled by the fight for firm endurance and the requirement for new mixes of assets to accomplish and grasp innovative thoughts and reactions." The hypothesis majorly affected examination in the region of vital

administration, especially with regards to the organization's asset based perspective on the 1980s and 1990s (Collis & Montgomery, 1997).

Business visionaries and supervisors were roused to think of to some degree new and energizing, and work determinedly to grow the association into the following topographical territory or item area. Penrose (1959) portrayed the estimation of business and human will by zeroing in on the dynamic cycles of business development — with supervisors' key entertainers adapting to the particular assets of the organization and the "undertakings" occurring on the phase of business improvement. Outer assistance, for example, government assisted business people (MSMEs) in accomplishing the development target.

The heads of an association gave both endeavor and regulatory services. Versatility of business administrations were significant for chiefs in characterizing their innovative imagination and vision for the business. For directors with firm-explicit experience it was important to recognize the emotional development opportunity and execute business development ventures. MSME development was consequently, significant in procedures, for example, authoritative measures, business advancement programs, directed specialized help and preparing for supervisors.

## **2.3 Empirical Review**

### **2.3.1 The Concept of Small and Medium Enterprises**

Definitions applied to MSMEs contrast from nation to association. Most developed definitions depended on quantitative factors, for example, number of workers, resources and income, which were regularly separated by industry. In the perspective on the

business culture of Kushnir Mirmulstein and Ramalho, the size of the number of inhabitants in a given nation, exchange, the size of worldwide financial joining and furthermore political factors regularly assumed a function in discovering agreement on a definition for governments. Bartlett reasoned that the new portrayals ought to be industry-explicit and Gibson and Van der Vaart demonstrated that 'basic meanings of MSMEs for a few nations at various phases of development' add to asset distribution contrasts for private segment development.

While Gibson and Van der Vaart (2012) detailed that an updated computation of turnover sum according to net public pay per capita would be more suitable for equality buys. The survey of the current writing on MSMEs additionally demonstrated that the meaning of MSMEs tends to differ across nations, contingent upon variables, for example, the degree of business and monetary development in the district, the size of MSMEs and, all in all and particularly, the difficulties looked by MSMEs.. This implied anyway that there was no generally acknowledged meaning of MSMEs. By the by, contemplations, for example, resource base (barring land), staff numbers and yearly turnover were utilized in Nigeria to order these MSMEs.

Zindiye et al. (2012) analyzed the impact of government financing and that from other little and medium-sized undertaking (SME) organizations dynamic in the assembling area in Harare, Zimbabwe. The exploration populace was 609 MSMEs and incorporated a gathering of 241 SME proprietors or directors. The information were examined utilizing the chi-square technique to check for relationship between these factors. The discoveries demonstrated that, given the predominant financial conditions, government and different establishments had a positive task to carry out in SME achievement.

### **2.3.2 Strategic Legislative Measures by the Government and SME Growth**

A study by Daddi et al. (2016) established that legislative measures by the government had an effect on operations of MSMEs. The study observed that Coercive legislation left little room for enterprise managers to make flexible and voluntary decisions and often forced managers to take environmental steps without understanding efficiency.

In a study in a large-scale survey of 4,858 UK MSMEs, Lee (2014) observed that potentially high-growth enterprises felt hindered by the environment, its management skills, finance and cash flow, but were less likely to perceive regulation as a challenge than other firms. Regulation was seen as a powerful obstacle by most potentially high growth firms. Lee observed that his findings contradicted popular claims that control was a barrier to SME development, reinforced its capacity for activity shaping and had a positive impact.

Van Witteloostuijn, A., and de Jong, G. (2007) analysis of regulation as a source of bureaucracy in the Netherlands provided an additional perspective by establishing three different areas of understanding: perceived cost of regulation; perceived inconsistency in regulation; and perceived improvement in regulation.. The researchers found that both perceived high cost of regulation and uncertainty had a detrimental and significant effect on the growth of inventory turnover but had no significant effect on performance in market competition.. The perceived change in regulation was found to significantly hinder both growth in product turnover and success in market competition

According to Mallett and Wapshott (2017), much research was yet to be done to establish the connections between regulations and the effects of firm-level growth. Initial studies at

enterprise level did not find any major differences in SME development between low and tightly regulated economies.. Property rights and corruption studies also pointed to the need for legislation to give a sense of stability and security. Lack of stability and protection hampered growth expectations of entrepreneurs.

Allinson et al. (2013) conducted 25 minute telephone surveys of 1,000 micro-enterprises (0-9 employees) in a research report for the department for business innovation and skills to identify specific barriers to growth. They observed that nearly half (47 per cent) of the regulations reported being an obstacle to development, stressing that this was not an all-encompassing issue. They also stressed the importance of recognizing a range of different challenges together and not concentrating isolatedly on regulation.

Peres and Stumpo (2010) expressed that Brazil had found a way to advance the formalization of MSMEs and to help formal positions around here section. In any case, the analysts had not examined how the authoritative activities were utilized by the administration and the advancement of MSMEs in the nation.

The Carter et al. (2009) research gave thorough, helpful information on desires for proprietor supervisors about the overall impacts of guideline on their organization. They didn't expressly take part in firm-level turn of events. Nonetheless, it is perilous to draw deductions from their more broad discoveries. While the impacts they depicted showed potential for development impacts, these were just inferred conceivable outcomes, not sponsored by observational proof from examines planned explicitly to investigate such impacts.

Mbugua and Moronge (2016) examined the impact on little and medium-sized undertakings working in Kiambu County, Kenya, of district government arrangements. The examination utilized an engaging exploration plan. The investigation's objective populace was 1,743 MSMEs and 174 members were recognized utilizing delineated irregular examining. The discoveries indicated that high expense rates, monetary support, charge requirement and regulatory duty installment instruments influence the productivity of MSMEs. The examination likewise found that charge, permitting, and rules for enlistment of business influence the achievement of MSMEs in Kiambu County.

### **2.3.3 Strategic Business Development Services and SME Growth**

According to Inclusive Business Action Network (2018), aside from paying particular attention to MSMEs in developing countries, MSMEs still faced some serious challenges that hampered their development and prevented them from competing favorably with large-scale firms. Therefore it is wise to identify and fulfill these needs in order to promote their growth and thereafter supported economic growth. Business development involved a range of activities and processes that typically aimed to create and introduce prospects for growth within and amongst organisations. Business strategy was about building long-term value from customers, markets, and partnerships for an organization..

Kimando et al. (2012) studied the effect on small and micro-enterprises of the company development services in rural Kenya. The study found that MSEs were positively affected by the training provided by the BDS and that businesses attend training to help their business to compete properly. The training services provided addressed important areas such as Accounting, Marketing, and Customer Care, which are critical for business

success. However, the study did not analyze the efficacy of the business development services provided by the Government to promote SME growth.

Karadal and Saygin (2011) found in their exploration that the reception and joining of data and correspondence innovation had major positive ramifications on the creation of new items, and that help in this sort was hence basic to execution and development for MSMEs. Their emphasis was on Euroasian economies. Development permitted undertakings to utilize data while interchanges innovation makes groundbreaking thoughts. The joining of those thoughts in the assembling cycle brought about the production of merchandise that associations' purchasers and clients mentioned.

Business development services also took the form of financial services. Financial services applied, according to Yusoff et al. (2010), to property loans, working capital, and grants. The study found that firms that enhanced access to financial services is more beneficial. Access to financial resources was essential for small and medium-sized enterprises to develop and grow, and for the quality of financial services was found to be positively related to efficiency and growth.

#### **2.3.4 Strategic Technical Assistance and SME Growth**

Valerio (2015) studied how governments and development partners support MSMEs. MSMEs in four low-income countries, 10 low-income countries (Cambodia, Bangladesh, Tajikistan and Myanmar) (Indonesia, India, Kyrgyzstan, Mongolia, Papua New Guinea, Laos, Solomon Islands, Sri Lanka, the Philippines and Vietnam), five upper-middle-income countries (China, Malaysia, Fiji, Kazakhstan and Thailand) and one high-income country (South Korea) were evaluated in the report. Valerio argued that sufficient access



to capital, improved productivity and increased internationalization of small and medium-sized enterprises were all crucial to their survival and development..”

Organization for Economic Cooperation and Development (OECD) report (2015) regardless of their limited scale. MSMEs were often not so well known, particularly among potential government purchasers. Consequently, governments helped small and medium-sized businesses address visibility limitations by helping them access their goods and services through different mechanisms. One service was a routine SME meeting and contact event with government agencies, such as an exhibition or trade fair. Governments also encouraged small and medium-sized businesses use printed materials, including catalogues, detail their product information and monitored records in order to enable the awareness of different companies through government entities.

In Italy OECD (2015) review built up that, Supplier Support Desks (STDs) offered backing and help on utilizing electronic acquisition techniques by organizations, and specifically MMSMEs. In excess of 200 guidance work areas were currently dynamic all through the nation, giving proceeded with free preparing and help. In 2013, around 1,000 STD-upheld organizations were admitted to the public e-commercial center for low-esteem exchanges through e-indexes.

In the investigation by Arrowsmith (2010) it was noticed that Governments offered explicit specialized help and preparing administrations for MSMEs or potentially ladies claimed organizations keen on participating during the time spent obtainment. Arrowsmith included that such assets included regulatory readiness, monetary administration, information on the system of public obtainment, and motivators for

contract access. This help was given autonomously of or related to the genuine offering measure. Specialized help didn't generally affect the bidder's cost intensity it just improves the readiness of the bidder to take part during the time spent acquirement.

Ombi et al. (2018) investigated the impact of Business Development Services (BDS) on assembling execution for Small Medium Enterprises (MSMEs) in Sabah, Malaysia. A self-guided survey was utilized to acquire information from 161 MSMEs inside the assembling part of Sabah. The outcomes demonstrated that solitary monetary help influences the exhibition of MSMEs, Whereas non-money related help was found to have no impact on SME productivity.

In Sido, Tanzania, Kadete (2014) contemplated the function of government in supporting MSMEs. Information assortment was gotten through survey, interviews and genuine perception. These were upheld with auxiliary information. The investigation built up that there was no adjustment in capital additions, advertising, and effort. Absence of preparing, absence of training and enterprising abilities were the primary variables influencing SME improvement. Thus the examination suggested that MSMEs be prepared.

In Kenya, a study by the International Trade Center (2014) found that, there was a serious challenge of finance facing the women and youth owned MSMEs. The report pointed out that the Uwezo Fund offers grants and interest-free loans for young and female entrepreneurs, Coupled with mentoring programs to promote capacity building between these market segments of demography.

### **2.3.5 Strategic Procurement Practices and SME Growth**

According to the Donor Committee for Enterprise Development (DCED) (2017), Because of their presence in almost all economies and the advantages of working with them, MSMEs can get preferential support through public procurement.. MSMEs were usually the vast majority of companies in the EU, for example, accounting for 99 percent of firms, yet still got a fairly limited share of public procurement expenditure. Increased competition, increased demand, increased creativity, increased job growth, enhanced social and economic equity, deconcentration of industry among others.

Arrowsmith (2010) opined that among other things, procurement reform included revamping, removing unduly stringent requirements, electronic trade, breakouts vs. bundling lots. Though these reforms favored all private sector firms, they often had a greater effect on MSMEs. Since small and medium-sized businesses had less resources, anything else that streamlined the process and reduced involvement costs led to greater relative results for them. That same reasoning applied to the the number of public procurement companies owned by women. Traditional methods of procurement benefited existing, male dominated enterprises. The main benefit of the reforms related to procurement as a means of helping small and medium-sized businesses was that it was probably the most effective type of policy compared to the more focused policies.

In a survey by the Asian Development Bank (ADB) (2012) It was identified that regulatory costs per employee in the United States tended to be at least 36% more in small businesses than in medium-sized and big businesses. Besides rising trading costs by technical advances, there were a range of additional policy elements which were

streamlined regardless of the electronic nature of the mechanism. First and foremost, it was to simplify the process of application and reduce the managerial expenses that the organization faced in order to engage.

In a study in developing countries, Obanda (2012) found that there were several possible upfront obstacles in relation to costs. That restricted small and medium-sized enterprises' capacity to participate in the process of procurement which was considered. Simplifying as much process and time as possible provided significant assistance to MSMEs with sometimes minimal managerial resources. Some capabilities included: criteria for registration, though significant, adding costs to the potential of small and medium-sized businesses to participate in procurement. One way to help the SME mitigate these costs was the provision of reduced or even waived fees. Another factor was that burdensome bid details and specifications for documentation generated costly management activities for small and medium sized businesses. This was resolved by raising the need to sign smaller contracts. Another alternative was by allowing selection criteria for the initial bidding rounds to be self-certified and needing specific certification information only at the final stage. Long bid collection, evaluation and award protocols restrict MSMEs' capacity and readiness to engage.

According to a survey by the World Bank Group (2016), the timing of payment was crucial for small and medium-sized businesses because problems with prompt payments or long delays in service delivery payments drove companies into bankruptcy and even discourage other small and medium-sized enterprises from interacting with governments. Ensuring that consultants were compensated as required and helping to address liquidity issues for MSMEs on time. In addition, in sub contract circumstances, whereby MSMEs

and females-owned businesses typically entered the purchasing market, they were the first category adversely affected by a lag in payments to the leading contractors. The report showed that in Algeria, the Dominican Republic, India, Cote d'Ivoire and Morocco had each put aside about 20% of the all out estimation of government agreements to be used for supporting with little and medium-sized ventures. The extent brought to 25% up in Kenya and Angola, and 40% in Taiwan, China.

### **2.3.6 MSMEs' Growth**

Development was viewed as the organization's second-most significant objective. It was firm endurance that was the most critical. Development prejudice was viewed as the chief reason for unsteadiness and decrease in many MSEs (Wanjohi & Mugure, 2008; Umar, 2008). Past examination demonstrated that firm improvement was a factor of a few perspectives yet with huge instability in an assortment of factors associated with development of firms and existing exploration (Delmar et al., 2003). Regularly used pointers of firm development: (deals development, business development, salary, resource return [ ROA ], value return [ ROE ], ) and saw development of business people. As far as item esteem improvement contrasted with their opposition (Bunyasi et al., 2014). Kessy and Temu (2010) exhorted that there was no broad proportion of firm development and analysts utilized distinctive development measurements to look at the field.

### **2.4 Summary of Literature Review and Gaps**

The review of literature reveals demonstrated the need for the current study. This was because of several reasons. Some of the studies had been carried out in developed

countries with different MSMEs characteristics and definitions. Some of the studies though in Africa were caged with geographical contextual variations. Most of the studies focused on MSMEs performance and not MSMEs growth. In the UK, Lee (2014) found that most of potential high growth firms saw regulation as a significant barrier. However like Daddi's study Lee's study as well as De Jong and van Witteloostuijn's (2014) was carried in different geographical context from Samburu County.

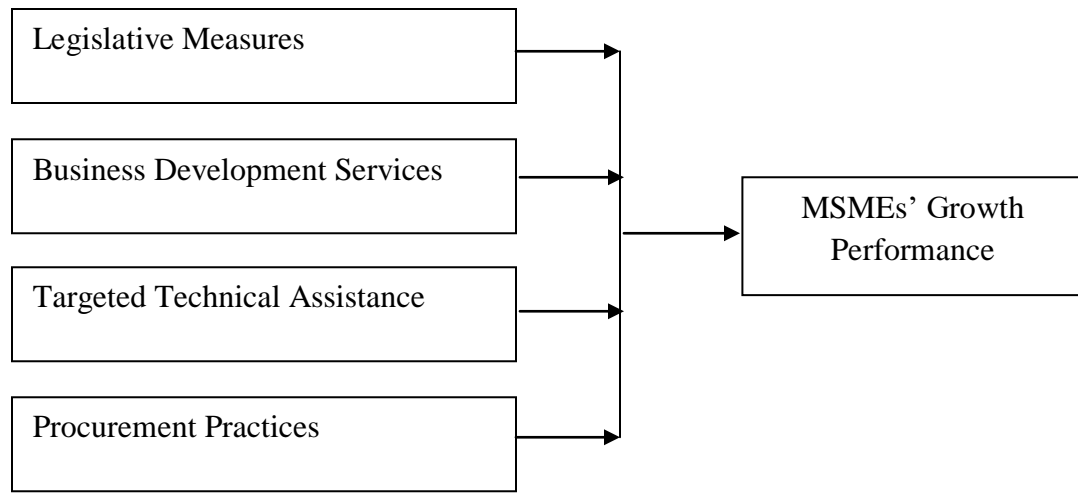
In a study by Karadal and Saygin (2011) the essence of information and communication technology as aspect of government market growth oriented programs was related to the MSMEs' innovative abilities and not on their growth performance. Moreover, the focus of their study was on Euroasian economies. A study by Kimando et al. (2012) in Kenya though closer geographically to Samburu County did not examine the effectiveness of development services for small businesses provided by the government in supporting MSMEs' growth but instead focused on business development services' impact on the overall financial results of the businesses.

## **2.5 Conceptual Framework**

This section set out the study's conceptual framework. According to Ngechu (2004), A conceptual framework was a topographical description of the research problem and, subsequently, a description of the interaction amongst several factors defined as important to the research questions.

**Figure 2.1**

*Conceptual Framework*



**Independent Variables**

**Dependent Variable**

This study conceptualized that government selected strategies such as legislative measures, business development services, targeted technical assistance and procurement practices (independent variables) had an influence on the MSMEs' growth performance. Under SME growth which was the dependent variable there were variables such as employment growth, sales growth, profits growth and physical growth. The first independent variable which was legislative measures had elements such as tax rates, licensing requirements, fiscal incentives, labor laws, environmental laws and health safety regulations.

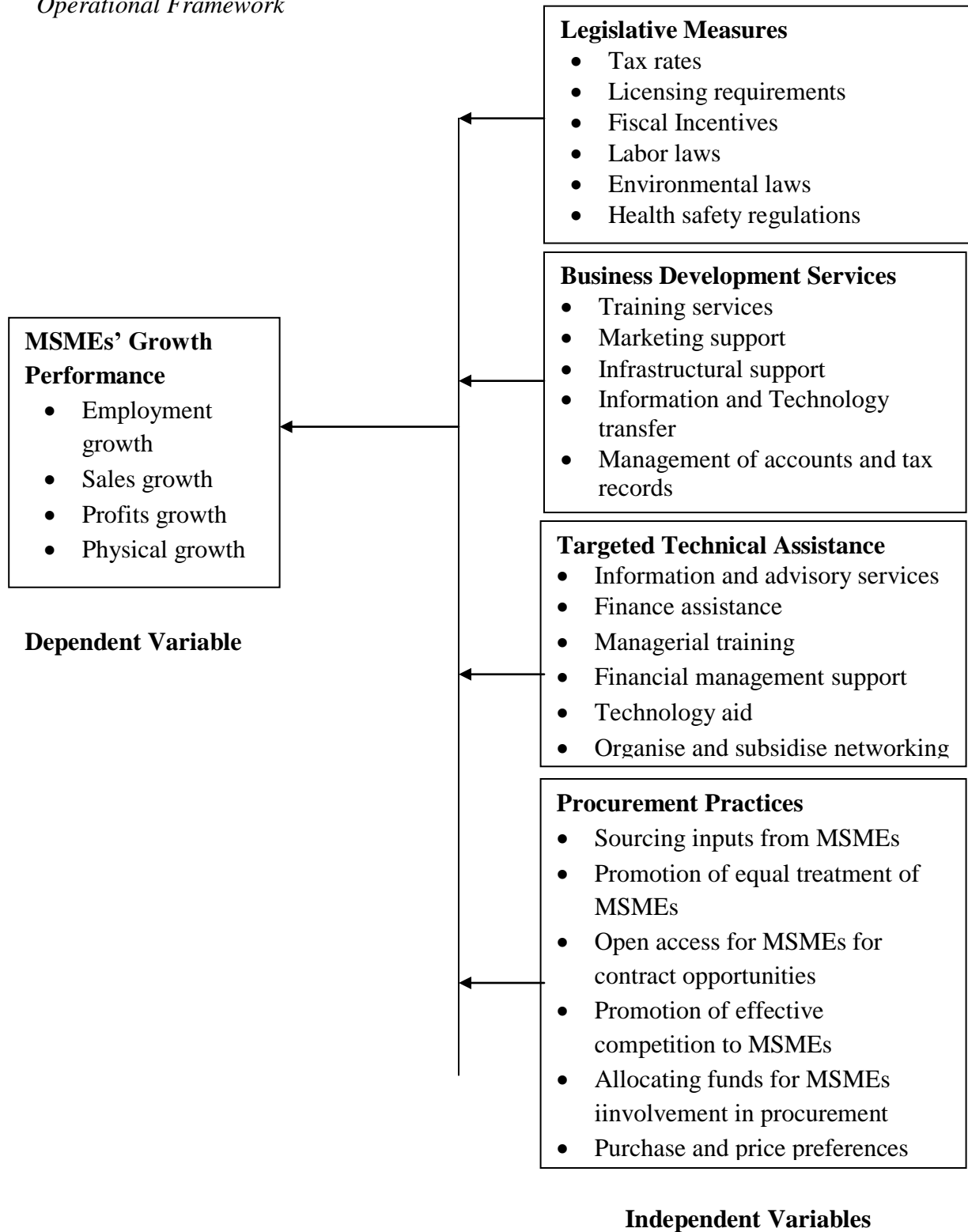
The second independent variable which was the business development services had variables such as training services, marketing support, infrastructural support, information and technology transfer, management of accounts and tax records. Targeted

technical assistance was the third independent variable. It had factors such as information and advisory services, finance assistance, managerial training, financial management support, technology aid, organise and subsidise networking. The last independent variable was the procurement practice which had variables such as sourcing inputs from MSMEs, promotion of equal treatment of MSMEs, open access for MSMEs for contract opportunities, promotion of effective competition to MSMEs, allocating funds for MSMEs involvement in procurement, purchase and price preferences



**Figure 2.2**

*Operational Framework*



## **CHAPTER THREE**

### **RESEARCH METHODOLOGY**

#### **3.1 Introduction**

This section presented the research methodology and summarized it guiding this study on the effectiveness of county government strategies employed in supporting MSMEs' growth in Samburu County. The chapter detailed the research designs, the study's location, the research population, size of sample and the sampling procedures. This also discussed the analysis methods, piloting and procedures of data collection and how data was interpreted.

#### **3.2 Research Design**

Anchored on the idea of the examination (enlightening), and the sort of information required (subjective and quantitative), the investigation followed the descriptive research design. The architecture fitted this form of research (Mugenda, 2008). Mugenda (2008) described descriptive research design method as a data collection method for answering questions about actual status of sampled subjects. This study tried to explain such issues as behaviour, beliefs and attributes as possible. The design was reasonable as it allowed both descriptive statistics and the Pearson correlation to be used to evaluate the effectiveness of county government strategies used to support the growth of MSMEs in Samburu County.

### **3.3 Location of Study**

The study was conducted in Samburu County. The county (0030' – 2 045'N and 36015' – 38010'E) was within the northern parts of Great Rift Valley in Kenya (See Appendix III). The County lied within ASAL region covering an area of 21,022 square kilometers, and was bordered by the following Counties Baringo to the Southwest, Laikipia to the South, Turkana to the Northwest, Marsabit (Northeast), Isiolo (East) and. The County was a member of North Rift Economic Block (NOREB). Eighty percent were pastoralists' economic livelihoods.

### **3.4 Target Population**

Mugenda and Mugenda (2008) defined a target population as a comprehensive case or entity with unique, individually noticeable traits. There were 2,546 number of registered MSMEs in the county. The target population was be made up of 2,546 MSMEs. Samburu County was subdivided administratively into three sub-counties, namely Samburu, East (4 Wards), Samburu West (5 Wards) and Samburu North (6 Wards) with 15 Government officers in charge of MSMEs in the 15 wards. Tabulated below was the list of MSMEs County wide.

**Table 3. 1: Target Population**

*Target Population*

<b>S/No</b>	<b>Name of the SME</b>	<b>Number</b>
<b>1.</b>	Retail shops	2,000
<b>2.</b>	Agri-business	250
<b>3.</b>	Wholesalers	5
<b>4.</b>	Agro-vets	10
<b>5.</b>	Medical clinics	18
<b>6.</b>	Private academies	41
<b>7.</b>	Restaurants	12
<b>8.</b>	Butcheries	124
<b>9.</b>	Guest houses with restaurants	8
<b>10.</b>	Supermarkets	2
<b>11.</b>	Hawkers	76
<b>Total number of MSMEs</b>		<b>2,546</b>

Source: Samburu County Integrated Development Plan (2018)

### **3.5 Sampling Technique and Sample Size**

The research used a sample of 10 per cent of the population, as informed by a recommendation (Alreck & Settle, 2003). Alreck and Settle (2003) explained typically about 10 percent of the population had a decent average sample size, as long as this did not exceed 1000 (Subject to a maximum of 10000 population. For example, in a population of 5000, 10% would be 500. Given that the population for these SME owners was 2546, it meant 10% of 2546, that is 255 SME owners.

Therefore, the sample size comprised of 255 MSMEs and all the 15 Government officers in charge of MSMEs in Samburu County. After distribution it was noted that to ensure that each category was represented, A group of 256 SME owners were included in the analysis. The sample was distributed as follows:

**Table 3. 2**

*Sample Size*

<b>S/No</b>	<b>Category of the SME</b>	<b>Population</b>	<b>Sample round off</b>
<b>1</b>	Retail shops	2,000	200
<b>2</b>	Agri-business	250	25
<b>3</b>	Wholesalers	5	1
<b>4</b>	Agro-vets	10	1
<b>5</b>	Medical clinics	18	1
<b>6</b>	Private academies	41	4
<b>7</b>	Restaurants	12	1
<b>8</b>	Butcheries	124	12
<b>9</b>	Guest houses with restaurants	8	1
<b>10</b>	Supermarkets	2	1
<b>11</b>	Hawkers	76	8
<b>Totals</b>		<b>2,546</b>	<b>255</b>

**3.6 Data Collection Instrumentations**

Data was obtained using questionnaires and schedules for the interviews. Questionnaires were chosen for their suitability and easiness in administering. The benefits of utilizing the questionnaires were discussed (Kombo & Thromp, 2006). The questionnaire comprised of open ended questions as well as closed ended questions. Data was collected

cover a broad sample within a short time frame and to maintain the privacy of the respondents' information. The questionnaire was broken down into five sections. The first segment of the questionnaire collected data on the general attributes of the respondents, while the other sections collected data on the specific goals which were organized chronologically in the order of the goals.

### **3.7 Data Collection Procedures**

The researcher utilized a University authority letter in acquiring a National Council of Science Technology and Innovation (NACOSTI) research grant. The scientist actually controlled the polls. When the post-safeguard revisions were finished, the analyst got a letter of power from the manager in catching essential information. Self-directed surveys were hence fill in as ideal instruments in the assortment of information. A letter of presentation explained the reason for the investigation to the respondents and guaranteed that the data given was secret.

The polls were filled in under the scientist's direction. The scientist should make a domain helpful for the respondents, urging them to open up and react effectively to the inquiries put. The report likewise endorsed talk with timetables to the authorities answerable for MSMEs.

### **3.8 Piloting**

Piloting was performed in Samburu County using 26 SME owners (10 percent of the study) that were not in the sampled size of the study. The 26 SME owners were selected by simple random method. The study also interviewed 3 county government officer's secretaries in charge of MSMEs in Samburu County selected by purposive sampling

method. Measures were put in place for ensuring that piloted owners of MSMEs were not included in the study in genuine information assortment. The goal of the pilot test was to distinguish weaknesses in plan and execution, and to give intermediary to the assortment of likelihood test information (Cooper & Schindler, 2006). These cycles supported the consistency of the information assembled from the respondents to attain the study goals. The recommendations were used to improve the questionnaires. Pilot data was also utilized as input data while assessing the reliability of instruments.

### **3.8.1 Validity of Instruments**

Before actual collection of data, the validity of the testing instruments ought to be verified (Drost, 2011). Establishing the validity of study methods referred to the generation of results expected (Mugenda & Mugenda, 2003). This was to make sure that when formulating opinions and conclusions and there was confidence in the use of instruments. The quality of the material content was decided by the decision of experts comprising overseers. There were input from the experts with respect to the quality of the instruments. These processes improved the quality of the information collected from the respondents in order to attain the aims of the study. Their recommendations were used to ensure that all research goals were met by the instruments. These processes boosted the consistency of the knowledge gathered from the respondents to attain the study goals. Their feedback was also be used to improve the way the questionnaires were designed to ensure that there was no ambiguity during the preliminary study. These processes improved the quality of the information collected from the respondents in order to attain the aims of the study. Their feedback was used to make the results of the pilot study to validate the questionnaire and improve its validity.

### **3.8.2 Reliability of Instruments**

Reliability referred to a questionnaire's accuracy, or internal consistency (Sekaran, 2006). The Cronbach's alpha were utilized in the questionnaire to assess the reliability of the steps. In this method, a score obtained was correlated as guide by Sekaran (2006) with the scores obtained from other things in the instrument.

Later on, the Cronbach's Alpha was measured to assess how things compare. The Kuder-Richardson (K-R) 20 was a general version of Cronbach's Alpha. A value greater than 0.7 was appropriate. To provide reliability, the questionnaire responses entered in the Social Sciences Statistical Package (SPSS) and the alpha coefficient of Cronbach were determined.

### **3.9 Data Collection Procedures**

Kenya Methodist University provided an introductory letter for performing the study. The National Council for Science, Technology and Innovation (NACOSTI) provided a study permit. To notify about the planned study, the introductory letter and the research permit were submitted to the Samburu County bureau. The researcher wrote an introductory letter to the owners of MSMEs. The researcher discussed the purpose of the study with the respondents, in order to obtain their informed consent. Upon administration, the researcher compiled the questionnaires.

### **3.10 Data Analysis Procedures**

Both qualitative and quantitative data were gathered in the research. The data obtained were classified, compiled, formatted and examined. Numerical values were assigned to



the Likert scale for statistical analysis. Qualitative data assembled from the open-finished things were dissected with comparable reactions gathered dependent on the topic reactions for survey. The key subjects and patterns in the appropriate responses were characterized and assessed to survey the suitability, handiness and exactness of the information.

Quantitative information were estimated utilizing SPSS Version 25 and Microsoft Excel 2010, for spellbinding measurements (frequencies, means and rates). The Pearson connection was utilized to characterize the connection between the autonomous and ward factors. Relapse analytics were processed to test the speculation of the investigation. These techniques demonstrated the course and size of the connection between the factors being referred to. (Mugenda, 2008). The outcomes were made with regards to tables and graphs. The various relapse model was as shown in Table 3.1 below.

$$Y = C + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + e \quad \dots\dots\dots 3.1$$

Where:

Y = growth performance

C = Constant

X1 = legislative measures

X2 = business development service

X3 = targeted technical assistance

X4 = procurement practices

E = error

### **3.11 Ethical Consideration**

The researcher obtained a letter of approval to carry out research from Kenya Methodist University. Using this letter, the National Council of Science Technology and Innovation provided institutional approval and permit for research. The research also prepared letters of introduction to SME owners. Through such letters, The respondents were also told of the the study's purpose and the privacy of the information given will be ensured. The researcher kept the answers of the respondents private and/or untraceable. Anonymity meant not revealing to unauthorized persons the identities of the participants and their actual locations. This helped in reduction of fear and possible mental harm.

The research exercised honesty and integrity in the data collection and handling processes and be truthful at the analysis stage. Data collected was stored safely using computer disks (CD) in both the PDF file and the Sav file which could not be easily destroyed by viruses.

## **CHAPTER FOUR**

### **RESULTS AND DISCUSSION**

#### **4.1 Introduction**

This chapter explained the results gotten after analysis of the collected data. The chapter was organized in such a way where by the response rate of the research instruments was first established, followed by reliability statistics and diagnostic tests. Various diagnostic tests done included linearity, normality, multicollinearity and heteroskedasticity test. This was followed by various descriptive statistics of the variables, linear regression of the variables and finally the multiple regression of the model ended the chapter.

#### **4.2 Response Rate**

This study collected data through the use of questionnaires and interview guides as described in chapter three of this document. The sampled population included 255 MSMEs and 15 government officials in charge of MSMEs in Samburu county. It was the intention of the researcher to issue 255 MSMEs were issued with questionnaires in which they were to answer and collected while 15 government officials were to be interviewed. The researcher issued the questionnaires as originally planned but the responded questionnaires that were given back were 204 as compared to the 255 number issued. This response was approximately 80% response rate. On the interview side, out of the 15

potential interviewees, 12 of them were able to participate in the interview as scheduled. That meant that the interviews also garnered 80% response. This is reflected on Table 4.1

**Table 4.1**

*Response Rate on Questionnaires and Interviews*

<b>Category</b>	<b>Frequency</b>	<b>Percent</b>	<b>Cumulative Percent</b>
Questionnaires response	204	80	80
Non-response	51	20	100
<b>Category</b>	<b>Frequency</b>	<b>Percent</b>	<b>Cumulative Percent</b>
Interview response	12	80	80
Non-response	3	20	100

### **4.3 Reliability Statistics**

The researcher also established whether the research instruments used in the study were reliable enough to be able to measure effectively the general and the specific objectives of the study. To ensure reliability was effected, the study conducted pilot study in Samburu County on the MSMEs that were not included in the study. The total number of these MSMEs were 26 in number. The 26 SME owners will be selected by simple random method. The study also interviewed 3 county government officer's secretaries in charge of MSMEs in Samburu County selected by purposive sampling method. Table 4.2 gives the results gotten.

**Table 4.2**

*Reliability Statistics*

<b>Instrument</b>	<b>Cronbach's Alpha</b>	<b>N of Items</b>
Questionnaire	.88	26
Interview	.73	3
<b>Average</b>	<b>0.81</b>	

Results from Table 4.2 showed that the pilot test on questionnaires had a Cronbach alpha coefficient value of 0.88 while interview guide had a Cronbach alpha coefficient value of 0.73. According to Sekaran (2006), the coefficient value of a reliable research instrument should be between 0.7 and 1.

**4.4 Background Information**

The researcher very particular in assessing various respondent's information that would help in establishing the background that they possessed in relation to the purpose of the study. The researcher inquired about the gender, age, academic qualification and how long the respondents had operated their MSMEs. Table 4.3 gave the outcome.

**Table 4.3***Background Information*

<b>Category</b>	<b>Frequency</b>	<b>Percent</b>	<b>Cumulative Percent</b>
<b>Gender</b>			
Male	100	49	49
Female	104	51	100
<b>Total</b>	<b>204</b>	<b>100</b>	
<b>Category</b>	<b>Frequency</b>	<b>Percent</b>	<b>Cumulative Percent</b>
<b>Age-</b>			
Below 18	12	5	5
18-27 years	76	37	42
28-37 years	55	27	69
38-47 years	45	22	91
48 and above	16	9	100
<b>Total</b>	<b>204</b>	<b>100</b>	
<b>Category</b>	<b>Frequency</b>	<b>Percent</b>	<b>Cumulative Percent</b>
<b>Academic Qualification</b>			
No formal education	56	27	27
Primary school	55	26	53
Certificate	49	24	77
Diploma	30	15	92
Degree	11	6	98
Masters	3	2	100
PhD	0	0	0
Any other	0	0	0
<b>Total</b>	<b>204</b>	<b>100</b>	
<b>Category</b>	<b>Frequency</b>	<b>Percent</b>	<b>Cumulative Percent</b>
<b>SME year of operation</b>			
0-5 years	104	51	51
6-10 years	72	36	87
11-15 years	16	8	95
16-20 years	7	3	98
Over 21 yeays	5	2	100
<b>Total</b>	<b>204</b>	<b>100</b>	

The results indicated that there were more females who operated MSMEs more than males. Females were 104(51%) while males were 100 (49%). These results could be attributed to the fact that the most men participated in pastoralism as a way of economic

activity in Samburu County could be a reason why there were few males than female engaging in MSMEs. A report by Kenyan National Bureau of Statistics (KNBS) (2017) proved also that labor force in Samburu County residents aged between 15-64 years comprised of 86,223 females and 83,432 males. This could be also a significant reason why the number of male people operating MSMEs were fewer than female. It was noted that most MSMEs owner's ages were between 18-27 years 76(37%). They were followed by 28-37 years who were 55(27%). MSMEs operators who had less than 18 years were the last group with only 15(5%) individuals. This implied that majority were youthaged individuals and were of legal age.

This revelation meant that most young and middle aged people were replacing their economic traditional ways and were significantly engaging in MSMEs as a way to raise their economic status. Also an encouraging revelation was that there were only 15(5%) MSMEs owners who were under 18 years old. This meant that Samburu community was incorporating the idea of ensuring that young children that have not attained the leag age remained in school and not working as it was previously been experienced in Samburu County. Concurrently a report by Samburu County Government (2018) indicated that the number of primary school pupils (6-13 years) had increased from 56,663 in 2009 to 92,446 while secondary school students (13-17years) had increased from 20,884 in 2009 to 34,072. True to that fact, this study confirmed that their numbers in MSMEs were very low.

From the collected data in Table 4.3 majority of people operating MSMEs in Samburu county did not have any formal education. They were 56 (27%). 55 of the SME owners had only primary school certificates and only 49 had other certificates apart from primary

school certificate. Just 11 were graduate who had a degree and just 3 had a masters degree. This showed that the education level was urgently wanting since the MSMEs operators did not have any solid educational background that was heavily required to run an SME. This fact also explains why half of of their MSMEs specifically 104(51%) had only been in existence for less than 5 years while only 28 of them had existed more than 10 years. This was a clear sign that though MSMEs were being established, few survived beyond 5 economic cycles due to low education level. Educational level played a significant role in running and managing an SME. When an SME operator had education they were able to effectively manage finances and other resources that are critically needed for the survival of an SME. Acevedo and Tan (2010) expressed the same concerns about the link that existed between educational level of MSMEs operators and the survival of MSMEs programs in Latin America and Caribbean.

#### **4.5 Diagnostics Tests**

The study was also able to perform different types diagnostic tests on the collected data to determine its suitability for doing linear regression analysis. The diagnostics tests done were linearity, normality, multicollinearity and heteroskedasticity test.

##### **4.4.1 Linearity**

Linearity was performed to establish the relationship between and within the variables groups in the study. In determining the linearity of the variables, when the value significance deviation from Linearity is above 0.05, at that point the connection between the autonomous factors were directly needy. In the event that the worth hugeness deviation from Linearity was under 0.05, at that point the connection between free factors



with the ward was not direct. From Table 4.4 it was evidenced that the independent variables were linearly dependent and were all above 0.05. This because legislative measures' deviation from linearity was 0.822; business development services' deviation from linearity was 0.590; targeted technical assistance deviation from linearity was 0.826; and procurement practices' deviation from linearity was 0.159.

**Table 4.4***Linearity Test*

			<b>Sum of Squares</b>	<b>Df</b>	<b>Mean Square</b>	<b>F</b>	<b>Sig.</b>
<b>Growth performance</b>		(Combined)	13.664	10	1.366	.911	.524
	Between	Linearity	5.984	1	5.984	3.989	.047
	Groups	Deviation from Linearity	7.680	9	.853	.569	.822
	Within Groups		289.566	193	1.500		
Legislative measures	Total		303.230	203			
<b>Business Development Services</b>		(Combined)	12.987	11	1.181	.781	.659
	Between	Linearity	.284	1	.284	.188	.665
	Groups	Deviation from Linearity	12.703	10	1.270	.840	.590
	Within Groups		290.243	192	1.512		
	Total		303.230	203			
<b>Targeted Technical Assistance</b>		(Combined)	17.751	18	.986	.639	.865
	Between	Linearity	.082	1	.082	.053	.818
	Groups	Deviation from Linearity	17.669	17	1.039	.674	.826
	Within Groups		285.479	185	1.543		
	Total		303.230	203			
<b>Procurement Practices</b>		(Combined)	21.397	11	1.945	1.325	.213
	Between	Linearity	.043	1	.043	.029	.865
	Groups	Deviation from Linearity	21.354	10	2.135	1.455	.159
	Within Groups		281.834	192	1.468		
	Total		303.230	203			

#### 4.4.2 Normality

To determine whether the variables were normally distributed, the study performed the Normality test. The study used One-Sample Kolmogorov-Smirnov Test to determine the normality test since the data was above fifty. Table 4.5 gave normality test.

**Table 4.5**

*Normality Test*

		Legislative measures	Business development services	Targeted technical assistance	Procurement practices	Growth performance
N		204	204	204	204	204
	Mean	26.20	21.4902	16.86	24.68	10.7402
Normal Parameters <sup>a,b</sup>	Std. Deviation	2.305	2.63641	4.096	2.668	1.22219
Most Extreme Differences	Absolute	.194	.221	.077	.151	.319
	Positive	.085	.221	.077	.094	.171
	Negative	-.194	-.211	-.070	-.151	-.319
Kolmogorov-Smirnov Z		2.776	3.154	1.104	2.155	4.563
<b>Asymp. Sig. (2-tailed)</b>		<b>.112</b>	<b>.243</b>	<b>.174</b>	<b>.145</b>	<b>.268</b>

a. Test distribution is Normal.

b. Calculated from data.

According to Athanasiou et al. (2010), for a set of data to be normally distributed, the significance p-value should be above 0.05. In this study, the asymp p-value for legislative measures was .112; business development services p-value was .243; targeted technical assistance p-value was .174; procurement practices p-value was .145; and growth performance p-value was .268. Therefore, it was concluded that the data set was normally distributed.

### 4.4.3 Multicollinearity

The coefficient assessments can swing fiercely dependent on which other autonomous factors that are in the model. The coefficients become touchy to little changes in the model. Multicollinearity lessens the accuracy of the gauge coefficients, which debilitates the factual intensity of your relapse model. For data to be free of multicollinearity, tolerance level should be above 0.2 and VIF should be below 5. The study therefore assed to check if there was a multicollinearity issue in the data. The results are shown in Table 4.6

**Table 4.6**

*Multicollinearity Test*

<b>Model</b>	<b>Collinearity Statistics</b>	
	<b>Tolerance</b>	<b>VIF</b>
(Constant)		
Legislative measures	.383	2.609
Business development services	.476	2.100
Targeted technical assistance	.934	1.071
Procurement practices	.435	2.301

According to the results derived from Table 4.6 the data did not have multicollinearity problem. This was because legislative measures had a tolerance level 0.383 while its VIF was 2.609; business development services had a tolerance level 0.476 while its VIF was 2.100; targeted technical assistance had a tolerance level 0.934 while its VIF was 1.071; procurement practices had a tolerance level 0.435 while its VIF was 2.301.

#### 4.4.4 Heteroskedasticity

Heteroskedasticity test was also performed on the variables of the study. This test was vital. This is because even if heteroscedasticity doesn't cause predisposition in the coefficient gauges, it makes them less exact. Lower accuracy improves the probability that the coefficient gauges are further from the right populace esteem. Heteroscedasticity will in general deliver p-values that are littler than they ought to be. Table 4.7 gave the results.

**Table 4.7**

*Heteroskedasticity Test*

Model	Unstandardized		Standardized	T	Sig.
	Coefficients				
	B	Std. Error	Beta		
(Constant)	12.276	.982		12.506	.221
Legislative measures	-.188	.059	-.355	-3.185	.112
Business development services	.033	.046	.072	.715	.476
Targeted technical assistance	.016	.021	.055	.769	.443
Procurement practices	.098	.048	.213	2.036	.243

a. Dependent Variable: growth performance

The results from Table 4.8 indicated that the variables did not have any heteroskedasticity issue hence fit to run the regression analysis.

#### **4.6 Influence of Legislative Measures and MSMEs Growth**

The study was guided by various objectives. In the first objective, the study wanted to establish the influence of legislative measures by the county government in supporting MSMEs' growth in Samburu County. This objective had several specific indicators such as tax rates, licensing requirements, fiscal Incentives, labor laws, environmental laws and health safety regulations. The SME owners were given closed ended questionnaire in which they were supposed to either strongly disapprove (indicated by 1); disapprove (indicated by 2); impartial (indicated by 3); approve (indicated by 3); and strongly approve (indictaed by 4). Table 4.8 gave the results generated from the questionnaires in legislative measures' section.

**Table 4.8***Descriptive Statistics on Legislative Measures*

<b>Statements N=204</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>Mean</b>	<b>Std Dev</b>
Tax rates	0(0%)	0(0%)	0(0%)	22(11%)	182(89%)	<b>4.89</b>	<b>.311</b>
Licensing requirements	0(0%)	10(5%)	2(1%)	22(11%)	170(83%)	<b>4.73</b>	<b>.718</b>
Financial incentives	2(1%)	0(0%)	0(0%)	16(8%)	186(91%)	<b>4.88</b>	<b>.472</b>
Labour laws	20(9%)	34(17%)	2(1%)	94(46%)	54(27%)	<b>3.63</b>	<b>1.301</b>
Environmental laws	0(0%)	24(12%)	4(2%)	104(51%)	72(35%)	<b>4.10</b>	<b>.915</b>
Health safety regulations	0(0%)	38(18%)	0(0%)	95(47%)	71(35%)	<b>3.98</b>	<b>1.048</b>
<b>Average Mean</b>						<b>4.36</b>	<b>0.79</b>

According to Table 4.8 MSMEs owners responded on legislative measures on a scale average mean of 4.36 and standard deviation of 0.79. They highly confirmed that various government legislative measures such as tax rates and financial incentives had contributed to the growth of their businesses over the last three years. The two statements had the highest means of 4.89; standard deviation of 0.311 and mean of 4.88; standard deviation of 0.472 respectively. They however disagreed that labour laws had contributed a lot in their MSMEs over the last three years. This statement had a mean of 3.63 and standard deviation of 1.301. Labour laws supporting MSMEs had not only be a local

issue but also an international issue. A report by International Labour Organization (2015) evaluated various nation's labour department contribution to MSMEs and discovered it was low. The reasons generated from this report placed was because labor offices was finding a hard time tracking employees who had no any formal agreement with the MSMEs that they were working for them.

#### **4.7 Influence of Business Development Services and MSMEs Growth**

In the second objective, the study wished to determine the influence of business development service offered by the county government in supporting MSMEs' growth in Samburu County. This objective had several specific indicators such as training services, marketing support, infrastructural support, information and technology transfer, and management of accounts and tax records. The SME owners were given closed ended questionnaire in which they were supposed to either strongly disapprove (indicated by 1); disapprove (indicated by 2); impartial (indicated by 3); approve (indicated by 3); and strongly approve (indictaed by 4). Table 4.9 put into light the results generated from the questionnaires in business development services' sections.



**Table 4.9***Descriptive Statistics on Business Development Services*

<b>Statements N=204</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>Mean</b>	<b>Std Dev</b>
Training services	2(1%)	2(1%)	0(0%)	13(12%)	176(86%)	<b>4.81</b>	<b>.574</b>
Market support	0(0%)	40(20%)	0(0%)	106(52%)	58(28%)	<b>3.89</b>	<b>1.031</b>
Infrastructural support	0(0%)	26(13%)	0(0%)	104(51%)	74(36%)	<b>4.11</b>	<b>.930</b>
Information and technology transfer	0(0%)	10(5%)	0(0%)	104(51%)	90(44%)	<b>4.34</b>	<b>.723</b>
Management of accounts and tax record	10(5%)	0(0%)	0(0%)	106(52%)	88(43%)	<b>4.33</b>	<b>.720</b>
<b>Average Mean</b>						<b>4.37</b>	<b>0.79</b>

The results from Table 4.9 showed that respondents were enthusiastic that government business development services had contributed to the growth of their businesses over the last three years. There was an average mean of 4.37 and standard deviation of 0.79 from this question. The most agreed statement was that there had been training services as an initiative from the county government. This a mean of 4.81 and standard deviation of .574, the respondents were very much positive and welcoming to the idea of couple of training that they had been offered. However, they contended that the county government

had done efforts to offer market opportunity as a business development service. This statement had a mean of 3.89 and a standard deviation of 1.031. Curtis (2016) disagreed with these results by indicating that trainings to MSMEs were proving to be very expensive in developing nations hence resulted to charges from various authorities. These charges caused many MSMEs operators to avoid such trainings.

Contradicting Curtis (2016) a year later Eurostat (2017) expressed satisfaction on the level of attendance that was being initiated on MSMEs training in developing nations as a result of European firms funding. Eurostat (2017) expressed the general notion that when MSMEs operators are encouraged to attend meetings, their attendance level gives assurances to various relevant authorities that they had a supporting evidence of numerous number of MSMEs that required even more markets. The authorities would therefore research on new markets leading to expansion of markets horzins just simply though MSMEs operators attending meetings.

#### **4.8 Influence of Targeted Technical Assistance and MSMEs Growth**

The third objective of the study was to establish the influence of targeted technical assistance offered by the county government in supporting MSMES' growth in Samburu County. This objective had several specific indicators such as finance assistance, managerial training, financial management support, technology aid, organise and subsidise networking. The SME owners were given closed ended questionnaire in which they were supposed to either strongly disapprove (indicated by 1); disapprove (indicated by 2); impartial (indicated by 3); approve (indicated by 3); and strongly approve

(indictaed by 4). Table 4.10 expressed the responses in targeted technical assistance' section.

**Table 4.10**

*Descriptive Statistics on Targeted Technical Assistance*

<b>Statements N=204</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>Me an</b>	<b>Std Dev</b>
Information and advisory services	26(13%)	90(44%)	0(0%)	88(43%)	0(0%)	<b>2.74</b>	<b>1.148</b>
Finance assistance	22(11%)	84(41%)	4(2%)	86(42%)	8(4%)	<b>2.87</b>	<b>1.188</b>
Managerial training	86(42%)	40(20%)	32(16%)	20(10%)	26(12%)	<b>2.31</b>	<b>1.424</b>
Financial management support.	80(39%)	40(20%)	22(11%)	36(18%)	26(12%)	<b>2.45</b>	<b>1.470</b>
Technology aid	11(5%)	62(30%)	1(1%)	76(37%)	54(27%)	<b>3.49</b>	<b>1.311</b>
Organise and subsidies networking	14(7%)	82(40%)	6(3%)	94(46%)	8(4%)	<b>3.00</b>	<b>1.140</b>
<b>Average Mean</b>						<b>2.81</b>	<b>1.280</b>

On an average mean of 2.81 and standard deviation of 1.28, Table 4.10 expressed a very low and dissatisfied response rate on the variable. Actually, it was the lowest mean in the study. Despite their dissatisfaction on targeted technical assistance from the county government towards contribution on the growth of their businesses over the last three years, the respondents reluctantly agreed on certain aspects. These aspects included that the county government had organized and offered subsidies networking chances to them. This statement gathered a mean of 3.00 and standard deviation of 1.140. Actually this statement related to the study because in the previous section 4.6 it was noted that there were trainings going on. During these trainings MSMEs owners got a chance to network and have new sort of business channels that they would use in the future.

That notwithstanding, the county government seemed to hold back especially on technical assistance on managerial training. That is, the MSMEs owners disagreed that they had received any managerial training in their previous trainings. This statement had a mean of 2.31 and a standard deviation of 1.424. Kadete (2014) had also discovered that most MSMEs in Tanzania were struggling with management skills yet there were trainings being conducted periodically by the government. This pushed Kadete (2014) to assess what role does the government play towards boosting MSMEs growth. Kadete (2014) discovered that what was offered during trainings was basic level of management which has insignificant impact on MSMEs growth. The results derived from this study could also agree that there could be a problem on the depth of trainings offered by county government on MSMEs in Samburu county.

#### **4.9 Influence of Procurement Practices and MSMEs Growth**

The last objective of the study was to evaluate the influence of procurement practices by the county government in supporting MSMEs' growth in Samburu County. This objective had several specific indicators such as sourcing inputs from MSMEs; promotion of equal treatment of MSMEs; open access for MSMEs for contract opportunities; promotion of effective competition to MSMEs; allocating funds for MSMEs involvement in procurement; purchase and price preferences. The SME owners were given a closed-ended questionnaire in which they were supposed to either strongly disapprove (indicated by 1); disapprove (indicated by 2); impartial (indicated by 3); approve (indicated by 3); and strongly approve (indicated by 4). Table 4.11 gave the results in the procurement practices' section.

**Table 4.11***Descriptive Statistics on Procurement Practices*

<b>Statements N=204</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>Mea n</b>	<b>Std Dev</b>
Sourcing inputs from MSMEs	6(3%)	22(11%)	0(0%)	38(19%)	138(68%)	<b>4.85</b>	<b>.36</b>
Promotion of equal treatment of MSMEs	0(0%)	10(1%)	2(1%)	22(11%)	170(83%)	<b>4.68</b>	<b>.78</b>
Open access for MSMEs to contract opportunity	2(1%)	18(9%)	0(0%)	32(16%)	152(75%)	<b>4.87</b>	<b>.51</b>
Promotion of effective competition to MSMEs	20(10%)	34(17%)	2(1%)	94(46%)	54(27%)	<b>4.50</b>	<b>.78</b>
Allocation of funds for MSMEs involved in procuring	0(0%)	24(12%)	4(2%)	104(51%)	72(35%)	<b>4.58</b>	<b>.75</b>
Purchase and price preferences	22(11%)	50(5%)	4(2%)	98(48%)	30(15%)	<b>4.58</b>	<b>.75</b>

MSMEs owners were very conversant with this particular section and also very satisfied as far as this study was concerned. Procurement practices had the highest mean average of 4.68 and a standard deviation of 0.66. This was to confirm that procurement practices

support from the county government had a significant impact towards contribution on the growth of their businesses over the last three years. They confirmed that in Samburu county, the government had allowed an open access for MSMEs to contract opportunities. This statement had the highest mean of 4.87 and a standard deviation of 0.510. The respondents were in disagreement that there was promotion of effective competition to MSMEs on the county. On a mean of 4.50 and standard deviation of 0.784, MSMEs owners complained on limited efforts facilitated through county government to make sure that MSMEs remained competitive as compared to other types of businesses.

In concurrence with the above statements, Asian Development Bank (2012) indicated that lack of government support to offer MSMEs competitive platforms in the market was one of the inhibitors of SME development globally. This was due to the fact that MSMEs on their own did not have financial muscle to stand their ground when various harsh economic cycles rolled out as compared to other types of businesses. Lack of boost from the county government of Samburu had really affected the MSMEs growth performance as indicated in section 4.9.

#### **4.10 MSMEs Growth in Samburu County**

The researcher had interest in knowing the MSMEs growth in Samburu county. This part was closely guided by various indicators of MSMEs growth performance in chapter two. These indicators included employment growth, sales growth, profits growth and physical growth. The SME owners were given closed ended questionnaire in which they were supposed to state whether there was a decrease in performance (indicated by 1), there was

no change as depicted by static(indicated by 2) or there was an increase( indicated by 3).

The results were given in Table 4.12

**Table 4.12**

*Descriptive Statistics on MSMEs Growth*

<b>Statements N=204</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>Mean</b>	<b>Std Dev</b>
Employment growth (Number of employees)	7(3.4%)	19(9.3%)	178(87.3%)	<b>2.84</b>	<b>.453</b>
Sales growth (Sales Volume)	7(3.4%)	21(10.3%)	176(86.3%)	<b>2.83</b>	<b>.460</b>
Profit growth (percentage change)	19(9.3%)	124(60.8%)	61(29.9%)	<b>2.21</b>	<b>.593</b>
Physical growth (Number of new branches opened)	6(2.9%)	20(9.8%)	178(87.3%)	<b>2.84</b>	<b>.438</b>
<b>Average Mean</b>				<b>2.68</b>	<b>0.49</b>

From the results in Table 4.12, it was disheartening to note that MSMEs growth performance was low. The growth had a mean of 2.68 and standard deviation of 0.49. In as much as employment had improved, it was still low. Employment growth had a mean of 2.84 and standard deviation of 0.453. A eye raising discovery was that despite sales growth having a higher mean of 2.83 and standard deviation of 0.460, the profit growth had the lowest mean of 2.21 and standard deviation of 0.593. This clearly explained the reason for low growth in Samburu county. MSMEs were selling on average but the cost of doing business was so high in Samburu county. Mbugua and Moronge (2016) gave one reason that can cause low profits in an SME could be poor policies



enacted by the government. Two years later Ombi et al. (2018) added another reason could be high operational costs especially on added fees from the government.

#### **4.11 Interview Statistics**

The study incorporated 15 government officials in charge MSMEs development in Samburu county. However, the government officials that were able to participate in the study through an interview were 12 in number. The researcher had used interview guide as indicated in appendix III.

The first question inquired on the main issues affecting MSMEs in your Samburu County. From the responses, the researcher was also categorize them into five themes. These were scarce of resources; lack of technology; lack of finances; bad economic environment; and political instability.

In the second question, the researcher inquired about measures put in place county offices to foster MSMEs growth in the County. The measures that were current underway were reduction of various category of taxes charged on MSMEs and sourcing of international markets. These two were responses given by half of the interviewees amongst other measures. World Bank (2016) agreed that public procurement in regulatory systems in 180 developing nations acted as an alternative to international markets. However, the place and role for international markets cannot be down-played, it was very important for the survival of local MSMEs in any nation.

The third query was related to whether the government selected strategies had contributed to MSMEs growth in Samburu County. On legislative measures 4 county government officials agreed; business development services had 8 of them agreeing; targeted technical assistance had 5 agreeing; procurement services had 10 of the agreeing.

The fourth question required respondents to describe the success rate of these measures in fostering MSMEs growth. The four of the respondents co-jointly agreed that the government selected strategies were fairly effective. Only 2 officials indicated that it was very effective. According to Donor Committee for Enterprise Development (2017), policies developed by a government as one of the government strategies have a magnificent worth on MSMEs development to a capacity that they can share the public procurement platform. Mbugua and Moronge (2016) supported the argument that effectiveness of government various strategies such as business development services were vital towards MSMEs in Kenya.

The fifth and last question related to suggestions that officials wanted to see done in order to make sure that the efforts by the County yield required MSMEs growth performance. The respondents gave diverse opinions but few themes stood out from their suggestions. These themes as indicated on Table 4.16 showed that most county officials were advocating for reasonable fees and more financial management training with a frequency of 4 and 3 officials respectively. Only one county official mentioned on more county government tenders. In India, Mourougane (2012) also complained about magnitude of taxes and fees charged on MSMEs was inhibiting their growth. A more recent study by International Trade Centre and World Trade Organisation (2014) pinpointed that one of the reasons chocking MSMEs not to be able to participate into

global value chain was because a lot was demanded from them at their onset young years such as heavy fees and poor management training background.

#### 4.12 Linear Regression

Linear regression analysis was performed to ascertain the relationship that existed between each independent variable and dependent variable and the linear relationship that existed between all independent variables and dependent variable.

##### 4.12.1 Legislative Measures Model Summary

The researcher developed a legislature measures model summary to explain individually the level of linear relationship that existed between legislative measures and growth performance of MSMEs in Samburu county. From the Table 4.13, R value was .448 while R-square value was .200. This was explained that legislative measures only predicted 20 percent of growth performance variable.

**Table 4.13**

*Legislative Measures Model Summary*

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.448 <sup>a</sup>	.200	.150	1.21306

a. Predictors: (Constant), legislative measures

##### 4.12.2 Analysis of Variance on Legislative Measures

The regression coefficient of legislative measures was also determined. These regression coefficients were useful in determining the hypothesis on this variable. The legislative

measures variable had an hypothesis that stated that there was no relationship between legislative measures by the county government and MSMES' growth in Samburu County.

Table 4.14 gave the results derived.

**Table 4.14**

*ANOVA for Legislative Measures and Growth Performance*

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	5.984	1	5.984	4.067	.041
	Residual	297.246	202	1.472		
	Total	303.230	203			

- a. Dependent Variable: growth performance
- b. Predictors: (Constant), legislative measures

From Table 4.14, the significant p-value was 0.041. This being below than 0.05 enabled the researcher reject the null hypothesis that there was no relationship between legislative measures by the county government and MSMES' growth in Samburu County. That is, legislative measures had a statistically significant relationship with growth performance.

#### **4.12.3 Business Development Services Model Summary**

The researcher developed a business development services model summary to explain individually the level of linear relationship that existed between business development services and growth performance of MSMEs in Samburu county. Form the Table 4.15, R value was .714 while R-square value was .510. This was explained that business development services predicted 51 percent of growth performance variable.

**Table 4.15***Business Development Services Model Summary*

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.714 <sup>a</sup>	.510	.504	1.22464

a. Predictors: (Constant), Business development services

**4.12.4 Analysis of Variance on Business Development Services**

The regression coefficient of business development services was determined. These regression coefficients were useful in determining the hypothesis on this variable. The business development services had an hypothesis that stated that there was no relationship between business development services by the county government and MSMES' growth in Samburu County. Table 4.16 gave the results.

**Table 4.16***ANOVA for Business Development Services and Growth Performance*

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	.284	1	.284	5.189	0.000
	Residual	302.946	202	1.500		
	Total	303.230	203			

a. Dependent Variable: growth performance

b. Predictors: (Constant), Business development services

From Table 4.16, the significant p-value was 0.000. This being below than 0.05 enabled the researcher reject the null hypothesis that there was no relationship between business development services by the county government and MSMES' growth in Samburu

County. That is, business development services had a statistically significant relationship with growth performance.

#### 4.12.5 Targeted Technical Assistance Model Summary

The study measured targeted technical assistance model summary to explain individually the level of linear relationship that existed between targeted technical assistance and growth performance of MSMEs in Samburu county. From the Table 4.17, R value was .656 while R-square value was .432. This was explained that business development services predicted 43.2 percent of growth performance variable

**Table 4.17**

*Targeted Technical Assistance Model Summary*

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.656 <sup>a</sup>	.432	.424	1.22504

a. Predictors: (Constant), targetted\_technical\_assistance

#### 4.12.6 Analysis of Variance on Targeted Technical Assistance

The regression coefficient of targeted technical assistance was determined. These regression coefficients were useful in determining the hypothesis on this variable. The targeted technical assistance had an hypothesis that stated that there was no relationship between targeted technical assistance by the county government and MSMES' growth in Samburu County. The outcome was given in Table 4.18.

**Table 4.18**

*ANOVA for Targeted Technical Assistance and Growth Performance*

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	.082	1	.082	5.155	.015
	Residual	303.148	202	1.501		
	Total	303.230	203			

a. Dependent Variable: growth performance

b. Predictors: (Constant), targeted technical assistance

Table 4.18 gave the significant p-value was 0.015. This being below than 0.05 enabled the researcher reject the null hypothesis that there was no relationship between targeted technical assistance by the county government and MSMEs' growth in Samburu County. That is, targeted technical assistance had a statistically significant relationship with growth performance.

#### **4.12.7 Procurement Practices Model Summary**

The researcher developed a procurement practices model summary to explain individually the level of linear relationship that existed between procurement practices and growth performance of MSMEs in Samburu county. Form the Table 4.19, R value was .801 while R-square value was .642. This was explained that procurement practices predicted 64.2 percent of growth performance variable.

**Table 4.19***Procurement Practices Model Summary*

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.801 <sup>a</sup>	.642	.640	1.22512

a. Predictors: (Constant), procurement practices

**4.12.8 Analysis of Variance on Procurement Practices**

The regression coefficient of procurement practices was determined. These regression coefficients were useful in determining the hypothesis on this variable. The procurement practices had an hypothesis that stated that there was no relationship between procurement practices by the county government and MSMES' growth in Samburu County. The outcome was given in Table 4.20.

**Table 4.20***ANOVA Procurement Practices and Growth Performance*

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	.043	1	.043	5.428	.006
	Residual	303.188	202	1.501		
	Total	303.230	203			

a. Dependent Variable: growth performance

b. Predictors: (Constant), procurement practices

Table 4.20 gave the significant p-value was 0.006. This being below than 0.05 enabled the researcher reject the null hypothesis that there was no relationship between procurement practices by the county government and MSMES' growth in Samburu



#### 4.12.9 Government Selected Strategies Model Summary

The researcher developed an government selected strategies model summary to explain the overall level of linear relationship that existed between government selected strategies and growth performance of MSMEs in Samburu county. Form the Table 4.21, R value was .742 while R-square value was .551. This was explained that government selected strategies predicted 55.1 percent of growth performance variable.

**Table 4.21**

*Government Selected Model Summary*

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
	.742 <sup>a</sup>	.551	.532	1.20242

a. Predictors: (Constant), procurement practices, targeted technical assistance, Business development services, legislative measures

#### 4.12.10 Analysis of Variance on Government Selected Strategies

The results on Table 4.22 indicated that the *p*-value was 0.033 which was less than 0.05 at 0.05 significance level. This implied that the entire model on the influence of government selected strategies on MSMEs growth performance in Samburu County was significant and the model can be used to predict the growth performance of MSMEs in Samburu county.

**Table 4.22***ANOVA for Government Selected Strategies and Growth Performance*

Model	Sum of Squares	Df	Mean Square	F	Sig.
Regression	15.513	4	3.878	2.682	.033
Residual	287.718	199	1.446		
Total	303.230	203			

a. Dependent Variable: growth\_performace

b. Predictors: (Constant), procurement practices, targeted technical assistance, business development services, legislative measures

#### **4.13 Multiple Linear Regression**

Multiple linear regression was carried out to determine what were the coefficients of the variables. As indicated on Table 4.28, legislative measures had a  $\beta=.016$ ,  $p=0.003$ ; business development services had a  $\beta=.033$ ,  $p=0.006$ ; targeted technical assistance had a  $\beta= -.188$ ,  $p=0.012$ ; while procurement practices had a  $\beta=.098$ ,  $p=0.001$  The outcome depicted that separately legislative measures, business development service, targetted technical assistance and procurement practices had a significant influence on growth performance. However, when combined only procurement practices was significant. Table 4.23 indicates regression coefficients.

**Table 4.23***Regression Coefficients*

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
(Constant)	12.276	.982		12.506	.033
Targeted technical assistance	-.188	.059	-.355	-3.185	.012
Business development services	.033	.046	.072	.715	.006
Legislative measures	.016	.021	.055	.769	.003
Procurement practices	.098	.048	.213	2.036	.001

- a. Predictors: (Constant), legislative measures, business development service, targeted technical assistance and procurement practices
- b. Dependent Variable: growth performance

The general model of the study was  $Y = C + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + e$ . Where Y was growth performance, X1 was legislative measures, X2 was business development service, X3 was targeted technical assistance and X4 was procurement practices. When the coefficients were replaced with analysed values the general multiple model was  $Y = 12.276C + 0.016X_1 + 0.033X_2 - 0.188X_3 + 0.098X_4$ . This showed that adding a unit of X1, X2, X3 or X4 significantly added or reduced growth performance of MSMEs in Samburu County by  $12.276 + 0.016 + 0.033 - 0.188 + 0.098$ .

## **CHAPTER FIVE**

### **SUMMARY, CONCLUSIONS AND RECOMMENDATIONS**

#### **5.1 Introduction**

This chapter gave the summary, conclusion, recommendations of the entire research. The main objective of the study was to examine the influence of government selected strategies on MSMEs growth performance in Samburu County. Specific objectives were influence of legislative measures, business development services, targeted technical assistance and procurement practices by the county government in supporting MSMEs' growth in Samburu County. Information was gathered from 204 MSMEs owners located in Samburu county and 12 government officials. The outcomes of the study were given through a summary based on the objectives of the study.

#### **5.2 Summary of the Study**

The analysed data gave several observed outcomes that were based on the objectives of the study. The study generally developed that government selected strategies model summary to explain the overall level of linear relationship that existed between government selected strategies and growth performance of MSMEs in Samburu county. The R-value was .742 while R-square value was .551. This was explained that government selected strategies predicted 55.1 percent of growth performance variable. The rest of specific government strategies such as legislative measures, business development services, targeted technical assistance and procurement practices outcomes were indicated in section 5.2.1 to 5.2.4.

### **5.2.1 Legislative Measures**

The study was guided by various objectives. In the first objective, the study wanted to establish the influence of legislative measures by the county government in supporting MSMEs' growth in Samburu County. This objective had several specific indicators such as tax rates, licensing requirements, fiscal Incentives, labor laws, environmental laws and health safety regulations. MSMEs owners responded on legislative measures on a scale average mean of 4.36 and standard deviation of 0.79. They highly confirmed that various government legislative measures such as tax rates and financial incentives had contributed to the growth of their businesses over the last three years. The two statements had the highest means of 4.89; standard deviation of 0.311 and mean of 4.88; standard deviation of 0.472 respectively. R value was .448 while R-square value was .200. This was explained that legislative measures only predicted 20 percent of growth performance variable. Legislative measures had a  $\beta=.016$  and a  $p\text{-value}=0.003$ .

### **5.2.2 Business Development Service**

In the second objective, the study wished to determine the influence of business development service offered by the county government in supporting MSMEs' growth in Samburu County. This objective had several specific indicators such as training services, marketing support, infrastructural support, information and technology transfer, and management of accounts and tax records. showed that respondents were enthusiastic that government business development services had contributed to the growth of their businesses over the last three years. There was an average mean of 4.37 and standard deviation of 0.79 from this question. R value was .714 while R-square value was .510.

This was explained that business development services predicted 51 percent of growth performance variable. Business development services had a  $\beta=.033$  and a  $p\text{-value}=0.006$ .

### **5.2.3 Targeted Technical Assistance**

The third objective of the study was to establish the influence of targeted technical assistance offered by the county government in supporting MSMES' growth in Samburu County. This objective had several specific indicators such as finance assistance, managerial training, financial management support, technology aid, organize and subsidies networking. On an average mean of 2.81 and standard deviation of 1.28. The results expressed a very low and dissatisfied response rate on the variable. Actually, it was the lowest mean in the study. R value was .656 while R-square value was .432. This was explained that business development services predicted 43.2 percent of growth performance variable. Targeted technical assistance had a  $\beta= -0.188$  and a  $p\text{-value}=0.012$ .

### **5.2.4 Procurement Practices**

The last objective of the study was to evaluate the influence of procurement practices by the county government in supporting MSMES' growth in Samburu County. This objective had several specific indicators such sourcing inputs from MSMEs; promotion of equal treatment of MSMEs; open access for MSMEs for contract opportunities; promotion of effective competition to MSMEs; allocating funds for MSMEs involvement in procurement; purchase and price preferences. MSMEs owners were very conversant with this particular section and also very satisfied as far as this study was concerned. Procurement practices had the highest mean average of 4.68 and a standard deviation of

0.66. This was to confirm that procurement practices support from the county government had a significant impact towards contribution on the growth of their businesses over the last three years. R value was .801 while R-square value was .642. This was explained that procurement practices predicted 64.2 percent of growth performance variable. Procurement practices had a  $\beta=0.098$  and a  $p\text{-value}=0.001$ .

### **5.3 Conclusions of the Study**

The study concluded that the influence of government selected strategies on MSMEs growth performance in Samburu County was significant and the model can be used to predict the growth performance of MSMEs in Samburu county. This was because the  $p$ -value was 0.033 which was less than 0.05 at 0.05 significance level. The legislative measures variable had a hypothesis that stated that there was no relationship between legislative measures by the county government and MSMEs' growth in Samburu County.

The analysis of variance of legislative measures had a significant  $p$ -value of 0.041. This being below than 0.05 enabled the researcher reject the null hypothesis that there was no relationship between legislative measures by the county government and MSMEs' growth in Samburu County. That is, legislative measures had a statistically significant relationship with growth performance. However, the relationship was weak.

The business development services had a hypothesis that stated that there was no relationship between business development services by the county government and MSMEs' growth in Samburu County. Business development services' analysis of variance had a significant  $p$ -value of 0.000. This being below than 0.05 enabled the researcher reject the null hypothesis that there was no relationship between business

development services by the county government and MSMES' growth in Samburu County. That is, business development services had an average relationship with growth performance.

These regression coefficients were useful in determining the hypothesis on this variable. The targeted technical assistance had a hypothesis that stated that there was no relationship between targeted technical assistance by the county government and MSMES' growth in Samburu County. Targeted technical assistance' analysis of variance had a significant p-value of 0.015. This being below than 0.05 enabled the researcher reject the null hypothesis that there was no relationship between targeted technical assistance by the county government and MSMES' growth in Samburu County. That is, targeted technical assistance had a relationship with growth performance. However it had a negative coefficient value.

The procurement practices had a hypothesis that stated that there was no relationship between procurement practices by the county government and MSMES' growth in Samburu County. The analysis of variance of procurement practices' significant p-value was 0.006. This being below than 0.05 enabled the researcher reject the null hypothesis that there was no relationship between procurement practices by the county government and MSMES' growth in Samburu County. That is, procurement practices had a very strong relationship with growth performance.

#### **5.4 Recommendations of the Study**

The recommendations were given based on the results derived from the objectives of the study. In the Legislature measures variable it was discovered that there was a low



participation of labour laws towards improving MSMEs growth since they labour offices were finding a hard time tracking employees who had no any formal agreement with the MSMEs that they were working for them. It was thus recommended that county government of Samburu should ensure that MSMEs owners capture data properly on the number of employees they had when paying for their licenses to facilitate easy recognition.

In the business development services, it was gathered that the county government had organized and offered subsidies networking chances to them. During these trainings MSMEs owners got a chance to network and have new sort of business channels that they would use in the future. MSMEs complained of low managerial training in their previous trainings. The study therefore recommended that there should be a holistic curriculum that has been set to ensure training level improved from basic level training to medium training with incorporation of management skills to MSMEs operators. This would boost their management skills hence improving the survival of most MSMEs in Samburu county.

On targeted technical assistance a lot was needed. The study recommended that more funding should be made available to enable MSMEs get exposed to financial aid. More research should be done on how the county government can customize various technological platform to benefit Samburu MSMEs owners. County government should partner with non-governmental organization to facilitate managerial trainings for MSMEs development.

The study gathered from procurement practices variable that in Samburu county, the government had allowed an open access for MSMEs to contract opportunities. MSMEs owners however complained on limited efforts facilitated through county government to make sure that MSMEs remained competitive as compared to other types of businesses. The study therefore recommended that providing access to contract would be more useful to MSMEs owners if they had knowledge on how to place bids to stand a chance in winning the contracts hence more training was offered. There should be more public awareness on availability of these resources especially county government tenders. The study recommended also that county government should conduct more research on potential markets where MSMEs owners can supply products to earn more profits.

### **5.5 Suggestion of Future Studies**

Since the most challenges faced by MSMEs in Samburu county were scarce of resources; lack of technology; lack of finances; bad economic environment; and political instability, future studies should investigate on how each of these phenomena impacted MSMEs growth in Samburu county. Future studies should investigate various techniques that Samburu county government can use to reduce tax burden but also not hurt the Samburu economy. Also future studies should look into how Samburu county government can penetrate into new international markets at cost effective budgets. Future studies should look into the influence of government strategies on MSMEs growth performance in other counties in Kenya to check whether they would have similar results as the ones derived from this study.

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## **APPENDICES**

### **Appendix 1: Letter of Introduction**

To the Proprietor / Director,

**Dear Sir/ Madam,**

#### **RE: REQUEST TO COLLECT INFORMATION FROM YOUR ORGANIZATION**

Referring to the above mentioned, I am requesting permission from your office to allow me collect information from you. I am a student at Kenya Methodist University undertaking a Degree in Masters of Business Administration. The information provided by you will be treated confidentially and is purely for academic purpose. Any help given by your office will be highly appreciated. Thank you.

Yours Faithfully

Millicent Lenguris

Telephone no: 0727062128

## Appendix II: Research Questionnaire

### Section A: General Information

1. Gender

Male [ ] Female [ ]

2. What is your age bracket?

Below 18 years [ ] 38- 47yrs [ ]

18 - 27 yrs [ ] Over 47 yrs [ ]

28 - 37 yrs [ ]

3. Please indicate your highest attained academic qualification

No formal education [ ] Degree [ ]

Primary school level [ ] Masters [ ]

Certificate level [ ] Phd level [ ]

Diploma [ ]

Any Other (s), (please specify) \_\_\_\_\_

4. Please specify the nature of your business .....

5. For how long have you been operating this business?

0 - 5yrs [ ] 16- 20yrs [ ]

6 - 10yrs [ ] Over 20yrs [ ]

11- 15yrs [ ]

6. How would you describe the growth performance of your business along the following select indicators over the last three years?

	Decreased	Static (Same)	Increased
Employment growth (Number of Employees)			
Sales growth (Volume of Sales)			
Profits growth (Percentage change)			
Physical growth (Number of new branches opened)			

**Section B: Legislative Measures and MSMEs' Growth Performance**

7. Indicate your level of agreeing whether the following government legislative measures have contributed to the growth of your business over the last three years. Use the scale provided as follows to indicate your answer.

Strongly Disagree [1]

Agree [4]

Disagree [2]

Strongly Agree [5]

Moderately Agree [3]

Measure	1	2	3	4	5
Tax rates					
Licensing requirements					
Financial Incentives					
Labor laws					
Environmental laws					
Health safety regulations					

**Section C: Business Development Services and MSMEs' Growth Performance**

8. Indicate your level of agreeing whether the following government business development services have contributed to the growth of your business over the last three years. Use the scale provided as follows to indicate your answer.

Strongly Disagree [1]

Agree [4]

Disagree [2]

Strongly Agree [5]

Moderately Agree [3]

Government Service	1	2	3	4	5
Training services					
Marketing support					
Infrastructural support					
Information and Technology transfer					
Management of accounts and tax records					



**Section D: Targeted Technical Assistance and MSMEs’ Growth Performance**

9. Indicate your level of agreeing whether the following government assistance aspects have contributed to the growth of your business over the last three years. Use the scale provided as follows to indicate your answer.

Strongly Disagree [1]

Agree [4]

Disagree [2]

Strongly Agree [5]

Moderately Agree [3]

<b>Government Assistance</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
Information and advisory services					
Finance assistance					
Managerial training					
Financial management support					
Technology aid					
Organise and subsidise networking					

**Section E: Procurement Practices and MSMEs’ Growth Performance**

10. Indicate your level of agreeing whether the following following forms of government assistance have contributed to the growth of your business over the last three years. Use the scale provided as follows to indicate your answer.

Strongly Disagree [1]

Agree [4]

Disagree [2]

Strongly Agree [5]

Moderately Agree [3]

<b>Procurement Practices</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
Sourcing inputs from MSMEs					
Promotion of equal treatment of MSMEs					
Open access for MSMEs for contract opportunities					
Promotion of effective competition to MSMEs					
Allocating funds for MSMEs involvement in procurement					
Purchase and price preferences					


### **Appendix III: Interview Schedules for Government Officials**

1. What are some of the main issues affecting MSMEs in your County?
2. What are some of the measures put in place by your office to foster MSMEs growth in the County?
3. Comment on whether the government selected strategies have contributed to MSMEs growth in Samburu County.
  - i. Legislative measures
  - ii. Business development service
  - iii. Targeted technical assistance
  - iv. Procurement practices
4. How would you describe the success rate of these measures in fostering MSMEs growth.
5. What would you suggest to be done in order to make sure that the efforts by the County yield required MSMEs growth performance.

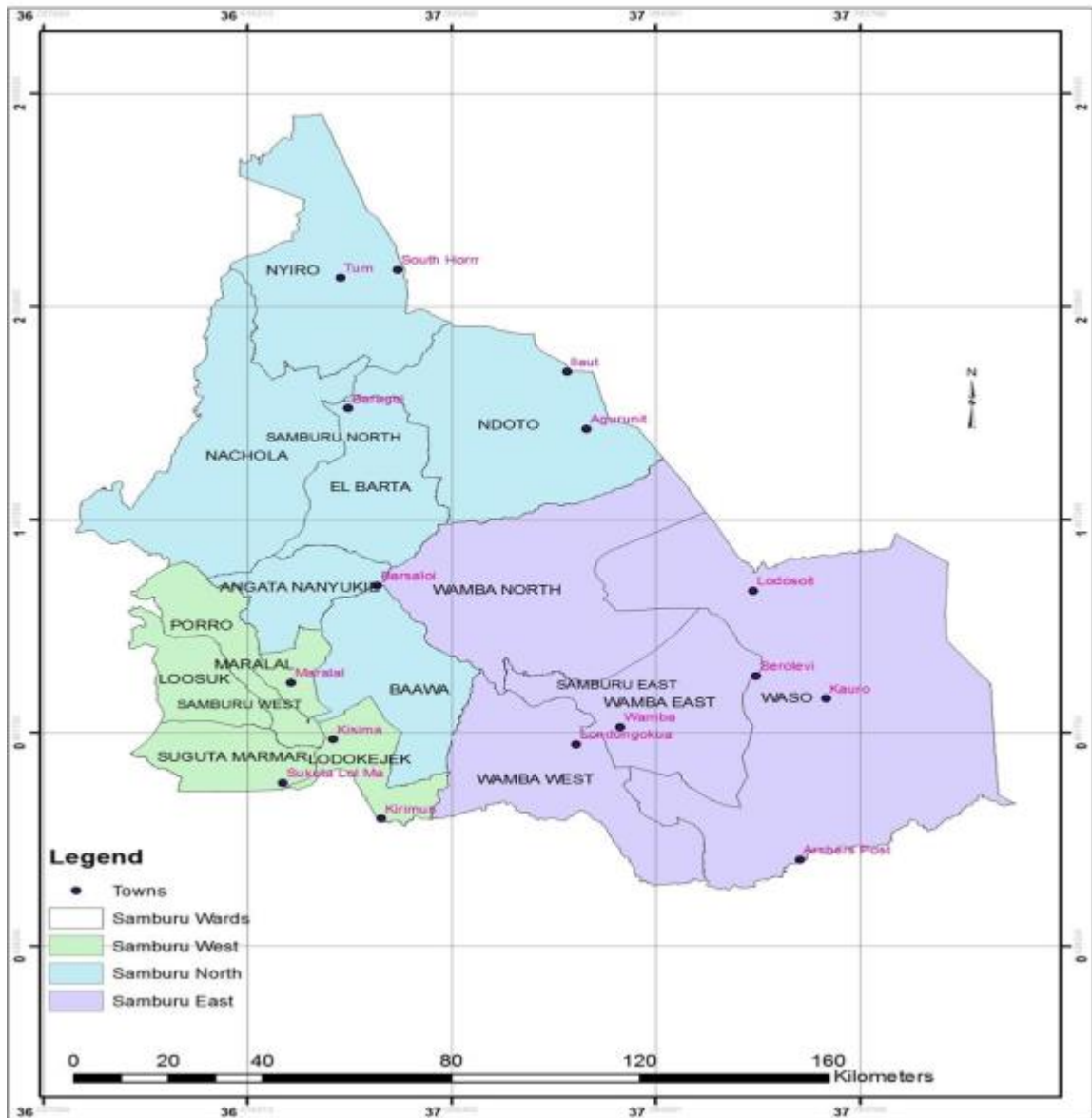
## Appendix IV: Introductory Letter



**Appendix V: NACOSTI Research Permit**

 REPUBLIC OF KENYA	 NATIONAL COMMISSION FOR SCIENCE, TECHNOLOGY & INNOVATION
Ref No: <b>619015</b>	Date of Issue: <b>04/September/2020</b>
<b>RESEARCH LICENSE</b>	
	
<p>This is to Certify that Miss.. LENGURIS LEILA MILLICENT of Kenya Methodist University, has been licensed to conduct research in Samburu on the topic: <b>INFLUENCE OF COUNTY GOVERNMENT SELECTED STRATEGIES ON GROWTH OF SMALL AND MEDIUM ENTERPRISES IN SAMBURU COUNTY</b> for the period ending : <b>04/September/2021</b>.</p>	
License No. <b>NACOSTI/P/19/6477</b>	
<b>619015</b> Applicant Identification Number	 Director General NATIONAL COMMISSION FOR SCIENCE, TECHNOLOGY & INNOVATION
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## Appendix VI: Map of Samburu County



**Appendix VII: Location of Samburu County in Kenya**

