ENTREPRENEURIAL NETWORKING AND GROWTH OF SMALL AND MEDIUM ENTERPRISES IN KENYA

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DOCTOR OF PHILOSOPHY

(Entrepreneurship)

JOMO KENYATTA UNIVERSITY

OF

AGRICULTURE AND TECHNOLOGY

2022

Entrepreneurial Networking and Growth of Small and Medium Enterprises in Kenya

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A Thesis Submitted in Partial Fulfilment of the Requirements for the Degree of Doctor of Philosophy in Entrepreneurship of the Jomo Kenyatta University of Agriculture and Technology

2022

DECLARATION

This thesis is my original work and has not been presented for a degree in any other university

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DEDICATION

This thesis is dedicated to my late parents Jacob Wanambisi and Margaret Nasimiyu for their inspiration and immense sacrifices and lastly my beloved wife Gladys Nafula and our children Charles, Margaret, Abel, Rita and twins Mercy and Precious for their immeasurable sacrifices, encouragement and selfless support.

ACKNOWLEDGEMENT

A number of people and organizations made vital contributions to this thesis. I wish to recognize their unreserved assistance, although it is not possible to mention all of them individually, I most sincerely thank my supervisors: Prof. Gregory Simiyu Namusonge and Dr. Elizabeth Nambuswa Makokha for their constructive criticism, valuable suggestions and guidance which were integral in the development of this thesis. My appreciations go to the staff of School of Business and Entrepreneurship. Special thanks also go the Trans Nzoia County trade officers for availing vital information during the entire period of research and thesis writing. This is without forgetting SME respondents who were vital for this research. Above all, I am highly indebted to the Almighty God for the guidance and blessings to accomplish this work.

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ABBREVIATION AND ACRONYMS

ADC	Agricultural Development Corporation
ANOVA	Analysis of variance
EN	Entrepreneurial Networking
EO	Entrepreneurial orientation
GOK	Government of Kenya
ILO	International Labour Organization
JIT	Just In Time
KIPPRA	Kenya Institute of Public policy Research Analysis
MSME	Micro Small and Medium Enterprise
NGO	Non-Governmental Organization
OECD	Organisation for Economic Co-Operation and Development
ROK	Republic of Kenya
SME	Small and Medium Enterprise
UK	United Kingdom
UNCTAD	United Nations Conference on Trade and Development
UNDP	United Nations Development Organizations
UNDP	United Nations Development Program
USA	United States of America

DEFINITION OF TERMS

Entrepreneurial networking It is voluntary association of current and potential entrepreneurs organized formally or informally with the object of increasing outcomes of the business activities (Burt, 2017).

Entrepreneurs' personal characteristics Refer to attributes of entrepreneur's considered to be effective for entrepreneurial activities (Katambo & Okatch, 2016).

Networking structural dimensions It is a configuration of networking structure in terms of focal position, networking density, networking diversity and range (Brand, Croonen & Leender, 2018).

Entrepreneurship It is the process of establishing innovative business combination in terms of supplies, products, markets processes or organization that disrupts market equilibrium thereby creating new opportunities (Bwisa, 2011).

Small and Medium Enterprises Define as enterprises having 10-99 employees and annual turnover of Ksh 500,000 and 8,000,000 (Bunyasi, Bwisa & Namusonge, 2016; Namusonge, 1999). Small enterprises are defined as enterprises having annual turnover 500,000 to 5,000,000 and 10-49 employees, while Medium enterprises are having annual turnover of 5,000,000 to 8, 000,000 and 50-99 employees.

Small and Medium Enterprises characteristics Defined as enterprises attributes influence detection and absorption of networking resources and information (Abbas et al., 2019)

Entrepreneurial networking resources These are actual and virtual resources residing outside the enterprise boundary and can be acquired by networking member (Bwisa, 2011).

SMEs growth It is the increase in financial (sales turnover, profitability, returns on capital or fixed assets) or non-financial parameters (number of employees, market size or fixed assets or both (Namusonge, 2017).

ABSTRACT

The growth of Small and Medium Enterprises (SMEs) increase their potential of performing social and economic functions. However, Small and Medium Enterprises in Kenya face low growth and high failure rates. The study attempted to answer the general objective of the study to determine the influence of entrepreneurial networking on growth of small and medium enterprises in Kenya. The study was guided by five specific objectives: to determine the influence of entrepreneur's personal characteristics in entrepreneurial networking on growth of SMEs in Kenya, to evaluate influence of SMEs characteristics in entrepreneurial networking on growth of SMEs in Kenya, to investigate the influence of entrepreneurial networking structural dimensions on growth of SMEs in Kenya, to examine the influence of entrepreneurial networking resources on growth of SMEs in Kenya and to assess the influence of entrepreneurial networking relations on growth of SMEs in Kenya. This study was guided by entrepreneurial networking and entrepreneurship theories. The study employed a mixed research design to examine influence of entrepreneurial networking on growth of Small and Medium Enterprises. Stratified and simple sampling techniques were employed to obtain 363 SMEs from 2,354 SMEs registered by Trans Nzoia County in Kenya. The SMEs were distributed in the subsectors of wholesale trade, retail trade, manufacturing services, restaurant and agriculture. The primary data was collected through questionnaires that were dropped and picked later from SME operators. Statistical Package of Social Science (SPSS) was used to analyze data. Descriptive statistics was used to summarize data and inferential statistic (regressions) was employed in analysis to test hypotheses. The study used a multiple regression model to establish relationship between independent and dependent variables. Entrepreneurial networking was found to have positive significant influence on growth of Small and Medium Enterprises in Kenya. The analysis of individual hypothesis revealed that entrepreneur's personal characteristics, entrepreneurial networking resources and entrepreneurial networking relations had positive significant influence on growth of Small and Medium Enterprises, while SMEs characteristics and entrepreneurial networking structural dimensions had insignificant influence on growth of Small and Medium Enterprises. The study recommends that the government as a policy setting organ to come up with conducive regulatory policies that encourage Small and Medium Enterprise entrepreneurs to participate in entrepreneurial networking to address some of the challenges that inhibit growth of enterprises. The study also recommends that SME entrepreneurs should configure valuable entrepreneurial networking to access resources and information that enhance growth of enterprises.

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

1.1.1 Global Perspective of Entrepreneurial Networking and Growth of SMEs

The Small and Medium Enterprises (SMEs) are acknowledged all over the world as important drivers of economic growth and economic development in terms of new job creation, contribution towards GDP and promotion of entrepreneurial culture (Lori, Rajshekhar & Robert, 2018). According to Ruchkina, Melnichuk, Frumina and Mentel (2017), SMEs account for 90 percent of the total enterprises and account for 60-70 percent of new jobs created in Japan, Italy, United States of America and Netherlands. Burt (2019) observes that importance of SMEs in these economies are not by their sheer number but the significant growth of SMEs that create decent and permanent jobs, promotion of enterpreneurial culture, distribution of wealth and less suffering to owners' of enterprises. Therefore, growth of SMEs increases their potential of performance of the socio-economic development and economic growth functions in economies effectively and efficiently.

Despite the important roles played by SMEs in economies of many countries, their growth has been a concern. Hashim, Raza, and Minai (2018) state that dynamic business environment, stiff competition, lack of collateral to access loans, globalization, unfavourable government policies and lack of support from SME agencies are challenges that limit growth of small and medium enterprises in economies. Mandakini and Goswami (2019) estimated that 40 percent of SMEs failed during the first two years of startups in various countries worldwide. Makwara (2019) observe that high failure rate and low growth of SMEs increase net destruction of jobs created, cause huge losses and suffering to SME owners and reduction in government revenues. Thus there is an urgent need of measures that will mitigate challenges facing SMEs in order to enhance their growth to enable them perform their social and economic functions effectively and efficiently.

Brand, Croonen and Leenders (2018) note that entrepreneurial networking is strategy that allows SME operators to cooperate and organise enterprises' activities in a team. The study further notes that entrepreneurial networking enable entrepreneurs to complement government agencies in provision of business supports. Hostovesky and Polacik (2016) define entrepreneurial networking as a voluntary active process where an entrepreneur or a team of entrepreneurs continually form relations to further business activities. Leyden, Link and Siegel (2014) perceive joint venture, strategic alliances, licensing arrangements, subcontracting, joint R and D and joint marketing activities as forms entrepreneurial networking dimensions might.

According to Lin (2018), entrepreneurs' action and effort are fundamental in configuration of workable networking to enhance entrepreneurial outcomes. The argument is in line with scchumpeter innovative entrepreneurship theory which holds that an entrepreneur actively invent and innovate entrepreneurial networking to disrupt market equilibrium to enhance entrepreneurial outcomes. Agbim, Oriarowo and Zever (2014) note that entrepreneurial networking enables firms to access resources (depend on other enterprises resources), information on innovations in industry and collaboration along the supply chain of products to enhance growth of their enterprises. This meant that entrepreneurial networking is paradigm shift that enables enterprises to address inadequate resources and information.

Schwarz (2017) observe that entrepreneurial networking create resources dependency syndrome that enable members of networking to access virtual and actual resources owned by networks or cooperatives. This implies that entrepreneurial networking can enable small and medium enterprises to address inadequacy of capital, dynamic market conditions, unfavorable government policies and poor technologies thus enhance growth of SMEs in business environment.

According to Ruchkina, Melnichuk, Frumina and Mental (2017), SMEs in Europe engage in entrepreneurial networking in order to access resources and information that government agencies are unable to provide. The study notes that entrepreneurial networking displays supply base or strategic alliances. Supply base entrepreneurial networking comprises of buyers and suppliers that guarantee supply of inputs,

lowers transaction costs, creates economies of scale in operations, creates social capital and facilitate entry into new and foreign markets. The strategic alliances of entrepreneurial networking involves supply of finance or collaborations.

Gilbert (2017) observes that entrepreneurial networking is new concept in Europe as compare to business networking. Burt (2014) observes that entrepreneurial networking involves active participation of entrepreneurs as per the needs of entrepreneurial outcomes. The entrepreneurial networking enabled members to share transaction costs or adopted production model that reduced holding onto more inventory (Just in time) as the members were assured for the reliability of supply of raw materials or inventory through buyer-supplier contracts.

Markel (2018) observes that SME operators relied on entrepreneurial networking to hedge themselves against dynamic and unpredicted market conditions. This meant that SME operators formed formal and informal networks to complement firms' resources and information. Mwangi and Namusonge (2016) note that SMEs worldover experience inadequate resources and there is need of urgent measures to address it. This implies that SMEs need to formulate measures that mitigate resources deficiency to enhance growth of SMEs.

However, Mano (2014) perceives that over reliance on entrepreneurial networking exposes firms' competitive advantages to competitors. The study further note that entrepreneurial networking are unreliable occasioning disruptions in firms' operations.

Burt (2017) observes that entrepreneurial networking is important in leveraging limited resources in small enterprises. The study further establishes that entrepreneurial networking is an alternative mechanism for SMEs to acquire resources, entrepreneurial innovation and information which enhance growth of SMEs. The study identify that entrepreneurial networking involves collaboration, subcontracting, and strategic alliances with other enterprises or entrepreneurs that facilitate the performance of business activities that require huge resources. Khan et al. (2017) noted that strategic alliances held SMEs into invaluable networks that

generated redundant innovation and exposed firms' competitive advantages to competitors.

Stam, Arzlanian and Elfring (2014) aver that entrepreneurs characterized with high entrepreneurial orientation have high propensity for external resources and information about market opportunities thus formed relations with other entrepreneurs and institutions. This means that entrepreneurs actively incline toward networking to acquire resources and information vital for fulfillment of their entrepreneurial ambitions. According to Rauch et al. (2016), high intensity of entrepreneurs in the entrepreneurial networking generates common resources with little competitive advantage or little entrepreneurial opportunity outcomes.

Most of the studies conducted in developed economies affirm that entrepreneurial networking provides shortcuts for entrepreneurs or SME operators to address most challenges that limit their growth. Accordingly, entrepreneurial networking enables entrepreneurs or SME operators to access resources, information and technologies that reside in the outside enterprises that enhance growth of SMEs. Entrepreneurial networking is an alternative mechanism to provide resources and information that government and SMEs agencies cannot provide. However, the SMEs in developed economies experience different economic conditions from those of developing economies. Thus the current study was imperative as it examined influence of entrepreneurial networking on growth of SMEs in Kenya.

1.1.2 Regional Perspective of Entrepreneurial Networking and Growth of SMEs

Small and Medium Enterprises are drivers of social economic development and economic growth of most of African economies. World Bank (2018) in Global Economic prospect Report observed that SMEs play critical roles in economic development of African Economies in terms of job creations, contribution to GDP, poverty alleviation, industrial base for industrialization and promotion of entrepreneurship culture. According to Taiwo, Ayodeji, and Yusuf (2018), SMEs in Nigeria contribute to 24.5 percent of GDP, provides industrial base for manufacturing sector and employ more than 75 percent of the labour force.

In south Africa, SMEs and entrepreneurship are responsible for more than 50 percent of employment in labour force, contributes to 35 percent of GDP, promotes social political equity and self empowerment and advancement of people's income (International Finance Corporation IFC, 2018). In EAC (East Africa Community), more than 90 percent of enterprises were SMEs and they employed more than 70 percent of the labour forces (Turyakira & Mbidde, 2016).

Despite important roles played by SMEs in African economies, the studies indicated that they face many challenges ranging from inadequate capital, poor management skills, poor competencies, corruption from government officials, low budget for research and development, inappropriate technology, intense competition from imported commodities and unsupportive government policies that may negatively affect growth of SMEs (Hussein & Baharudin, 2017).

Makwara (2019) examines effects of entrepreneurial networking on growth of Small and Medium Enterprises in South Africa. The study observes that entrepreneurial networking enables networking members to build synergies to enhance growth of Small and Medium Enterprises. Mureithi (2017) observes that SMEs in developing countries face many challenges than their counterparts in developed economies. The study further notes that there are few government programs in African countries to mitigate challenges of SMEs to enhance survival and growth. This might be the reasons why SMEs in African countries experience high failure and low growth rates. These might be reasons why many researchers have attempted to look for measures to enhance growth of SMEs.

Salim (2017) examined effects of entrepreneurial networking resources on growth of small and medium enterprises in Tunisia. The study notes that entrepreneurial networking resources mitigates resources deficiency of small and medium enterprises.

Busayo (2016) avers that evolution of business networking has affected almost all sectors of the economy SMEs included. Could it be poor or lack of entrepreneurial networking among SMEs in Africa countries that have resulted into low survival and low growth of SMEs. Michirori and Fatoki (2013) observe that SME entrepreneurs in

South Africa engage in entrepreneurial networking to complement firms' resources to enhance growth of SMEs. The study note that SME entrepreneurs accessed both tangible and intangible resources that are inavailable to market prices. This means that the entrepreneurial networking model is vital for SME entrepreneurs mitigating resources deficiency to enhance survival and growth of SMEs.

Nyangarika (2016) observes that firms in agribusiness engage in contracting relationship with buyers and suppliers in order to have stable production in Tanzania. The study further notes that contracting assured firms for stable profitability has hedged firms against prices fluctuation. However, Olewole, Oku and Okwonkwo (2017) note that contracting nerworking limits the freedom of subcontractors to join other profitable networkings.

Mayanja et al. (2019) note that business networking of SMEs in agribusinesses in Kampala generated redundant resources and knowledge that created non-competitive products in marketing. Alur (2017) observes that horizontal entrepreneurial networking allowed members to collaborate and share industry strategic information to increase productions. The study further suggested that collaboration eased sharing of resources to mitigate resources deficiency among SMEs.

However, the influence of entrepreneurial networking on growth of SMEs in African economies is not clearly understood. This is evident by limited studies that had investigated influence of entrepreneurial networking on growth of SMEs and they yielded contradictory findings. Thus, the current study is imperative as it attempts to contribute to this academic discourse of African context as it examines influence of entrepreneurial networking on growth of SMEs in African social context.

1.1.3 National Perspective of Entrepreneurial Networking and Growth of SMEs in Kenya

Small and medium enterprises (SMEs) are believed to be drivers of social economic development and economic growth of Kenya's economy. National Economic Survey Report (RoK, 2017) indicates that SMEs constitute 98 percent of all businesses in Kenya and creates 30 percent of jobs annually as well as a major contributor to GDP.

According to Republic of Kenya Economic survey of (2014), 80 percent of new jobs totaling 800,000 were created in the informal sector dominated by SMEs. Mwangi and Namusonge (2016) noted that the ability of SMEs to create more decent jobs was not anchored on their sheer large number but on SMEs ability to grow. This means that growth of SMEs reduces net effects of destruction of jobs as they sustain the existing and create more jobs to address high rate of unemployment among youths.

According to Odhiambo, Mukulu and Odhiambo (2019), SMEs cut across all sectors of the economy and they are found in both rural and urban areas. This implies that any measure or intervention aimed at expanding SME sectors may ultimately expand the entire economic growth of Kenya. This means that growth of small and medium enterprises assist the government to tackle problem of unemployment among Kenyan youths and curtailing some social evils that could occur as a result of unemployment.

Nelima, Namusonge and Sakwa (2016) posit that recent government economic reforms and interventions in Kenya for the past few years have attracted many Kenyans into SME sector thereby increasing the number of SMEs tremendously. The Republic of Kenya has changed public procurement Act to allocate SMEs owned by youths, women and people with disability 30 percent of tenders offered by government agencies this has gone a long way to create market for SMEs' products. However, Sifuna, Lagat and Kariuki (2017) observe that information about government tenders is imperfect and surrounded by corruption deals thus many SMEs are reluctant to apply. They further note that those who supply products to government institution wait for long period before receiving payments.

According to Ngugi and Bwisa (2013), high rate of unemployment in the formal sector, downsizing of large firms and introduction of entrepreneurship education at all education levels in Kenyan education system have improved entrepreneurial culture that is manifested by many graduating students venturing into small and medium enterprises. This concurs with Bwisa (2011) who notes that unfavorable economic conditions or situations in a country may trigger entrepreneurial culture.

Despite several measures aimed at making SMEs attractive, many of SMEs operating in Kenya do not last long for a considerable time before being edged out by well

established firms. Karanja and Namusonge (2017) observe that as much as the number of SMEs grows every day, majority of them do not grow into next levels before being phased out of the industries due to many challenges that inhibit their growth. If the challenges inhibiting growth of SMEs are not addressed soon effectively and efficiently, the SMEs would be unable to perform their economic functions.

Linguli and Namusonge (2015) note that three out of five SMEs in Kenya fail within the first three years of inception and those that continue 80 percent fail before the fifth year. This is approximately 60 percent of Small and Medium Enterprises fail every year in Kenya. Wakoli, Namusonge and Sakwa (2016) noted that many SME operators in Kenyan lack adequate resources, poor organizational skills, inadequate market, poor marketing research and unsupportive government policies. These situations may be inhibiting the growth of SMEs in Kenya.

Namusonge (2017) observes that there is need for measures to address low survival and enhance growth of SMEs to increase their potential to performance of economic function in economies. The realization Kenya's Economic blue print of Vision 2030 is anchored on high growth of Small and Medium Enterprises. Bwisa (2011) observes that entrepreneurial networking could be one possible strategy to address challenges inhibiting growth of SMEs. The author further notes that entrepreneurial enterprises may require resources that owners may be unable to supply.

Njeri, Namusonge and Bwisa (2017) suggest that probably the inability by SME agencies and government programs to address SMEs challenges could be the reasons for the revolution and evolution of entrepreneurial networking affecting almost all firms in all industries. The study argues that unlike in traditional entrepreneurship where the entrepreneurs acted alone currently entrepreneurs are inclined towards cooperation. Njeru, Namusonge and Sakwa (2012) perceive that development in information and communication technology may ease networking by members meetings virtually.

Katambo and Okatch (2016) observed that collaboration of auditing SMEs enabled them to share professional knowledge in Kenya. However, the study only considered

SMEs in audit industry and study's findings may not be applicable in other industries. Thus current study was vital as the study attempted to consider SMEs in several sectors to provide insight about influence of entrepreneurial networking on growth of SMEs in Kenya. According to Kinyua (2017), Kenya national chambers of commerce and industry and Kenya Association of Manufacturers (KAM) enable business operators to network with other players to enhance performance of enterprises. Kenya National Chambers of Commerce and Industry (KNCI) expose members to pertinent information and advice on operations of businesses. However, according to Kenya National Chambers of Commerce and Industry membership (KNCI), only a small a fraction of SMEs in Kenya are members thus majority of SMEs in Kenya don't network via Kenya National Chambers of Commerce and Industry (KNCI).

Kariuki and Iravo (2015) noted that Multinational Corporations had networking associations with local small and medium enterprises as entry wedges to Kenyan market. Similar to Okatch, Mukulu and Sakwa (2012) observe that motor vehicle assemblies subcontractors small and medium enterprises to supply components. Lagat and Otieno (2016) recommended that government formulated legislations to encourage multinational corporations to share their technologies and profit with local enterprises. Mwangi and Namusonge (2016) observe that inadequacy of government legislations to enforce networking arrangements and expensive and lengthy court procedures discourage business operators from sub-contracting or outsourcing.

Korir and Maru (2015) observe that business networking ease access to resources to perform businesses. The study did not indicate types of resources access and their effects on business performance. There is need to create insight on nature of resources shared and their effects on growth of SMEs. Maina, Mwarwa, Waiguchu and Riro (2016) noted that networking density may affect sharing of resources and information to enhance performances of small and medium enterprises in manufacturing sector. Katialem, Muhanji, and Otuya (2018) noted that entrepreneur's innovations affect SMEs growth in Kenya. The current study attempts to fill conceptual gaps by considering influence of entrepreneur's personal and SMEs characteristics in entrepreneurial networking on growth of SMEs. The study is hoped

to create insight of entrepreneur's personal and SMEs characteristics in identification of networking resources and adoption in enterprises.

According to sociological entrepreneurship theory, cultural norms, values and beliefs could influence emergency of entrepreneurial practices in communities (Aldrich & Zimmers, 1986). According to census reports (2019; 2009), Trans Nzoia County is habitant of all communities found in Kenya. The careful selection of the study sample from Trans Nzoia County, could produce a cross-section of Kenya's miniature that may be used to study Kenya' entrepreneurial culture. The findings of such could be used to formulate entrepreneurial networking policy of the country. Brand et al. (2018) and Abass (2019) used provinces that had cross-sections country's communities to study entrepreneurial activities in their countries respectively Dutch and Pakistan.

Secondly, growth of SMEs in Trans Nzoia County is a concern as the entire Kenya. Simiyu et al. (2016) noted that in Trans Nzoia County 3 out of 5 small and medium enterprises don't celebrate their third anniversaries. The study implied that failure rate of SMEs in Trans Nzoia County similar National indexing (Linguli et al., 2016). Thirdly, Kenya economy is agribusiness similar to Trans Nzoia County which is perceived as food basket of Kenya. The study supposed that Trans Nzoia County could represent Kenya in the study.

It was against these backdrops that current study attempted to find out influence of entrepreneurial networking on growth of Small and Medium Enterprises in Kenya. Thus, the current study was therefore among the first in Kenya to incorporate entrepreneur's personal characteristics in entrepreneurial networking, SME's characteristics in entrepreneurial networking, entrepreneurial networking structural dimensions, entrepreneurial networking resources, entrepreneurial networking relations on growth of SMEs in Kenya. Thus the current study was worthwhile as it attempted to explain the influence of entrepreneurial networking on growth of SMEs using integrated model in Kenya.

1.2 Statement of the Problem

Small and medium enterprises (SMEs) are acknowledged worldwide as important drivers for economic growth (OECD, 2018). According to Kenya Economic survey (2018), the SMEs contributed to 80 percent of the new jobs and 13 percent of GDP (Republic of Kenya, 2018). Despite important roles played by SMEs in socioeconomic development of Kenya, their growth has been a concern and continues to attract the attention of researchers with the view of identifying measures that can enhance SMEs growth. Several researchers have attempted to uncover primary determinants of SMEs growth (Karanja & Namusonge, 2017; Nelima, Namusonge & Sakwa, 2016; Martin & Namusonge, 2014; Namusonge, 1999; Ochanda, 2014; Ngugi & Bwisa, 2013)

Could poor entrepreneurial networking or lack of it therefore be the driving force behind this low growth among the SMEs in Kenya? Previous studies conducted in developed economies indicated that entrepreneurial networking enhanced growth of SMEs by addressing most of the challenges that inhibited growth. Brand et al.(2018) noted that 83 percent of SMEs involving entrepreneurial networking reported 70-80 percent growth in profitability. Khan et al. (2019) noted that 90 percent of SMEs involved in entrepreneurial networking in USA reported increase in profitability and sales between 75-80 and 60-70 respectively.

However, Bunyasi, Namusonge and Bwisa (2016) observe that 80 percent of SMEs in Kenya reported low growth rate, 20 percent of SMEs were unable to pay operational expenses. Similar to argument by Linguli, Namusonge and Bwisa (2016) who note that three out of five SMEs in Kenya fail within the first three years of inception and those that continue 80 percent fail before the fifth year. If this bleak trend of low growth rate of SMEs is not addressed soon it might derail the contribution of SMEs in socioeconomic development and realization of Kenya Vision 2030 which is anchored on high growth rate of SMEs to create enterprising culture.

Bwisa (2011) perceives that entrepreneurial networking could be a possible strategy to mitigate challenges constraining growth of SMEs in Kenya. There is need of

empirical study to examine influence of entrepreneurial networking on growth of SMEs using integrated model in Kenya. Many previous studies conducted in Kenya on influence of entrepreneurial networking on growth of SMEs have yielded mixed findings. For instance, Maina et al. (2016) conceptualized entrepreneurial networking by networking structural dimensions, range and networking resources among manufacturing SMEs on growth in Thika County, Kenya. The study found that entrepreneurial networking exposed SMEs' core competitive advantages to competitors. Kariuki and Iravo (2015) conceptualized entrepreneurial networking by networking density and networking relation on growth of SMEs Agro-based in Kirinyaga County Kenya. The study found that entrepreneurial networking yielded non-competitive resources and information that had no significant on product development of SMEs. The analysis of those studies conceptual frameworks did not include entrepreneurs' and SME's attributes. According to entrepreneurship theory advocated by Schumpeter (1949), the entrepreneurs perceive new organization to affect innovative entrepreneurial outcomes.

The current study was imperative as the study attempted to fill both conceptual and contextual gaps. The conceptual gap was filled by adopting integrated model comprising entrepreneur's personal characteristics, SMEs' characteristics, entrepreneurial structural dimensions, networking resources and entrepreneurial networking relations on growth of SMEs in Kenya. The study attempted to fill contextual gap since there was no guarantee that findings of studies done in developed countries could be generalized in Kenya as Kenyan SMEs experience different economic conditions and operated under different legislations.

1.3 Objectives of the Study

1.3.1. General Objective

The general objective was to determine the influence of entrepreneurial networking on growth of small and medium enterprises in Kenya.

1.3.2. Specific Objectives

The study was guided by the following specific objectives

1. To examine the influence of entrepreneur's personal characteristics in entrepreneurial networking on growth of SMEs in Kenya.

2. To assess the influence of SMEs characteristics in entrepreneurial networking on growth of SMEs in Kenya.

3. To investigate the influence of entrepreneurial networking structural dimensions on growth of SMEs in Kenya.

4. To evaluate the influence of entrepreneurial networking resources on growth of SMEs in Kenya.

5. To identify the influence of entrepreneurial networking relations on growth of SMEs in Kenya.

1.4 Research Questions

1. What is the influence of entrepreneurs' personal characteristics in entrepreneurial networking on growth of SMEs?

2. What is the influence of SMEs characteristics in entrepreneurial networking on growth of SMEs?

3. What is the influence of entrepreneurial networking structural dimensions on growth of SMEs?

4. What is the influence of entrepreneurial networking resources on growth of SMEs?

5. What is the influence of entrepreneurial networking relations on growth of SMEs?

1.5 Research Hypotheses

H_{01}: there is no statistically significant relationship between entrepreneur's personal characteristics in entrepreneurial networking and growth of SMEs.

H_{02}: there is no statistically significant relationship between SMEs' characteristics in entrepreneurial networking and growth of SMEs.

H_{03}: there is no statistically significant relationship between entrepreneurial networking structural dimensions and growth of SMEs.

H_{04}: there is no statistically significant relationship between entrepreneurial networking resources and growth of SMEs.

H_{05}: there is no statistically significant relationship between entrepreneurial networking relations and growth of SMEs.

1.6 Significance of the Study

This section outlines the importance of the study to the policy makers, entrepreneurs or SME operators, researchers and the community.

1.6.1 Policy Makers

Given the interest the Government of Kenya has shown in SMEs as a key player in socioeconomic development in terms job creation, alleviation of poverty, contribution to gross domestic product and means of achieving economic development, any measure that enhances their growth is important. The findings of the study was hoped to create insights to policy makers on influence of entrepreneurial networking on growth of SMEs. It might assist in formulation of measures that encourage entrepreneurial networking to address challenges that inhibit growth of SMEs. This could put the country on its first step in establishing an entrepreneurial culture among the youths that was lacking so far but which was vital for entrepreneurship, creation of decent jobs in SMEs, expansion of national income,

realization of Vision 2030 and equitable distribution of national wealth among others.

1.6.2 Entrepreneurs or SME Operators

The findings of this study may help SME operators or entrepreneurs to understand influence of entrepreneurial networking in addressing challenges that inhibit growth of SMEs. Thus study findings is hoped to create insight among the SME operators or entrepreneurs on how to design networking that can enhance the growth of businesses thereby designing contents of networking that are beneficial to the growth of SMEs. Finally, the findings of this study may create insight among entrepreneurs that entrepreneurial networking is an effective strategy of mitigating inadequacy of capital, information and innovation in product development and enhance the growth of SMEs.

1.6.3 Academic Researchers

The finding of this study was hoped to contribute to literature discourse of influence of entrepreneurial networking on growth of SMEs in Kenya. The study was among the first in the country to use integrated model to investigate influence of entrepreneurial networking (entrepreneurs' characteristics, firms' characteristics, entrepreneurial networking structural dimensions, entrepreneurial networking resources and entrepreneurial networking relations) on growth of SMEs. This study was significant because it was carried out from the perspective of Kenya, a developing economy. Thus, the study's findings might arouse the interest of academic researchers to carry out more studies in the context of developing countries especially in Africa.

1.6.5 The Local Community

The findings of the study was hoped to create insight among general public about the importance of businesses growth in addressing economic and socioeconomic development issues. The study was further hoped to create insight in the local community about influence of entrepreneurial networking in addressing challenges

facing enterprises and ultimately their growth. Lastly, the local community would benefit through being able to understand the challenges facing SMEs and be able to understand influence of entrepreneurial networking in meeting the challenges of SMEs.

1.7 Justification of the Study

For the SMEs to be able to perform key functions of economic growth and development, their growth is imperative. Thus, it is important to understand strategies that can influence the growth of SMEs. First, the previous studies conducted in Kenya to examine influence of entrepreneurial networking on growth of SMEs have yielded mixed findings and those studies had operationalized entrepreneurial networking by entrepreneurial networking structural dimensions, networking resources and networking relations on growth of SMEs.

Thus the current study was imperative as it adopted integrated model of entrepreneur's personal characteristics, SMEs' characteristics, entrepreneurial networking structural dimensions, entrepreneurial networking resources and entrepreneurial networking relations when investigating effects of entrepreneurial networking on growth of SMEs.

The current study being entrepreneurial, the role of an entrepreneur was worthwhile as the entrepreneur makes decision to reorganize or come up with new organization. Thus, the current study was imperative to insight on influence of entrepreneurial networking on growth of SMEs by adopting integrated model of entrepreneurs' characteristics, firms' characteristics, entrepreneurial networking structural dimensions, entrepreneurial networking resources and entrepreneurial networking relations on growth of SMEs. Lastly, the study aimed at contributing to academic discourse of entrepreneurial networking on growth of SMEs.

1.8 Scope of the Study

The scope of the study defines the boundaries of coverage and limits the study to relevant areas of concern. The study was conducted in Kenya Trans Nzoia County.

Trans Nzoia County is one of the 47 counties found in Kenya. The county was chosen to represent Kenya basing on Census reports of 2019 and 2009 which revealed that Trans Nzoia County is a miniature of Kenya both in term people inhabitants and economic activities. The reports further indicated that livelihoods of people in this county are similar to entire Kenya. Due to time and resources constrained the researcher adopted Trans Nzoia County to represent Kenya. Linguli. Namusonge and Sakwa (2016) note that failure rate of SMEs in Kenya is 2-5 SMEs do not celebrate their fifth anniversaries. Similar to Simiyu Namusonge and Sakwa (2018) note that failure rate of SMEs in Kenya is 2-5 SMEs in Trans Nzoia County Kenya. The study took Trans Nzoia County a representative of Kenya.

The target population of the study comprised all small and medium enterprises that were in operation for three years (2016, 2017 & 2018) Kenya. Okatch, Bwisa and Sakwa (2012) observe that a minimum of three years is effective to determine effects of inter-firm relationships on performance of small and medium enterprises. Small and Medium enterprises are enterprises having 10-99 employees with annual sales ranging between ksh 500,000 to 8,000,000.

The study targeted to collect data from SMEs in Trans Nzoia County Kenya. After identification of SMEs to participate in the study, the researcher selected one respondent from each SME who could be SME owners or entrepreneurs or SMEs managers who were responsible for making strategic decisions on whether to network or not. The franchise SMEs or subsidiary companies operating in the study area were excluded because local managements depend on decisions made in head offices. The study confined itself to influence of entrepreneurial networking structural dimensions, entrepreneurial networking resources, entrepreneurial networking relations, entrepreneurs' and SMEs characteristics on growth of SMEs.

1.9 Limitation of the Study

The study made certain methodological assumptions that arose from the survey design used in the study. The methodology relied on standardization of research collection tools forcing the researcher to develop general questions that were minimally appropriate to all respondents, possibly missing what was most

appropriate to many respondents. Besides, survey is inflexible and requires initial design to remain unchanged throughout the data collection. To address the issues the researcher piloted the research data collection instruments for suitability in data collection.

SME operators were reluctant to disclose profitability of enterprises for fear of information to be used by Kenya Revenue Authority. To address the fear of respondents the study requested respondents to indicate only levels of their profitability. The respondents were not required to state name of their enterprises. The sampling errors and bias might have been induced by sample design as the case of gender in this study. To address the sampling error and bias the study constructed the sampling frame that according all element equal chances of being included in the study sample.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter covers theoretical framework, conceptual framework, review of variables, critique of literature, summary of literature and gaps in literature.

2.2 Theoretical Review

This study was grounded on relevant theories drawn from entrepreneurship literature. The theoretical review covered Sociological theory, Psychological or Traits theory, entrepreneurship theory and entrepreneurial networking theory.

2.2.1 Sociological Theory

Sociological entrepreneurship theory focuses on social context of an entrepreneur's culture, social background, norms, belief, family background, social network among others (Aldrich & Zimmers, 1986). Sociological theory argues that social values are responsible for emergence of successful entrepreneurs and enterprises growth. Bwisa (2011) perceives that the unit of analysis in the sociological theory is background of entrepreneurs rather than entrepreneur's actions. This means that the roles of entrepreneurs in the enterprises functions are ignored.

The proponents of sociological theory hold that entrepreneurship is likely to be boosted in a particular social culture than others. The society's values are critical determinants of attitude and role expectations of its members. According to sociological theory of entrepreneurship, individuals' backgrounds and culture influence perception of entrepreneurship opportunities, organisation of enterprises and growth ambition of entrepreneurs. Secondly, the experience of the people could influence their thought and actions to engage in entrepreneurial networking with others to transact business processes. Thirdly, the culture of people is one of the decisive factors that could influence one to become an entrepreneur. Fourth, norms

and beliefs of people may influence them to perceive entrepreneurial networking as a paradigm shift of organizing business activities.

Namusonge (2017) argues that sociological theory lays emphasis on the individual's social background while little is put on the entrepreneur's initiatives. The author avers that sociological theory is inadequate in explaining the entrepreneur's invention and innovation that are epicenter of entrepreneurship. Schumpeter (1959) argues that entrepreneurs' innovation is responsible for introduction of new products, identification of new organisation strategies (entrepreneurial networking), identification of new sources of raw materials and market. This means social backgrounds of entrepreneurs' families and culture may be inappropriate in explaining entrepreneurial intention and actions.

Desai (2009) observes that sociological entrepreneurship motivational model which may be successful in one culture may not be expected to succeed in other cultures due to sociological differences in social backgrounds and thus hampering development of national entrepreneurship culture and motives of entrepreneurship. This would be difficult for a country to formulate the national entrepreneurship policy which addresses several subcultures. Besides, entrepreneurship sociological theory fails to explain differences in entrepreneurship among people of same society.

According to Drucker (2007), foundation of entrepreneurship is pegged on theory, practice and concept. This implies that entrepreneurship can be taught to different people hence breaking the barriers of different cultures and background. Therefore, sociological theory is inappropriate in explaining entrepreneurial networking which requires unit of analysis to be entrepreneur's actions.

2.2.2 Psychological/Trait Theory of Entrepreneurship

Psychological theories of entrepreneurship put emphasis on personal traits of entrepreneurs (Baum, Frese & Boron, 2014). The Psychological theories outline that entrepreneurs must display certain characteristics to be able to perform their entrepreneurial functions. There are three categories of Psychological theories: Need for achievement of entrepreneurship theory was developed by David McClelland in

1976. McClelland argued that entrepreneurs were characterized by high need for achievement that regulated their behaviour to succeed. The entrepreneurs set goals to achieve by networking thus the theory explains reasons for entrepreneurial networking.

Rotter (1966) supports that trait theory of entrepreneurship by focusing on locus of control of entrepreneurs on entrepreneurial outcomes. Rotter argues that entrepreneurs are characterized by high internal locus of control in their entrepreneurial actions. Lefcourt (2014) observes that locus of control offers entrepreneurs a belief that their actions and effort determine enterprises success. Bwisa (2011) posits the locus of control theory by arguing that internal locus gives confidence to an entrepreneur that his entrepreneurial networking actions and efforts will result into entrepreneurial success. Rauch et al. (2016) argued that internal locus of control enabled entrepreneurs to develop confidence in their actions and effort which could lead into entrepreneurial successes. Kim and Lee (2018) argue that if majority of people in the population are characterized by high internal locus would support emergence of entrepreneurship by enhancing entrepreneurial culture of a community. The locus of control theory is significant in explaining the behaviour and success of entrepreneurial networking outcomes.

Bandura (1961) argues that self-efficacy determines the effectiveness in execution of entrepreneurial activities by entrepreneurs. The study further perceives that self-efficacy is important trait as it determines entrepreneurial outcomes. Saraih et al. (2018) argue that self-efficacy provides commitment to entrepreneurship and entrepreneurial tasks. This means that self-efficacy influences entrepreneurial intention and identification of effective organisation (entrepreneurial networking) to execute business activities to realize entrepreneurial successes.

However, the traits theories focus on entrepreneurial individuals with distinguishing characteristics from ordinary business people which is central to entrepreneurship theory. Bwisa (2011) argues that entrepreneurial traits are very many thus may not be possible to study all of them. He concludes that there may be a problem to operationalize entrepreneurial traits. He argues that entrepreneurs' traits operate in a

continuum thus difficult to judge which level is suitable for entrepreneurial intentions and organisation.

Drucker (2014) argues that entrepreneurs are characterized by high level of creativity, imagination, high internal locus of control, alert of entrepreneurial opportunities, optimistic, emotionally resilient and have mental energy. He further notes that entrepreneurs are characterized by hardworking, showed intense commitment and perseverance, thrive on competitive desire to excel and win, tended to be dissatisfied with the status quo and desired improvement.

There are some criticisms of trait entrepreneurship theory that make it inappropriate in explaining entrepreneurial outcomes. First, there are many entrepreneurs' personal traits which make it difficult to study all of them and decipher the effects of each trait on entrepreneurship development. Secondly, researchers in entrepreneurship argue that if all entrepreneurs possess same characteristic traits, then there would be no advantage accorded to any entrepreneur. Thus, there must be other factors responsible for entrepreneurial behavior and entrepreneurial outcomes hence this call for differential theories among entrepreneurs to accord them competitive advantages. Thus trait theory was inappropriate to study entrepreneurial networking on growth of SMEs.

2.2.3 Innovation Entrepreneurship Theory

Desai (2009) observed that a dynamic theory of entrepreneurship was first advocated by Schumpeter in 1949. Schumpeter notes that entrepreneurship is a catalyst that disrupts the stationary circular of the economy and thereby initiates and sustains the process of economic development through innovations. According to Schumpeter, an entrepreneur is an innovator who carries out new business organization to disrupt market forces. Schumpeter accorded an entrepreneur the role invention and innovations that disrupted market equilibrium and resulted into economic growth.

The essence of entrepreneurship, therefore, lies not simply in putting up business activities in their original formation or invent a product, but in establishing new innovative business combinations in terms of supplies, products, market processes or

organisations. Entrepreneurial networking is a form of innovative business organisation that allows entrepreneurs to come up with new order to execute enterprises functions. Brand et al. (2018) argued that entrepreneurial networking created a synergy for entrepreneurs to share resources and ideas.

Stam, Arzlanian, and Elfring (2014) noted that an entrepreneur must scan the environmemt to identify feasible entrepreneurial opportinities then assemble resources to exploit. According to Kirzner, the main characteristics of an entrepreneur is being alert and foresight of market conditions. Michirori and Fatoki (2014) supported Kirzner's argument that an entrepreneur must be alert in order to predict market conditions to facilitate him/her to establish business monopoly to generate entrepreneurial rewards. The entrepreneur must decide how to organise business activities optimally.

Burt (2017) argued that innovative entrepreneurs devise new ways of doing business activities effectively and efficiently. The study further noted that new organisation resulted to disruption of market conditions and improved entrepreneurial profitability. Basole, Ghosh and Hora (2017) perceived that productive economic combinations (entrepreneurial networking) must optimally relate the business to all its forward, backwards and lateral support for all factors that enhance entrepreneurial success. The entrepreneurship theory is appropriate in explaining entrepreneurs' innovation in formulation of new entrepreneurial networking organizations.

2.2.4 Entrepreneurial Networking Theory

Walker et al. (1997) hold that entrepreneurs are embedded in networks of enduring social relations. Nair et al. (2016) perceive that entrepreneurial networking relations provide mechanism for dependency on others resources and subsequently create social capital to enhance entrepreneurial outcomes. Burt (2015) posits that entrepreneurial networking is a paradigm shift where an entrepreneur networks with other entrepreneurs and enterprises to access resources and information to enhance entrepreneurial outcomes.

Stam et al. (2014) identify various types entrepreneurial networking relations: weak versus strong relations. Kim and Lee (2016) observe that family and friends networks are strong network relations that provide initial resources to nascent entrepreneurs, while businesses and institutions networks are weak network relations responsilbe for invention and innovations aspects of enterprises.

Napiat and Ghoshal (1998) hold that entrepreneurial networking provide mechanism for an entrepreneur to access both virtual and actual resources to complement entrepreneur's resources to enhance entrepreneurial outcomes. Burt (2017) posits that an entrepreneur must undertake SWOT analysis of an enterprise before entering into strategic networking relationships. Namusonge (2017) holds that if SWOT analysis is not done, some entrepeneurial networking if not carefully evaluated may result into redundant resources and waste of time.

Whipple et al. (2015) identify five constructs of entrepreneurial networking theory which include entrepreneur personal characteristics, enterprise, entrepreneurial networking structural dimension, entrepreneurial networking relations and entrepreneurial networking resources. Rauch et al. (2016) note that an entrepreneur's personal characteristics affect the extent of networking. It determines resource identification and absorption from networking relations.

Chiles and Lee (2016) perceive that enterprises attributes are the effector that determine absorption of networking resources. The entrepreneurial networking structural dimension determines where and who to reach. The entrepreneurial networking theory holds that an entrepreneur occupies a central position in a network. Bwisa (2011) hold that an entrepreneur's central position in an entrepreneurial networking provides better chances to control networking contents and members that affect business performance.

Burt (2019) posits that an entrepreneur enters into strategic alliance of networking with other entrepreneurs, businesses and institutions to share technologies (intellectual property) that are expensive to be developed by a single person. Cousins at al. (2006) argue that strategic alliance enables an entrepreneur to outsource some of the enterprises functions.,Burt (2001) argues that networking density determines

knowledge spill over among networking members. Ahuja (2001) observes that great distance between networking influence levels of invention and innovation in the network. Kim and Choi (2015) observe that trust determine access to resources, information and innovation to access market. Burt (2016) notes that networking relations affect the level of trust: high trust lowered operation costs while low trust increased operational costs and reduced exchange of resources.

Leyden, Link and Siegel (2014) note that an entrepreneur continuously engages in formation of entrepreneurial networking relations that are either strategic or supply base. The assumption of strategic relations holds that an entrepreneur enters into networking arrangements with other networking partners to secure strategic resources and innovations that enhances enterprise activities outside the firms' boundaries. Bwisa (2011) observes that entrepreneur's wide networking increase an entrepreneur's ability to acquire more information and there is greater probability for his/ her innovations success.

Namusonge (1999) observes that entrepreneurial networking involves both formal and informal relationships between organisations that result in sharing of resources, information and innovations that enhance entrepreneurial growth of SMEs. Namusonge defines entrepreneurial networking as patterns of lasting social and organisation relationships that results in social capital that further entrepreneurial outcomes. Hussein and Benassi (2016) note that entrepreneurial networking closure fosters normative relationship among entrepreneurs environment that facilitates cooperation and reciprocity. Galkina (2013) posits that entrepreneurs actively participates in formation and maitainence of valuable entrepreneurial networking process through frequent communications and contacts.

Sarasvathy and Venkataraman (2011) hold that an entrepreneur is conscious about enterprise needs that require networking relationship and form meaningful configuration. Ruchkina et al. (2017) observe that an entrepreneur actively participate in networking to enhance entrepreneurial outcomes. Brand et al. (2018) examined influence of entrepreneurial networking on growth of small and medium enterprises in Dutch. The theory was adequate in guiding the study. Similar Abbas et

al. (2019) examined influence of entrepreneurial networking on growth of small and medium enterprises in Pakistan. Entrepreneurial networking theory provided concepts and constructs for examining influence of entrepreneurial networking on growth of SMEs. The theory attempts to provide an alternative to organise entrepreneurship activities outside the firms' boundaries.

2.2.5 Growth Theory

Greiner (1998) perceives that growth of firms goes through phases accompanied by crisis and states that movement to next phase is anchored on dissolution of crisis in the current phase. Burt (2016) supports Greiner growth theory by identifying growth elements as increase in sales, profitability, return on capital invested, market coverage number of employees and innovations. Greiner theory observes that there are five phases of growth.

In phase one, the Growth of firm is through creativity and innovations. Small firms or entrepreneurs are creatively coming up with new and innovative ideas to grow enterprises. However, organisation of new business ideas or innovations may pose leadership crisis as many small enterprises are informally managed. In phase two, growth through directional leadership. Greiner theory anticipates that entrepreneurs or small enterprises resolution of leadership crisis by introduction of formal management to realize growth. However, introduction of formal leadership creates autonomy crisis as firms. In phases three, growth is through (delegation) decentralization of enterprises functions into departments or units for better performance. The decentralization of functions may create control crisis in monitoring performance of decentralized units. In Phases four, growths through harmonization of decentralized functions. This phase anticipates that for firms to realize growth through decentralization firm's units ends in red tape crisis.

In Phases five, Greiner growth theory anticipates that growth is through cooperation/ collaborations/ alliance. The theory hypothesized that mature or highly growing firms may run out of business ideas or resources. It ends with internal crisis of growth. Greiner growth anticipates that entrepreneurs or firms may collaborate with other firms or a team of entrepreneurs to enhance growth. However, Greiner growth

perceives that bureaucracy in decisions may hinder decisions to form networking/ collaboration decisions.

Mustafa, Hassan and Mete (2009) note that phases of entreprises growth perceived in Greiner theory are similar to businesses cycles of boom, depression, recession and recovery. They note at each cycle the business management must devise strategies to steer enterprises functions effectively and efficiently to realize growth. Nelima et al. (2016) observe that enterprise in rapidly growing phase required more resources and information to handle growth challenges. Brand et al. (2018) adopted Greiner growth to examine growth of small and medium enterprises in Dutch. Similar to current study Greiner theory is adopted to determined growth of small and medium enterprises. Thus Greiner theory is appropriate and efficient model to explain growth of SMEs through entrepreneurial networking arrangements.

2.3 Conceptual Framework

The conceptual framework model shows diagrammatically the relationships between independent and dependent variables in the study (Kothari, 2004). Entrepreneurial networking theory and entrepreneurship theory provided concepts and constructs to examine influence of entrepreneurial networking on growth of SMEs. Entrepreneurship innovation theory states that entrepreneur innovate new organisation to organize enterprise activities. Thus Entrepreneurship innovation theory provides rationale for inclusion of entrepreneur's personal and small and medium characteristics.

Entrepreneurial networking theory provides justification for inclusion of networking structural dimensions, networking resources and networking relation in the integrated model examining influence of entrepreneurial networking on growth of small and medium enterprises. The conceptual framework (Figure 2.1) presented independent and dependent variables.

Entrepreneurship traits theory provides justification for inclusion of entrepreneur's personal characteristics in the entrepreneurial networking model. The entrepreneurship theory avers that entrepreneurs make decisions for their enterprises.

For instance, the entrepreneurs decide whether to organize the enterprise activities in the network or within business boundaries.

Entrepreneurial networking theory provides justification for inclusion of Entrepreneurial networking structural dimensions positing that an entrepreneur actively configures a networking relations that results into achieving entrepreneurial outcome effectively and efficiently. Entrepreneurial networking theory further avers that networking entrepreneurs depend on other members or a network's resources. Lastly, entrepreneurial networking theory avers that networking relationship whether close or weak influences sharing or exchange of entrepreneurial innovations and resources.

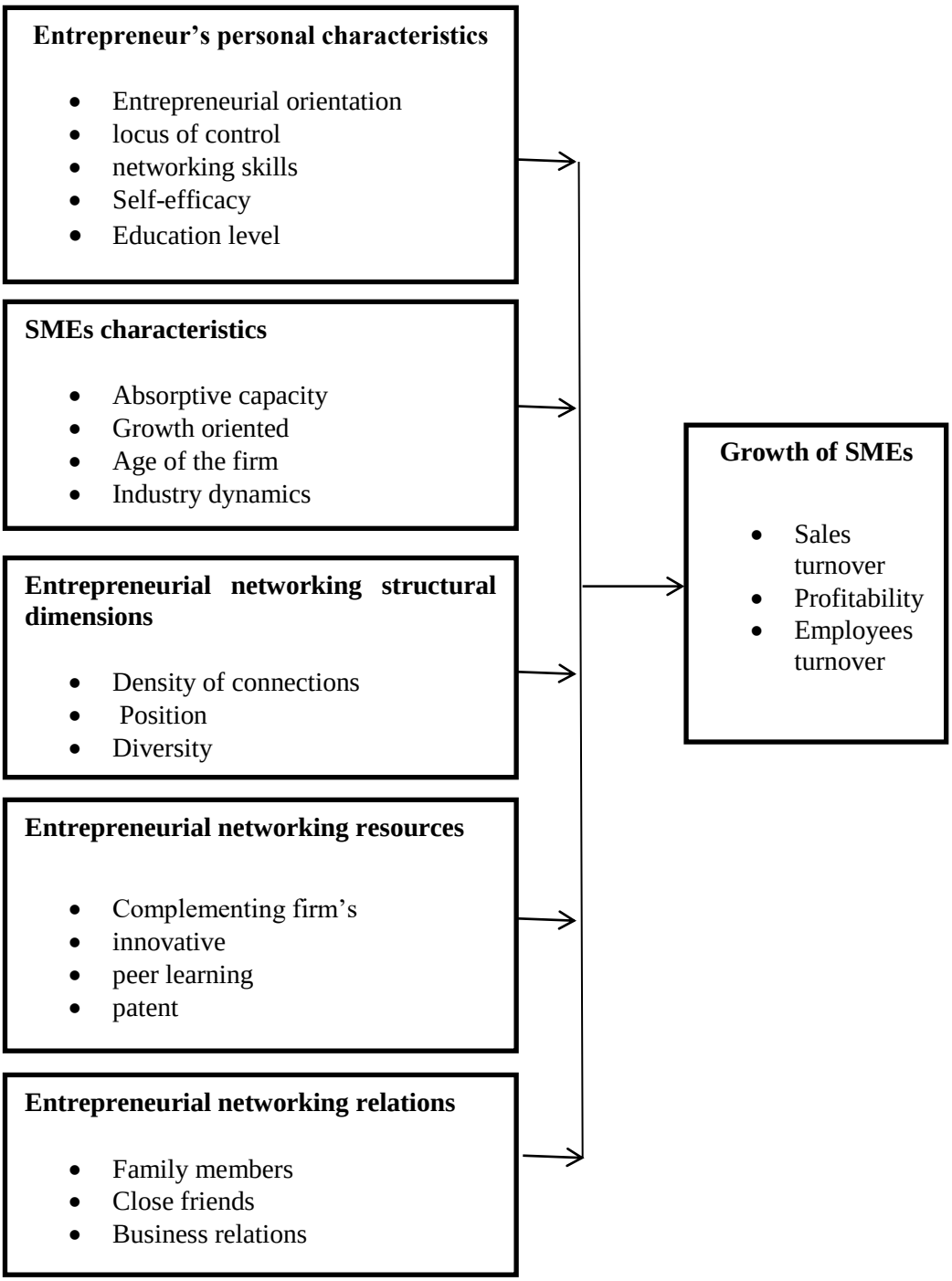

Figure 2.1: Conceptual framework

2.4 Review of Variables

This section reviewed hitherto studies that covered influence of entrepreneurial networking on growth of SMEs. Both entrepreneurship theory and networking theory provide justification for both dependent and independent variable for entrepreneurial networking. According to dynamic theory of entrepreneurship advocated by Schumpeter, the entrepreneur plays significant role in formulation of entrepreneurial innovation such as new organisation (entrepreneurial networking) and the theory asserts that enterprise growth is an important measure of entrepreneurship success (Burt, 2016). The traits theory provides further justification for inclusion of entrepreneurial characteristics such as entrepreneurial orientation (Proactiveness, risk taking, growth oriented, aggressiveness and competitiveness) as important determinants of entrepreneurial activities.

Entrepreneurial networking theory supports inclusion of entrepreneurs' characteristics together with entrepreneurial networking dimensions: entrepreneurial networking structural dimensions, entrepreneurial networking resources and entrepreneurial networking relations (Kim & Lee, 2016). The theory asserts that an entrepreneur perceives and configures valuable entrepreneurial networking relationship to permit sharing of resource and information from networking social capital.

The literature reviewed was organized according to research objectives: entrepreneur's personal characteristics in entrepreneurial networking on growth of small and medium enterprises, small and medium enterprises' characteristics in entrepreneurial networking on growth of SMEs, entrepreneurial networking structural dimensions on growth of SMEs, entrepreneurial networking resources on growth of SMEs and entrepreneurial networking relations on growth of small and medium enterprises.

2.4.1 Entrepreneurs' Personal Characteristics

According to National Commission on Entrepreneurship (2017), an entrepreneur provides "soft" resources that organize and configure other resources from within

and without to achieve entrepreneurial success. This argument concurs with entrepreneurship theories that justify inclusion of entrepreneur personal characteristics in entrepreneurial networking model (Baum, Frese & Baron, 2014; Huggins & Thompson, 2014; Bwisa,2011).

Schwarz (2017) evaluated the effects of entrepreneurs' age, gender and social background on utilization of entrepreneurial networking resources to determine growth of Small and Medium Enterprises in Germany. The study adopted quantitative approach. The study found that social background, gender and networking skills influenced utilization of entrepreneurial networking resources to enhance SMEs performance. The study established that age of entrepreneurs had curvilinear relationship with utilization of networking resources to enhance entrepreneurial outcomes. The use of quantitative techniques only hindered researcher from answering why and how entrepreneurs utilize entrepreneurial networking. The current study attempted to adopt mixed research design possibly to answer what, why and how entrepreneurial networking affects growth of SMEs in Kenya.

Naude et al. (2014) determined effects of entrepreneur's locus of control, entrepreneurs' personal intelligence and networking skills on absorption of entrepreneurial networking resources among manufacturing SMEs in Britain. The study found that locus of control, entrepreneurs' personal intelligence and networking behaviour influenced absorption of networking resources and information determining 50-75 percent of SMEs growth. Similar to Abbas et al. (2019) who found that locus of control and business objective influenced selection of Networking partners to complement SMEs' resources in USA. The studies were done in developed economies different from Kenyan conditions thus there was no assurance that those findings could be seamless applicable.

Brand et al. (2018) examined effects of entrepreneurial orientation of entrepreneurs on utilization of entrepreneurial networking resources and information in Dutch. The study operationalized entrepreneurial orientation by growth oriented, locus of control, risk taking and innovation. The study found that entrepreneurial orientation

increased utilization of networking resources to complement small and medium enterprise resources. The study found that 80 percent of small and medium enterprises participated in entrepreneurial networking reported 50-80 percent increase in annual profit, while 20 percent of small and medium enterprises participated in entrepreneurial networking reported 1-49 percent increase in annual profit. This implied that entrepreneurial orientation of entrepreneurs influenced utilization of entrepreneurial networking to enhance growth of SMEs. The study did not reveal effects of each entrepreneurial orientation variables on utilization of entrepreneurial networking resources on growth of SMEs. The current study attempted to show effect of each entrepreneurial orientation variables on utilization of entrepreneurial networking resources.

Agbim, Oriarowo and Zever (2014) examined the effects of entrepreneur's locus of control, age and gender on selection of networking partners in Paris France. The study found that entrepreneur's locus of control, age and gender had no effects on selection of networking partners with valuable resources. Rauch et al. (2016) found that entrepreneur's experience and social background had no influence on selection of networking partners and growth of small and medium enterprises. However, contradicted those of Stam et al. (2014) who found that entrepreneur's locus of control, age and gender determined selection of networking partners in USA. The studies did not show the extent of influence of entrepreneur's personal characteristics on growth of SMEs. According to Khan et al. (2019), locus of control instills confidence in entrepreneur's action and effort. The current study attempted to show extent of influence of entrepreneur's personal characteristics on growth of SMEs.

Kim and Lee (2016) found that networking skills influenced configuration of valuable networking which provided innovative resources that enhanced product development. Tehseen, Qureshi and Ramayah (2018) found that networking skills, communication skills, gender and locus of control had significant influence on selection of networking partners. The study established that entrepreneur's effort and action determined networks to join to enhance entrepreneurial outcomes of enterprises. However, the study findings contradicted those of Blisson, Nkrumah and

Rana (2018) who found that networking skills had no influence on configuration of valuable networking in Kumasi Ghana.

Baker et al. (2016) found that self-efficacy determined kind of networking resources and information to acquire to complement SMEs' resources in Cape-Town South Africa. Ozeh and Wen (2015) argued that self-efficacy determined behaviour of SME operators in networking with large firms in Libya. The study further established that self-efficacy enabled SMEs operators to use large firms' resources to address resources deficiencies to enjoy economies of scale. However, Hussein (2017) found that self-efficacy only affected utilization of networking resources and not selection of networking partners among SMEs in Cairo Egypt. The current study attempted to consider both effect of self-efficacy on selection of networking partners and utilization of networking to enhance growth of SMEs in Kenya.

Turyakira and Mbidde (2015) found that entrepreneur's education level and experience influenced utilization of networking resources in Kampala Uganda. The study further established that entrepreneur's personal characteristics in entrepreneurial networking had insignificant effects on growth of SMEs. The study considered non-entrepreneurial characteristics. The current study attempted to consider entrepreneurial personal characteristics in entrepreneurial networking on utilization of networking resources and information in enhancing growth of SMEs in Kenya.

Mwangi, Namusonge and Ngugi (2014) examined the relationship between entrepreneur's educational and growth of SMEs in Kerugoya Kenya. The study found positive significant relationship between entrepreneur's educational and growth of SMEs. The study did not consider entrepreneur's personal education in entrepreneurial networking on growth of SMEs. The current study attempted to find out the relationship between entrepreneur's personal education in entrepreneurial networking on utlization of networking resources on growth of SMEs in Kenya.

Atieno (2016) found that entrepreneur's age and gender social background had positive influence on entrepreneurship practices in Nairobi Kenya. Katialem, Muhanji and Otuya (2018) found that innovativeness, autonomy and competitive

aggressiveness of entrepreneurs SME operators had positive significant influence on entrepreneurial outcomes in Kenya. Katialem, Muhanji and Otuya (2018) averred that entrepreneur's innovativeness, autonomy and competitive aggressiveness had positive significant influence on growth of SMEs in Kenya. The studies indicated that entrepreneur's personal characteristics influence entrepreneurial practices. The current study attempted to consider influence of entrepreneur's personal characreistics on utilisation of networking practices to enhance growth of SMEs in Kenya.

Katambo and Okatch (2016) analyzed effects of networking skills on growth of auditing firms in Nairobi. The study found that networking skills influenced an entrepreneur or a team of entrepreneurs in identification of valuable networking partners among SMEs in auditing in Nairobi Kenya. The study only considered networking skills of auditors that findings may not be applicable to other sectors of the economy. Mwangi, Namusonge and Sakwa (2016) found positive significant relationship between entrepreneurship education and gender on growth of SMEs in Thika Kenya. Wekesa, Maalu, Gathungu and Wainaina (2016) found that an entrepreneur's age, managerial skills, industry experience and social skills had insignificant effects on performance of SMEs. The studies did not consider utilization of entrepreneurial networking resources and information on growth of SMEs, thus current study considered entrepreneur's personal characteristics on utilization of entrepreneurial networking resources and information on growth of SMEs.

Many of empirical studies done in Kenya did not consider entrepreneur's personal characteristics on utilization of networking on growth of small and medium enterprises in Kenya. Thus the current study attempted to consider entrepreneur's personal characteristics on utilization of networking on growth of small and medium enterprises in Kenya.

2.4.2 SMEs Characteristics

There are several theoretical reasons why firm characteristics are an important contingent in multiple facets for entrepreneurial networking on growth of enterprises.

Kim and lee (2018) found that growth oriented SMEs had high affinity to utilize entrepreneurial networking resources to enhance entrepreneurial outcomes in Italy. The study further revealed that industry of SMEs determined which strategic and collaboration networking to join. Similar to Jiang, Liu, Fey and Jiang (2018) found that SMEs endowed with high growth oriented SMEs detected network resources to acquire from network. The studies have indicated that growth oriented SMEs experience inadequate resources and formulated networking to acquire resources to fulfill entrepreneurial outcomes.

Stam, Arzlanian and Elfring (2014) found that industry of SMEs affected utilization of networking resources in London UK. The study further revealed that innovative employees absorpted networking resources to enhance SMEs entrepreneurial outcomes. However, Schwarz (2017) found that SMEs' industry and age had no effects on utilization of networking activities to enhance growth of SMEs in German. Abbas et al. (2019) found that SMEs' absorption capacity and employees influenced adoption of networking resources, innovations, technology and information to perform enterprises' activities in USA and Pakistan. Similar to Burt (2019) found that SMEs' objectives had positive effects on utilization of entrepreneurial networking resources and growth of SMEs in China and West economies. However, Rauch et al. (2016) found that absorption capacity, employees and growth orientation had insignificant effects on growth of SMEs in USA. This implied that SMEs' objectives influenced utilization of networking and information to enhance growth of SMEs.

Brand et al. (2018) found that the SMEs' financial inadequacy and objectives in determining participation in entrepreneurial networking in Dutch. The study indicated that nature of financial inadequacy and objectives inform SMEs decision to participate in entrepreneurial networking. The study concluded that networking activities contributed to 50-80 percent of SMEs growth.

Michorori and Fatoki (2013) examined the impact of SMEs and entrepreneurs' characteristics on growth of SMEs in South Africa. The study found that SMEs industry, objectives and legal ownership impacted SMEs' decision to participate in

entrepreneurial networking. The study further revealed that SMEs industry and objectives had insignificant on utilization of networking resources to enhance growth of SME.

Turyakira and Mbidde (2015) found that limited financial resources influenced SMEs participation in entrepreneurial networking in Uganda. The study established that SMEs networked to mitigate limited financial resources to enhance growth of SMEs. Mwangi and Namusonge (2016) found that SMEs financial inadequate and objectives had positive significant effects on participation in entrepreneurial networking in Kirinyaga Kenya. The current study attempted to examine influence of SMEs' limited financial and objectives on networking arrangements to enhance growth of SMEs in Kenya.

Atieno (2016) found that SMEs objectives and industry had insignificant influence on formation of strategic and collaborative networking to perform enterprises activities in Kisumu Kenya. The study had analyzed effects of objectives and industry on utilization of networking resources to enhance growth of SMEs. Maru (2017) found that the objectives and industry of SMEs had positive insignificant effects on absorption of networking resources in textile industry in Eldoret. The current study attempted to examine influence of objectives and industry on utilization of networking resources and information on growth of SMEs.

Kiprotich (2014) examined effects of the SMEs characteristics on growth of SMEs in Nakuru Kenya. The study found that SMEs' age, nature of ownership, growth oriented and innovations had significant effects on growth of SMEs in Nakuru Kenya. The study examined SMEs characteristics influence on growth of SMEs. The current study attempted to examine SMEs' age, nature of ownership, growth oriented and innovations in utilization of networking arrangement to enhance growth of SMEs in Kenya.

Mong'are (2017) examined effects of SME's characteristics on growth of SMEs in Kenya. The study found that SMEs' age, business resources and location determined SMEs access to market. The study further established that SMEs' age, business resources and location had insignificant influence on growth of SMEs in Kenya. The

current study attempted to examine influence of SMEs' age, business resources and location on utilization of networking to enhance growth of SMEs in Kenya. The current study attempts to fill literature gaps by considering SMEs characteristics in entrepreneurial networking on growth of SMEs in Kenya.

2.4.3 Entrepreneurial Networking Structural Dimensions

Abbas et al. (2019) observed that entrepreneurial networking structural dimensions determined where a network member reached for assistance. This meant that entrepreneurial networking structural dimensions determined where, how and whom an actor can reach in the networking arrangement. Basole et al. (2017) examined effects of networking density on growth of SMEs in electronic industry in USA. The study found that networking density characterised high interconnection and frequency of contacts of networking members that eased flow of resources and information in a network. This means entrepreneurial networking structural dimensions is imperative in utilizing networking activities.

Burt (2015) found that central position of a networking member in entrepreneurial networking arrangements influenced control of networking activities to enhance entrepreneurial outcomes in China. This meant that position of an entrepreneur in entrepreneurial networking determined where and how one reached to other networking members to enhance entrepreneurial outcomes. However, Das and Goswami (2019) found that focal position exposed SMEs competitiveness to competitors in Assam District India. The study further established that central position increased access to imformation difficult to select information suitable to entrepreneurs.

Naude et al. (2014) found that entrepreneurs' central position generated more information that was difficult to decipher to generate valuable information for the enterprises in India. The study established that central position was insignificant on growth of enterprises. Tseng et al. (2016) found that an SME entrepreneur occupying central position in entrepreneurial networking influenced networking standards and contents to enhance his/her enterprise.

Lai et al. (2016) found that networking frequent of interaction of SMEs and other networking members exposed an entrepreneur's core competitive advantages to potential competitors in China. Imran et al. (2019) found that shortest distance between SME entrepreneurs increased frequent of interaction that ease sharing of information, finance and favorable terms of sales that increased sales of firms in India. However, Van der Eijk (2015) found that long distances among networking members increased communication cost and coordination problems. The study further established that long distance between networking members generated innovative resources that improved growth of SMEs.

Kim and lee (2018) found that SME entrepreneur occupying central position in networking created convergence of information that enhanced overall growth of SME. Brand et al. (2018) found that SMEs entrepreneurs occupying central position in a networking configuration where other enterprises and institutions were not connected to others accessed innovations and resources that enhance growth of SMEs.

Kiprotich (2017) investigated effects of networking density and shortest distance on growth of SMEs in agrochemical industry in Mombasa Kenya. The study found that density and shortest distance increased information spillover that eased access. The study established that networking density and range had insignificant effects on growth of SMEs. Maina et al. (2016) found that supply chain networking had significant effect on reduction of operational costs among manufacturing SMEs in Kenya. This meant that entrepreneur SMEs needed low operational capital. Buyayi (2016) avers that supply chain networking free funds to expand entrepreneurial outcomes. However, Kitambo and Okatch (2016) found that supply chain networking had insignificant effect on reduction of operational costs.

Mwangi and Namusonge (2016) found that many business networking comprised of businesses from same industries SMEs in Kirinyaga Kenya. The study established that business networking generated non- innovative resources. Sifuna et al. (2017) found that diversity networking created control and coordination problems that hampered sharing of resources and information to perform enterprises activities in

Kisumu County. The current study attempted to examine influence of diversified entrepreneurial networking on growth of SMEs in Kenya. Ochieng (2015) examined effects of business networking diversity on growth of SMEs in textile industry in Kisumu Kenya. The study found that diverse networking created coordination problems which hindered sharing entrepreneurial opportunities.

Katambo and Okatch (2016) analyzed the effects of networking diversity on performance of auditing SMEs. The study found that networking diversity allowed networking members to share different experience to enhance customers' satisfaction.

Lagat and Otieno (2017) analyzed effects of networking diversity on performance of SMEs in Nairobi County. The study found that the networking diversity between members of the entrepreneurial networking affected flow of resources and information. The study established that networking diversity eased access and flow of resources and information that had positive significant effects on growth of enterprises. Mutie et al. (2017) found that shortest distance range of networking members' enhanced supply based relationship. The study established shortest distance range stabilized production of goods that required close monitoring by members.

Literature reviewed on entrepreneurial networking structural dimensions revealed that many empirical studies considered either one or two variable in one study and they found mixed results. Many studies that considered more than three variables entrepreneurial networking structural dimensions were conducted in Western economies and yielded conclusive results about entrepreneurial networking structural dimensions on growth of SMEs. There was no guarantee that findings of those studies done in developed economies could be applicable in Kenya as Kenyan SMEs experience different legislations and economic conditions. The current study attempts to fill these conceptual and geographical gaps by considering entrepreneurial networking structural dimensions: networking density, networking diversity, networking range and size in one study.

2.4.4 Entrepreneurial Networking Resources

Entrepreneurial networking theory holds that networking relationships provide mechanism for a member to depend on other members' resources. The resources dependency construct enable members to address resources deficiency (Huggins & Thompson, 2014). The theory further holds that a member's position in the network determines where and how an entrepreneur participate entrepreneurial networking activities.

Ha Hoang and An Yi (2015) examined effects of business networking on growth of SMEs in South Korea. The study adopted mixed research design involving both qualitative and quantitative data. The study target population included SMEs operated for three years and above. The study found that networking resources complemented SMEs' tangible resources, innovation resources and patent resources to enhance growth of Small and Medium Enterprises. This meant that networking provided shortcuts for Small and Medium Enterprises to mitigate resources deficiencies to enhance entrepreneurial outcomes.

Rauch et al. (2016) found that family networks provided tangible resources (machineries and equipment) in USA. The study further revealed that access to networking tangible resources contributed to 5-20 percent growth of SMEs profitability. This meant that family networks provided tangible products easily imitable and attracted low entrepreneurial outcomes.

Boh, De-haan and Strom (2016) found that entrepreneurial networks provided innovations which improved products offered by Small and medium sized enterprises in Australia. The study further established that SMEs lacked funds for Resaerch and Development and managerial networks with large firms created forum to learn to improve product. The study did not disclose how SME operators assess viability of adopted technology, current study examined how Small and Medium Enterprises evaluate viability of large firms technologies. Kamasak (2017) found that business networks were grounded by mistrust and members only shared redundant innovations in USA. This implied innovations accessed from business networks were suspicious. Similar to Torok et al. (2017) who found that network patents provide

technologies that improve products offered to Small and Medium enterprises in United Kingdom. The study further established that all franchise businesses were producing uniform which resulted into low entrepreneurial outcome.

Batjargal (2015) averred that strategic alliances enabled members to access technologies and product cheaply in Moscow Russia. The study further established that small and medium enterprises formed new networking as businesses progressed through phases of growth. Similar to Burt (2019) found that business networks provided innovative and others to complement Small and Medium Enterprises in manufacturing industry in China. The studies were done in developed countries whose findings may or may not be applicable in Kenya thus current study was imperative.

Lin (2016) found that strategic alliances hindered Small and Medium Enterprises to form valuable networking to enhance growth of SMEs in Korea. The study further found that strategic alliances with large firms provided market entry to Small and Medium Enterprises. This implied some networks norms constrained Small and Medium Enterprises to exit and join other networks. Abbas et al. (2019) found that business networks provided forum for Small and Medium Enterprises to learn the best practices from leaders in the industry in Pakistan and USA. The study established that business networks enabled small and medium enterprises to benchmark products or processes with other networking members. This implies that business networks were significant in evaluation of product offered by small and medium enterprises.

Stam et al. (2014) found that business networks benefit large firms than Small and Medium Enterprises. The study esblished that large firms used business networks with small and medium enterprises to test viability of products. Similar to Ahmed et al. (2017) who found that small and medium enterprises lacked mechanism to exit networks forged with large firms. This meant that small and medium enterprises remained in non-productive networks.

Kinyua (2016) examined the impact of business networking on SMEs' products development and growth of SME in EPZ in Nairobi. The study found that business

networking provided tangible resources that improved entrepreneurial outcomes. The study further established that tangible resources had insignificant influence on SMEs' invention and innovations' of products. However, Serem (2016) found that business networks' learning resulted in members producing homogeneous in textile industry Eldoret Kenya.

Njeri, Namusonge and Nambuswa (2017) examined effects of entrepreneurial networking resources on growth of small and medium enterprises in Textile industry in Eldoret Kenya. The study employed descriptive survey design, and found that networking machineries and equipment had no influence on growth of small and medium enterprises. The study assumed that small and medium enterprises only lacked tangible resources. Secondly, the study only considered textile industry thus the findings of the study may not be applicable in other industries in Kenya. The current study was worthwhile as it considered both tangible and intangible resources and SMEs from different industries in Kenya.

Maina et al. (2016) found that businesses only revealed best practices while bad practices were not disclosed. However, Kiprotich (2014) found that family networks generated non-innovative resources to enhance entrepreneurial outcomes among SMEs in Kenya. Similar to Otieno (2016) who found that sharing of ATM facilities allowed Small bank clients to use facilities owned by large banks. This implied that business networks provided resources to complement SMEs' resources. The study further established that Small banks lost clients as they perceived Small bank were unstable. Mwangi and Namusonge (2016) found that family network members provided capital to youth owned Small and Meium enterprises in Kirinyaga County. This probably suggested youth owned Small and Meium enterprises may lack collateral to acquire commercial bank loans and other financiers.

Kariuki and Iravo (2015) found that nascent entrepreneurs networking lack tangible resources in small and medium enterprises in Garissa Kenya. The study found that entrepreneurial networking resources enabled small and medium enterprises to address resources deficiencies. Similar to Mustafa and Mohammad (2014) who found that use of patents of strategic alliance provided access to innovations and

technology that were difficult to develop by firms. The use of other patents or intellectual property reduced the cost and time for developing own technology.

Sifuna et al. (2017) analyzed effects of strategic alliance on performance of firms in Nairobi Kenya. The study found that firms' strategic alliances reduced heavy investment in capital machinery, equipment and research and development. The study further found that firms' strategic alliances created specialization in production chain in hospitality industry. Wanga (2017) found that industrial clustering provided access to resources to enhance performance of SMEs. The current study is imperative as it attempts to fill conceptual gap by considering both effects of tangible and intangible resources on growth of small and medium enterprises in Kenya. The study conceptual framework is informed by reviewed literature indicating that small and medium enterprises lack both tangible and intangible resources in Kenya.

2.4.5 Entrepreneurial Networking Relations

Nair et al. (2016) observe that networking relations refer to nature of relations that exist between networking partners. Khan et al. (2017) note that networking relations are on family, close friends and business affecting understanding and flow of resources or information among networking members. Nee et al. (2017) examined effects of family networks on growth of SMEs in USA. The study found that family networking provided capital to nascent SMEs without stringent conditions. The study further revealed that family networks prevent admission of non-family members. The study implied that family networks were critical in promotion of entrepreneurial culture in the country.

Ha Hoang and An Yi (2015) examined effects of entrepreneurial networking relationship on growth of SMEs in China. The study employed qualitative approach and data was collected through interview guide. The study found that family networks provided coaching and mentorship that enhanced entrepreneurial culture in the community. The study further disclosed that family networks were unable to provide evolving resources for growth of SMEs. However, Lee et al. (2017) argued that nascent entrepreneurs lacked valuable networking arrangements and initial capital to enable them start and operate enterprises in Korea. The study only

considered family networks without business networks. The current study considered the three entrepreneurial networking.

Brand et al. (2018) analyzed effects of business networking relations on growth of SMEs under franchised networking in Dutch. The study employed descriptive survey design and structured questionnaire was used to collect data. The study found that business networking provided financial evolving resources for growth of SMEs. The study established that business networking relations provided innovation resources and information that improved growth of SMEs. Arregle et al. (2015) found that SME operators required both family and business networks to affect different entrepreneurial outcomes in German. Similarly to Zhao and Burt (2018) who found that weak networking relation were opened for new entrants that came with new business opportunities to enhance entrepreneurial outcome in China.

Stam et al. (2014) found that weak networking relations allowed networking members to freely look for new members to enhance entrepreneurial outcomes. Kero et al. (2017) found that weak relations were vital during rapidly growing stage when family members and friends could not afford to supply resources required. The study further found that rapidly growing SMEs formed supply based and stategic alliances networking characterised by weak relations to enhance acquisition of resources and information for growth of SMEs. The studies anly considered one type of business networks that is weak relations.

Buyayi et al. (2016) examined effects of entrepreneurial networking relations on performance of SMEs in Kampala Uganda. The study found that business network relations were not reliable in supply of inventories, information and finance to performance of SMEs. The study findings suggested that business networks were vital in supply of inventory and marketing information to enhance performance of SMEs.

Wanga et al. (2016) examined effects of business networks on growth of Small and Medium Enterprises in Jinja and Kampala Uganda. The study employed descriptive survey design and found that business networks provided exposed firm’s core innovativeness to competitors. The study findings suggested that current business

networking members may in future become competitors. The current study was imperative as it considered both business and personal networks in Kenya.

Serem (2016) studied the influence of entrepreneurial networking on small enterprises success. The study employed exploratory survey design and simple samplig was used to select a sample of 240 SMEs from 600 registered SMEs in Eldoret town. The study found that entrepreneurial networking ties (business networking relations) provided resources and learning that had positive significant effects on enterprises success. The study only considered one type of business relations.

Kiprotich (2014) examined effects of family and friend networks on growth of SMEs among agribusiness industry in Eldoret Town. The study found that family networking had rigid norms and governance mechanism that promoted reciprocity and responsibility among members. The study established that network norms and governance mechanism hindered negotiations of new networking for fear of repercussion and punishment from network. Similar to Okatch et al (2013) found that networking family networks were less responsive to market changes.

Kariuki and Iravo (2016) examined perceived roles of networking relations on growth of SMEs owned by women in Garisa in Nairobi. The study found that women entrepreneurs used family networks to acquire capital and business resources. The study further established that SME owned by women lacked title deeds and logbooks to acquire finance from commercial banks required. The findings of the study probably suggested that SME operators formed or enter family networks to acquire resources with collateral.

Maina et al. (2016) examined effects of networking relation on growth of SMEs in manufacturing industry in Nairobi. The study found that weak networking relations created stable production schedule. The study findings suggested networking relation provided either raw materials or facilitated finished good to reach markets. Sifuna, Lagat and Otieno (2017) found that business networks contracts enforceable by courts if members breached. The study findings suggested that business networks created stable production flows and provided necessary inputs for operations.

Kiprono et al. (2017) examined effects of networking relation on growth of SMEs in Kiambu Kenya. The study found that weak business networks generated opportunistic behaviour that threated supply of strategic inputs to enhance performance of SMEs. Wekesa et al. (2016) examined factors that influence business networking among SMEs in non-timber industry in Kenya. The study found that business networking facilitated business sharing of resources and information.

Okatch et al. (2012) found that Sub-Contractors influenced performance on growth of SMEs in motor vehicle industry in Kenya. The study findings suggested that business networks (Sub-Contractors) determined growth of SMEs. The study did not indicate how Sub-Contractors influenced growth of SMEs in Kenya. The current study attempted to examine how business networking influenced growth of Small and Medium Enterprises in Kenya.

The literature reviewed revealed many studies done in Kenya either considered business (enterprises relations based firm's or firm's managements) or personal networking family and friends) relations on growth of SMEs. This mixed findings of previous empirical studies done in Kenya hamper generalization of entrepreneurial networking on growth of Small and Medium enterprises in Kenya. The current study attempted to fill both geographical and conceptual gaps by considering business and members/ friends networking on growth of SMEs.

2.4.6 Growth of Small and Medium Enterprises

Bunyasi, Namusonge and Bwisa (2014) observe that the growth of an enterprise is regarded as the second most important goal of any firm, the first one being firm survival. Bwisa (2011) notes that growth of firms' measure efficiency and effectiveness of utilizations of business resources. The common indicators used to determine growth of firms include profitability rate, liquidity ratio, sales turnover rate, market share and leverage ratio.

Namusonge (2010) identified several strategies used by businesses during the growth process and further recognized barriers and incidents that affect growth of small and micro enterprises during the growth process. According to Nelima, Namusonge and

Sakwa (2016), recommends that researchers must measure growth of firms using both financial and non-financial indicators for comprehensive measurement. Accordingly, the current study used financial and non-financial indicators. The financial indicators used included profitability, sales turnover and rate return on capital, while non-financial indicators included the number of employees' turnover.

Namusonge (2011) averred that there are no superior methods for determining the firms' growth and recommended that researchers must use both subjective and objective indicators to determine a firm's growth. For instance, Abbas et al. (2019) used both financial and non-financial indicators to measure growth of SMEs in Pakistan and USA. Burt (2016) measured growth of SMEs using only financial indicators. He argued that financial indicators were effective to measure efficiency and effectiveness of growth of SMEs. He concluded that financial indicators are simple to quantify growth of enterprises. Katambo and Okatch (2016) used both financial and non-financial indicators to measure growth of SMEs in Nairobi Kenya and Simiyu, Namusonge and Sakwa (2016) used both financial and non-financial indicators: profitability, turnover rate, and employee turnover rate and market coverage share to determine growth of small and medium enterprises in Kenya.

Kiprotich (2014) found that most SME operators freely revealed their non-financial indicators than financial indicators which are connected to amount of taxation to be paid. They recommended that researchers should complement financial indicators with non-financial indicators to triangulate SME operators' responses. Waiganjo (2013) found that measuring growth of organisations with multiple indicators such as profitability turnover rate, sales turnover rate, employees' satisfactions, adoptability and corporate social responsibility and market coverage provide comprehensive explanation of firm's growth. Therefore, this study adopted both financial and non-financial indicators to measure growth of SMEs which include sales turnover rate, profitability turnover rate, employment turnover rate, owners' and customers' satisfaction.

2.5 Critique of Empirical Literature

Literature review on entrepreneurial networking on growth of small and medium enterprises have yielded mixed findings. Studies depicted that entrepreneurs are involved in both interpersonal and organizational networking relationships. Brand et al. (2018) conceptualized entrepreneur's personal characteristics (entrepreneurial orientation, locus of control, age and networking skills) on utilization of networking resources on growth of Small and Medium Enterprises in Dutch. The study found that entrepreneur's personal characteristics in entrepreneurial networking determined utilization of networking and growth of SMEs.

Kariuki and Iravo (2016) examined effects of entrepreneur's personal characteristics (age and gender) in entrepreneurial networking on growth of Small and Medium Enterprises in Garissa Kenya. The study found that entrepreneur's personal characteristics (age and gender) in entrepreneurial networking had no effect on utilization of networking resources and growth of SMEs in Kenya. The current study attempted to fill conceptual gaps by entrepreneurial characteristics (entrepreneurial, risk taking, locus of control, competitiveness and networking skills) on utilization of entrepreneurial resources and growth of SMEs in Kenya.

Mwangi, Namusonge and Ngugi (2014) examined the relationship between entrepreneur's educational and growth of SMEs in Kerugoya Kenya. The study found that entrepreneur's (entrepreneurial orientation, locus of control, risk taking propensity and competitive) determined entrepreneurial outcomes of SME in Kenya. Similar to Wekesa, Maalu, Gathungu and Wainaina (2016) who found that an entrepreneur's age, managerial skills, industry experience and social skills had insignificant effects on performance of SMEs. The studies did not consider utilization of entrepreneurial networking resources and information on growth of SMEs. The current study considered entrepreneur's personal characteristics (entrepreneurial, risk taking, locus of control, competitiveness and networking skills) on utilization of entrepreneurial networking resources and information on growth of SMEs.

Many previous empirical studies done on influence of small and medium enterprises in entrepreneurial networking on growth of small and medium enterprises developed economies that used integrated model. For instance, Burt and Burznska (2017) examined effects of small and medium enterprises (age, growth oriented, employees, business resources and objectives) in entrepreneurial networking on growth of small and medium enterprises in China. The study adopted descriptive survey design. The study found that small and medium enterprises characteristics (age, growth oriented, employees, business resources and objectives) determined absorption of networking and growth of SMEs. The study was done in developed economies and the findings may not be applicable in developing countries like Kenya. Secondly, the study only used quantitative data that probably answered why SMEs' characteristics in entrepreneurial networking adopted networking resources. The current study was worthwhile as it adopted mixed research design to be able to answer both why and what effects of entrepreneurial networking in Kenya.

Kim and Lee (2018) evaluated effects of small and medium enterprises (entrepreneurial orientation, employees and business resources) in entrepreneurial networking on growth of small and medium enterprises in Italy. The study adopted descriptive survey design. The study found that small and medium enterprises characteristics (entrepreneurial orientation, employees and business resources) determined detection and utilization of networking resources and growth of SMEs. The study was done in developed economies and the findings may not be applicable in developing countries like Kenya. The current study was worthwhile as it adopted mixed research design to be able to answer both why and what effects of entrepreneurial networking in Kenya.

Mwangi and Namusonge (2016) examined effects of small and medium characteristics (age, financial base and objectives) in entrepreneurial networking on growth of SMEs in Kirinyaga Kenya. The study adopted descriptive survey design. The study found that small and medium enterprises characteristics (age, financial base and objectives) in entrepreneurial networking had insignificant effects on growth of SMEs. The study considered SMEs' (age, financial base and objectives) which are not entrepreneurial characteristics. The current study attempted to consider

entrepreneurial SMEs' (growth oriented, competitiveness, risk taking propensity, financial base and objectives) on utilization of networking resources on growth of small and medium enterprises in Kenya.

Katambo and Okatch (2016) analyzed effects of small and medium enterprises characteristics (risk taking propensity) in entrepreneurial networking on growth of small and medium enterprises among auditing firms in Nairobi Kenya. The study found that small and medium enterprises characteristics (risk taking propensity) in entrepreneurial networking had positive effects on utilization of networking resources on growth of small and medium enterprises. The study was only considered on small and medium enterprises characteristics (risk taking propensity) and industry. The current study attempted to consider small and medium enterprises characteristics (risk taking propensity, growth oriented, competitiveness and objectives) in entrepreneurial networking on growth of SMEs in different industries.

Studies done in developed economies on entrepreneurial networking structural dimensions for instance Kim and Lee, 2018 and Stam et al., 2014) found that entrepreneurial networking (diversity, intensity and range) influenced where a networking member reached for assistance to enhance entrepreneurial outcomes. The studies established that entrepreneurial networking structural dimensions determined access to networking resources and information and growth of Small and medium enterprises. In Kenya, many empirical studies considered one or two components of entrepreneurial networking structural dimensions. For example, Katambo and Okatch (2016) examined influence of entrepreneurial networking structural dimensions (range and density) on growth of small and medium enterprises offering auditing services in Nairobi Kenya. The study found that entrepreneurial networking structural dimensions had insignificant influence on growth of SMEs. The study only considered one industry and the findings may not be application to other industries. Sifuna et al. (2017) examined influence of entrepreneurial networking structural dimensions (range) on growth of SMEs in Agribusiness industry in Nairobi Kenya. The study found that range distance between networking members affected generation of innovative resources to complement SMEs' resources. The study only considered one component of entrepreneurial networking structural dimensions and

industry, thus findings may not be applicable in other industries. The current study attempted to fill both conceptual and geographical gaps. The study considered entrepreneurial networking structural dimensions (density, range and intensity) on utilization of networking resources to enhance growth of small and medium enterprises in Kenya.

Studies done developed economies considered effects entrepreneurial networking resources on complementing, innovation, peer learning and patent on entrepreneurial outcomes of SMEs. For instance, Ha Hoang and An Yi (2016) examined effects of entrepreneurial networking on growth of Small and Medium enterprises in USA. The study employed quantitative approach. The study found that entrepreneurial networking resources complemented SMEs', provided innovations, created peer learning and use of patents enhanced growth of small and medium enterprises. The findings of the study may not be applicable in Kenya as Kenyan SMEs experience different conditions. The current study was imperative as it considered SMEs operating in Kenya and adopted mixed research design.

Abbas et al. (2019) examined effects of entrepreneurial networking resources on growth of small and medium enterprises in manufacturing industry Pakistan and USA. The study found that networking provided learning forum for members to compare entrepreneurial practices. The study findings may not be applicable in other industries in different countries. The current study was important as it considered Kenyan SMEs in different industries.

Kinyua (2016) examined impacts of business networking on growth of small and medium enterprises in EPZ in Nairobi Kenya. The study adopted descriptive survey design. The study found that small and medium enterprises accessed tangible resources. The study further established that access to tangible resources had insignificant impact on entrepreneurial outcomes of small and medium enterprises. The findings of the study may not be applicable in other industries in Kenya. Thus the current study was worthwhile as it considered both tangible and intangible resources and incorporated SMEs from different industries.

Njeri, Namusonge and Nambuswa (2017) examined effects of entrepreneurial networking resources on growth of small and medium enterprises in Textile industry in Eldoret Kenya. The study employed descriptive survey design, and found that networking machineries and equipment had no influence on growth of small and medium enterprises. The study assumed that small and medium enterprises only lacked tangible resources. Secondly, the study only considered textile industry thus the findings of the study may not be applicable in other industries in Kenya. The current study was worthwhile as it considered both tangible and intangible resources and SMEs from different industries in Kenya.

Reviewed literature on entrepreneurial networking relations on growth of Small and medium enterprises in Kenya indicated that many previous empirical studies considered one type of entrepreneurial networking relations. For instance Murithi et al. (2017) considered business networking (strategic alliances, collaboration, joint R and D) found that entrepreneurial networking enhanced SMEs access to resources. The study used quantitative data thus only answered what business networks do. Maina et al. (2016) examined effects of networking relation on growth of SMEs in manufacturing industry in Nairobi. The study found that networking benchmarking, strategic alliance and Sub-contraction affected production processes of Small and Medium enterprises in Kenya. Kiprono et al. (2017) examined effects of networking relation on growth of SMEs in Kiambu Kenya. The study found that weak business networks (strategic alliance, collaboration and franchising) generated opportunistic behaviour that threatened supply of strategic inputs to enhance performance of SMEs. Sifuna, Lagat and Otieno (2017) found that family networks based on family members and friends lacked capacity to provide capital to small and medium enterprises among SMEs in Thika Kenya. The current study attempted to fill conceptual gaps by considering both business and (strategic alliance, collaboration and benchmarking) and family/friends networking on growth of SMEs in Kenya. The study attempted to create insight on how and when family or business networks were required.

2.6 Research Gaps

The reviewed of literature revealed both conceptual and contextual research gaps existed. The contextual gaps existed on the ground that studies adopted integrated model of entrepreneur's personal characteristics in entrepreneurial networking, SMEs' characteristics in entrepreneurial networking, entrepreneurial networking structural dimensions, entrepreneurial networking resources and entrepreneurial networking relations were done in developed economies (Abbas et al., 2019; Brand et al., 2018). The studies revealed entrepreneurial networking had positive significant influence growth of SMEs. However, there was not guarantee those studies generalizations could be applicable in Kenya seamlessly as Kenyan SME entrepreneurs operate under different economic conditions. The current study attempted to fill both contextual and conceptual gaps by examining influence of entrepreneurial networking using integrated model (entrepreneur's personal characteristics in entrepreneurial networking, SMEs' characteristics in entrepreneurial networking, entrepreneurial networking structural dimensions, entrepreneurial networking resources and entrepreneurial networking relations) on growth of small and medium enterprises in Kenya.

The previous study conducted in Kenya examining influence of entrepreneurial networking on growth of SMEs used three variables. Maina et al. (2016) examined influence of entrepreneurial networking (networking structural dimensions, networking resources and networking relations) on growth of small and medium enterprises in manufacturing sector in Nairobi. The study found entrepreneurial networking had insignificant influence on growth of small and medium enterprises. The current study attempted to fill conceptual gap by considering entrepreneur's personal characteristics in entrepreneurial networking, SMEs' characteristics in entrepreneurial networking, entrepreneurial networking structural dimensions, entrepreneurial networking resources and entrepreneurial networking relations on growth small and medium enterprises in Kenya. Secondly, the study attempted to consider small and medium enterprises from different industries to facilitate generalization.

Kariuki and Iravo (2016) examined influence of entrepreneurial networking (entrepreneur's personal characteristics: age and gender, networking resources and entrepreneurial networking relations on growth of small and medium enterprises in Garisa Kenya. the study found entrepreneurial networking had insignificant influence on growth of small and medium enterprises in Garisa Kenya. The current attempted to fill conceptual gap by entrepreneur's personal characteristics in entrepreneurial networking (entrepreneurial orientation, risk taking, locus of control and competitiveness) SMEs' characteristics in entrepreneurial networking (growth oriented, financial base, objective and age), entrepreneurial networking structural dimensions, entrepreneurial networking resources and entrepreneurial networking relations on growth small and medium enterprises in Kenya. The study considered entrepreneurial characteristics of entrepreneurs and SMEs perceived to influence detection and utilization of network resources and information to enhance growth of SMEs.

Mwangi and Namusonge (2017) examined influence of entrepreneurial networking (financial resources, networking resources and networking relations) on growth of small and medium enterprises owned by youth in Kirinyaga in Kenya. The study found that small and medium enterprises adopted networking resources to complement firms' resources to enhance growth. The current study attempted to fill conceptual gap by considering entrepreneurial characteristics of entrepreneur, SMEs' characteristics, structural networking dimensions, networking resources and networking relation on growth of SMEs in Kenya.

Kotialam et al. (2018) considered influence of entrepreneur's entrepreneurial orientation on growth of Small and Medium Enterprises in Eldoret Kenya. The study found that entrepreneur's entrepreneurial orientation had positive significant influence on growth of Small and Medium Enterprises. The current study fill conceptual gap by considering entrepreneur's entrepreneurial orientation on detection and utilization of networking resources on growth of small and medium enterprises in Kenya.

Many of those empirical studies that investigated influence entrepreneurial networking structural dimensions on growth in Kenya considered either one or two variables networking structural dimensions and they yielded contradictory findings. Ochieng (2015) examined effects of entrepreneurial networking structural dimensions (range and diversity) on growth of small and medium enterprises in textile industry in Kenya. The study found that structural networking had no influence where a member reached for assistance. The current study attempted to fill conceptual by examined influence of entrepreneurial networking structural dimensions (density, range and diversity) on growth of small and medium enterprises in Kenya.

The reviewed literature on influence of entrepreneurial networking resources on growth of SMEs in Kenya revealed that limited empirical studies had considered effects of intangible and tangible networking resources on growth SMEs. Sifuna and Namusonge (2017) examined influence of networking resources (machineries, plant and equipment) on growth of small and medium enterprises in agribusiness in Thika Kenya. The study found that networking resources had no effects on growth of small and medium enterprises. The current study attempted to fill conceptual gaps by examining influence of networking resources (innovation, peer learning, patent and tangible) on growth of small and medium enterprises in agribusiness in Kenya.

The literature reviewed revealed that many studies either considered business networking relations or family networks. Kiprotch et al. (2016) examined effects of business networking relations on growth of small and medium enterprises in Kenya. The study found business networking relations provided innovative resources enhanced growth of SMEs in Kenya. Njeri and Namusonge (2017) examined family networks on growth of small and medium enterprises in Kenya. The study found business networking relations provided innovative resources enhanced growth of SMEs. The current study attempted to fill conceptual by examined effects of business networking relations (business, family and friends networks) on growth of small and medium enterprises in Kenya. Bwisa (2011) observes that entrepreneurs require both family (close) and business networks (weak) entrepreneurial networking relations. Thus, the current study attempted to fill both conceptual and contextual gaps.

The contextual gaps indicated that studies in developed economies had used integrated model to examine influence on growth of SMEs and they concluded that entrepreneurial networking was paradigm shift of enhancing growth of SMEs. Band et al. (2018) found that entrepreneurial networking enhanced growth of SMEs by addressing most of the challenges that inhibited growth of SMEs in Dutch.

2.7 Summary

This chapter covered the theoretical framework, conceptual framework and literature reviewed covered empirical studies on influence of entrepreneurial networking variables on growth of SMEs. The Literature reviewed identified entrepreneurial networking theory and entrepreneurship theory as efficient and effective theories that guided the study of influence of entrepreneurial networking on growth of SMEs. The entrepreneurship theories provided justification for inclusion of entrepreneur's personal traits and SMEs characteristics in networking model. The entrepreneurship theory postulates that entrepreneurs make decisions for enterprises including decisions to organize enterprises activities into entrepreneurial networking. Similarly entrepreneurship provides logic for inclusion of SMEs characteristics in entrepreneurial networking model as the utilizer of networking resources.

The literature reviewed revealed that entrepreneurial networking theory provided justifications for inclusion of entrepreneur's personal traits, entrepreneurial networking structural dimension, entrepreneurial networking resources and entrepreneurial networking relations in the entrepreneurial networking model. The reviewed empirical studies done in Kenya had not created clear insight on influence of entrepreneurial networking on growth of small and medium enterprises in Kenya. This emanated from limited studies done in the area and yielded mixed results. However, many studies from developed countries affirmed that entrepreneurial networking mitigated challenges that inhibited survival and growth of SMEs. Those studies generalizations cannot be assumed to be applicable in Kenya as Kenyan SMEs operate under different economic conditions and legislations. Therefore, the current study was imperative to fill literature gaps by considering influence of entrepreneurial networking being operationalized by entrepreneurs' characteristics,

SMEs' characteristics, entrepreneurial networking structural dimensions, entrepreneurial networking resources and entrepreneurial networking relations.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

The chapter covers the research methodology, research design, target population, sample size, sampling techniques, validity and reliability of data collection instrument, data collection procedure and data analysis methods.

3.2 Research Design

The study was guided by Positivism Philosophy that limited researcher roles on factual data collection and interpretation in objective way. Positivism philosophy was formulated by Auguste Comte in 1830. Proponents of Positivism philosophy holds that it is empirical, all genuine knowledge is either true by definition or posteriori facts derived from reasons or logic from sensory experience. Crowther and Lancater (2008) note that in positivism studies researchers are supposed to be independent from studies and there are no provisions for human interests.

According to Kothari (2004), a research design is a plan outlining how a research problem under investigation will be solved. This means that the function of a research design is to ensure that evidence obtained enables the researcher to answer the research questions as efficiently as possible. The study adopted a mixed research design that included both quantitative and qualitative approaches. Namusonge (2010) notes that quantitative and qualitative approaches are effective for gathering descriptive information where the researcher wants to know about the attitude of people concerning one or more variable through direct query. According to Saunders, Lewis and Thornhill (2003), quantitative data is strongly linked to deductive testing of theories through hypothesis, while qualitative approach is concerned with inductive reasoning and formulation of theories.

Mugenda and Mugenda (2003) observe that qualitative research design are effective in helping researchers understand people and the social cultural contexts within which they live so that valid conclusion can be made on phenomena of interest.

Kothari (2004) observes that qualitative approach helps the research to go beyond the statistical results reported in the quantitative research. The current study adopted open ended questions in a questionnaire to generate qualitative data that helped to answer the 'why' questions. Myers (2009) observes that research method is a strategy of inquiry, which assists the researcher to move from research assumption to research design and data collection to answer a research problem. The author further notes that descriptive research design was common method in social science researches and it enabled the researcher to gather data at a particular point in time with intention of describing the nature of existing conditions without manipulation of some variables. The mixed research design in the study aimed at gathering information about influence of entrepreneurial networking on growth of SMEs without manipulation of (independent) variables.

Brand et al. (2018) adopted a mixed research design to examine influence of entrepreneurial networking on growth of small and medium enterprises in Dutch. The study attempted to answer what was the influence of entrepreneurial networking on growth SMEs and why engage in entrepreneurial networking. Similar to Abbas et al. (2019) adopted a mixed research design to examine influence of entrepreneurial networking on growth of small and medium enterprises in Pakistan. The study attempted to answer what was the influence of entrepreneurial networking on growth of SMEs and why engage in entrepreneurial networking. Mwangi and Namusonge (2016) adopted quantitative approach to examine influence of entrepreneurial networking on growth of small and medium enterprises in Kirinyaga Kenya. Therefore, the current study adopted mixed research design to examine influence of entrepreneurial networking on growth of small and medium enterprises in Kenya.

3.3 Target population

Mugenda and Mugenda (2003) defined population as an entire group of individuals, events or objects having common observable characteristics that distinguishes it from other populations. The target population of study was all small and medium enterprises (SMEs) registered in Trans Nzoia County Finance Department in the years (2016, 2017 & 2018). Accordingly, the target population composed of a total

of 2354 SMEs belonging to the following industries: manufacturing, wholesaling, agriculture, retailing and restaurant. These firms were targeted because of their key functions in contributing to the economy development. According to Maina et al. (2016) and Katambo and Okatch (2016), they recommended a minimum duration of at least three years as adequate period to measure the influence of entrepreneurial networking on growth of enterprises. The study selected SMEs randomly to participate in the study then identified one respondent from each SMEs who could be owners/entrepreneurs or owner managers who made decisions regarding entrepreneurial networking filled questionnaires.

Table 3.1: Target population

Sector	**SMEs**
Manufacturing	23
Agriculture	481
Wholesaling	630
Retailing	1070
Restaurant	150
Total	**2354**

Source: Trans Nzoia County Business Directory (2018)

3.4 Sampling frame

According to Mugenda and Mugenda (2003), a sampling frame has the property that researcher can identify every element and include any in the sample. The common sampling frame is a list of all items in the target population where a representative sample shall be drawn from for the purpose of research. The sampling frame for this study was all SMEs registered by Trans Nzoia County Finance Department for three years (2016, 2017 & 2018). Thus, the sampling frame for the current study comprised of 2354 SMEs belonging to the industries of manufacturing, wholesaling, agriculture, retailing and restaurant (Table 3.2). The researcher selected one respondent from SMEs identified who could be the owner, manager or entrepreneurs.

Previous empirical studies where similar sampling frames were used included Kariuki and Iravo (2016) and Katambo and Okatch (2016).

Table 3.2: Sampling Frame

Sector	Target Population N	Percent %	Sample size n
Manufacturing	23	15	4
Agriculture	481	15	74
Wholesaling	630	15	97
Retailing	1070	15	165
Restaurant	150	15	23
TOTAL	**2354**	15	**363**

3.5 Sample Size and Sampling Technique

Kothari (2004) defines a sample as a small portion of a target population selected for observation and analysis. This sample was carefully selected so as to represent the target population of interest. Mugenda and Mugenda (2003) state that for correlations research, a minimum of 30 cases or more was required and for descriptive studies, 10 percent of target population is enough. The target population of the study was less than 10,000 elements thus the study sample size was determined using two formulae as follows.

The study target population comprised of 2354 SMEs which was less than 10,000. Thus sample size for study was calculated using two formulae stepwise. The first formula supposed that target population was 10,000 and it determined n. After determination of n, nf was determined using n since target population was less than 10,000. Orodho (2007) recommends five percent margin error for educational and social researches for categorical data, while three percent margin for continuous data. This study being categorical assumed five percent margin error.

$$n = \frac{pqz^2}{e^2}$$

Where: n =Minimum sample size.

P = Proportion of population assumed to be engaged in entrepreneurial networking (50 percent).

Z = Standard normal deviates at the required confidence level.

q =1- P Proportion of population assumed not engaged in entrepreneurial networking (50 percent).

e = margin error.

Fisher, Laing and Styoeckel (1983) suggest that if p and q are unknown both are set at 50 %. At the confidence level of 95 % that will be used for the study, Z= 1.96 and the sampling error of e = + 5 %. Thus, sample n become: $n = 50*50*(1.96/5)^2 = 384$. For the population less than 10,000, the desired sample was calculated as per the formula below: nf = n/ (1+n/N)

Where nf = Desired sample size when population less than 10,000.

n= Sample size when population is 10,000= 384.

N= Estimate of population size = 2354

The substitution and computation yielded nf = 384/ (1+384/2354) =330 adding 10 % to cater for non-response (330*10 %) = 330 + 33 = 363. Using the above formula, the computed sample size was 363 as shown. The sample size was 15 percent of target population which was sufficient enough for descriptive research. According to Mugenda and Mugenda (2003), a sample size of 10 percent of the target population is sufficient for descriptive studies. This study sampled 363 of SMEs representing 15 percent of the target population which was above the recommended 10% for descriptive studies. The target population was heterogeneous into manufacturing, wholesaling, agriculture, retailing and restaurant. Thus the researcher employed stratified and sampling technique to select sample of study.

The stratified sampling was adopted to place elements into strata of manufacturing, wholesaling, agriculture, retailing and restaurant. The stratified sampling was suitable since the target population was stratified into strata. Stratified sampling technique assisted the researcher to select proportional elements from each stratum which eliminated over representation from one stratum. Stratified sampling was important to the study in the following ways:

First, by dividing elements into separate strata, it enabled researchers to make inferences about a particular stratum that might be lost in general random sampling. Secondly, the use of stratified sampling led to more efficient statistical estimator provided strata were selected based on relevant criteria in question but not on availability of sample. Also, the estimator was more efficient if the sample selected was proportional to strata than random sampling. Finally, since each stratum was treated as an independent population, different sampling techniques can be applied to different strata, thus enabling the researchers to use a method suitable for each identified group within a population.

Thus, the researcher employed simple sampling technique to select proportionate of 15 percent elements from each stratum of manufacturing, wholesaling, agriculture, retailing and restaurant. The names of SMEs in each stratum were wrote on pieces of paper, folded and placed into a container. Then the researcher picked the number of required elements from a container without replacement. This procedure was repeated until the desired elements for each stratum was reached.

The use of simple sampling techniques allowed researcher to accord all elements in the stratum equal chances of being included in the study sample. This assisted the researcher to avoid both systematic and sampling errors by selecting an optimal sample to yield adequate and efficient information. This study was a sample survey thus it was essential to select adequate sample to facilitate inference of sample characteristics to population parameters.

As the distribution of various population parameters was not known, the sample size that guaranteed inferences about population parameters was vital on the basis of sample taken. Kothari (2004) observes that provided the sample is not bias, the large

samples is more likely to be representative of the population from which they are drawn. Statisticians have proved that the larger the absolute size of a sample, the closely its distribution will be to the normal distribution and thus the more robust it will be (Namusonge, 2017; Saunders et al., 2007).

The Central limit theorem provides that when at least the sample size is 30, the approximation to normal distribution to sample mean is complete and population parameters of interest can be determined from the sample mean at specified level of confidence (Namusonge, 2017). In conjunction with the Central Limit theorem the selection of the sample was also guided by 5 percent level of significance at which formulated hypothesis was tested.

3.6 Data Collection Methods

Data collection refers to the process of gathering raw and unprocessed data that can be processed into meaningful information following scientific process of data analysis (Kothari 2004). The study collected both primary data using questionnaire and secondary data was done by conducting thorough literature review of previous studies and text books.

3.6.1 Secondary Data Collection Methods

Secondary data was gathered from the financial statements of SMEs, internet and annual reports of businesses in Trans Nzoia County trading licenses in the 2016, 2017 and 2018. The data was additionally acquired from libraries, web and associations of SME operators.

3.6.2 Primary Data Collection Methods

The study adopted a questionnaire containing structured questions to collect data from SME operators or equivalents. The researcher obtained primary data on entrepreneurs' personal characteristics, SMEs characteristics, entrepreneurial structural dimensions, entrepreneurial networking resources and entrepreneurial networking relations. The questionnaires used a 5 point Likert scale and opened ended questions (Appendix I).

3.7 Data Collection Procedure

The researcher self-administered questionnaires to SMEs identified in Trans Nzoia County Kenya. The researcher targeted SME owners or managers (equivalent) in selected SMEs to fill one questionnaire for each SME. The study target SME owners or managers since they are responsible to make decision regarding business networking or not.

The researcher assured respondents that information would only be used for the purpose of the study. The researcher acquired an introductory letter from the Department of Entrepreneurship, Technology, Leadership and Management in the School of Business and Entrepreneurship in College of Human Resource Development (COHRED) JKUAT. The researcher obtained the permit from National Commission Technology and Innovation, requesting the respondents to participate in the research. The researcher booked an appointment in advance with SME owners or equivalents who were well informed about entrepreneurial networking. The questionnaires were then picked later for data processing and analysis.

3.8.1 Validity Testing of Data Collection Instruments

Validity is the extent to which an instrument measures what it is supposed to measure. According to Bryman and Cramer (2005), validity concerns the accuracy and meaningfulness of inferences which are based on research results. This ensures that study variables measures concepts correctly and provide correct inferences to population parameters. Mugenda and Mugenda (2003) recommend that reviewing a large body of literature to carefully identify concepts, ideas, relationship and developing questionnaire questions from existing relating studies and pre-testing the questionnaire formally with academic experts to evaluate individual items. These measures were undertaken in the current study and all suggestion and comments regarding structure, wording and questions were adopted in final questionnaire of the study. The study conducted pilot study among small and medium enterprise operators in Trans Nzoia County Kenya.

Face validity was carried out through relevant literature review, peer review including by use of accepted methods used in other studies. According to Kothari (2004), construct validity assesses the degree of accuracy to which inferences can be made from operationalization of study variables to theoretical constructs which the variables are based. The study conducted thorough literature review to identify correct concepts to operationalize study variables based on theoretical framework where they were based.

According to Mugenda and Mugenda (2003), content validity is the extent to which items on a research instrument test cover all domain of the study (variables). The content validity provided confidence to researcher and readers on adequacy of research data collection instrument. The researcher conducted thorough literature review to identify extent of measuring research variables by research data collection instrument. The study further employed opinion of academic experts from Department Entrepreneurship, Procurement and Management to assess adequacy of research instrument in measuring study variables. The researcher used opinions and comments of the experts to modify or discard some items on questionnaire.

3.8.2 Reliability Testing of Data Collection Instruments

Kothari (2004) observes that reliability is the extent to which a research instrument gives consistent results if used in the same situations or circumstances repeatedly. Similarly, Orodho (2007) observes that measures are reliable to the extent that they are repeatable and any deviation from occasion to occasion is a source of measurement error. Mugenda and Mugenda (2003) note that reliability tests are important quality of the research instrument and confirms free of errors.

The test and retest method is a common method for testing reliability in research. However, the major limitation of test and retest method is optimum time for retest. To avoid the hurdle of optimum time between test and retest the study adopted Cronbach alpha. The Cronbach alpha (α) method estimates test score reliability from a single test administration. According to Cronbach (1951), reliability is the consistency of a set of measurement instrument to give consistent results when measuring the same concepts. The study computed Cronbach alpha (α) from pilot

study among small and medium enterprises not included in the study sample in Trans County Kenya. The Cronbach alpha (α) coefficient was calculated with the aid of SPSS and all items in each of the study objective yielded reliability coefficient of above 0.7. This meant that all study variables met reliability test of internal consistency. According to Gay (1959), the rule of thumb that for determining reliability: the score of reliability coefficient must be 7 and above an indication of meeting reliability threshold.

$$\alpha = \frac{N.\hat{C}}{\tilde{V} + (N-1).\hat{C}}$$

Where:

α= Cronbach alpha

N= number of items

Ĉ= average covariance between item- pairs

$\tilde{V}$= average variance

3.8.3 Pilots Results

Mugenda and Mugenda (2004) define pilot studies as a prior study run in preparation of a major study. According to Kothari (2004), a pilot study is important to identify any ambiguous questions and unclear or poorly constructed or inappropriate questions on a questionnaire. The pilot study assisted the researcher to identify and address some problems concerning obtaining information that improved the study. The study used pilot results to make adjustments to the instruments, research plan, time schedule and other parts of research. Mugenda and Mugenda (2003) recommend 1 to 10 percent of the sample as adequate for purpose of piloting. Thus, the pilot sample comprised of 36 SMEs representing 1 percent of the study sample firms. Consequently, 36 questionnaires were administered through self-delivery. A total of 27 questionnaires were returned in time for analysis, representing 75 percent of the pilot sample, which is within the acceptable range. Mugenda and Mugenda

(2003) and Kothari (2004) conclude that response rate of 50 percent or above were adequate for analysis.

Cronbach alpha (α) is perhaps the most widely used to test internal reliability coefficient. It estimates the test score of reliability from a single test administration using information from the relationship among the test item. Cronbach alpha is a measure of squared correlation between observed scores and true scores. The Cronbach's α is applicable to more general cases of item scored dichotomously or likert scale (Webb et al., 2006). According to Gliem and Gliem (2003), when using Likert-type scales, it is essential to calculate and report Cronbach's alpha coefficient for internal consistency for any scales or subscales one may be using. The study computed Cronbach's alpha (α) for all five specific objectives from sample data and the results were depicted in the table 3.3 All the Cronbach values were above 0.7, an indication that they met the criterion.

Table 3.3: Reliability assessment (Cronbach's alpha)

Variables	**No. of items**	**Cronbach alpha**	**Remarks**
Entrepreneur's Personal characteristics	8	0.847	Very good
SME characteristic	7	0.820	Very good
Entrepreneurial networking Structural dimensions	7	0.946	Excellent
Entrepreneurial networking resources	6	0.886	Very good
Entrepreneurial networking relations	9	0.950	Excellent
Growth of SMEs	5	0.721	Good

3.9 Data processing and Analysis

Gall et al. (2007) state that data analysis is a practice in which raw data is summarized, ordered and organized so that useful information can be obtained. This study collected both quantitative and qualitative data to answer research questions. The data was analyzed as follows:

3.9.1 Qualitative data

Qualitative data was analyzed by describing, categorizing and combining them into interpretable themes (study objectives).

3.9.2 Quantitative data

The quantitative data was checked for inconsistency and incomplete questionnaires were unusable data. The questionnaires were then cleaned, edited and coded. Analysis of data was done using a number of designs including descriptive statistics which include means, standard deviations, frequencies, percentages with aid of statistical package for social science (SPSS) V.20. Inferential statistics were used to test hypotheses. The F calculated statistic was compared with tabulated F statistic to confirm validity of independent variables in the model. A critical p value of 0.05 was also used to determine whether the overall model was significant or not. A basic P estimation was additionally used to decide if the individual variable was critical or not. Simple regression was employed to test stated research hypotheses. The regression output enabled the researcher to determine the estimated statistical models for growth of SMEs as follows:

3.9.3 Statistical measurement model

The study intended to use to statistical models: simple line model and multiple linear model as illustrated below.

i. Single variable

The study aimed to find out the influence an individual independent variable on dependent variable (growth of SMEs). The study employed simple linear regression to test hypothesis at 0.05 percent levels of significance. The simple linear regression model was specified as follows:

$$Y = \beta_o + \beta_{01}X_{1+} e$$

The estimated relationship between each independent variable (X_1= Entrepreneur's characteristics in entrepreneurial networking, X_2= SME's characteristics in entrepreneurial networking, X_3= entrepreneurial networking structural dimensions, X_4= entrepreneurial networking resources and X_5= entrepreneurial networking relations) and Y= Growth of SMEs.

ii. Multiple Model

To answer general objective of study influence of entrepreneurial networking on growth of SMEs the multiple linear regression model was used to find out joint influence of independent variables of entrepreneurial networking on growth of SMEs.

$$Y = \beta_0 + \beta_{01}X_1 + \beta_{02}X_2 + \beta_{03}X_3 + \beta_{04}X_4 + \beta_{05}X_5 + e$$

Where:

Y= Growth of Small and Medium Enterprises.

$\beta_{01}, \beta_{02}, \beta_{03}, \beta_{04}, \beta_{05}$ = (Slope) regression coefficient to be estimated

X_1 = Entrepreneur's personal characteristics in entrepreneurial networking

X_2= SMEs' characteristics in entrepreneurial networking

X_3 = Entrepreneurial networking structural dimensions

X_4= Entrepreneurial networking resources

$X_{5=}$ Entrepreneurial networking relations

e = Error term

Results were considered significant at 95 % confidence level.

3.9.4 Measurement of Variables

i. Measurement of Independent variable

The entrepreneurial networking was measured through five constructs including entrepreneur's personal characteristics, SME's characteristics, entrepreneurial networking structural dimensions, entrepreneurial networking resources and entrepreneurial networking relations. Each of this was measured using, a five point likert scale with responses on each of the variable ranging from strongly agree (SA=5), agree (A=4), neither agree nor disagree (N=3), disagree (D=2) and strongly disagree (SD=1).

ii. Measurement of Dependent Variable

The study measured growth of SMEs' using both financial and non-financial indicators. The financial indicator used included profitability, annual sales, while non-financial indicators included growth of number of employees' employment. According to Simiyu, Namusonge and Sakwa (2016), the respondents in such types of research are more willing to state the range of indicators of performance as opposed to stating exact figures. Thus through structured questionnaire self-reported measures were elicited about the growth of SMEs. Nelima, Namusonge and Sakwa (2016) observed the importance of the use of self-reported measures of SMEs growth owing to the difficulty of obtaining financial indicators of the firm since some managers or entrepreneurs fear revealing their financial indicators to outsiders. The study obtained the growth of SMEs on both financial and non-financial scales using five point likert scale with response opinion statement ranging from strongly agree (SA=5), agree (A=4), neither agree nor disagree (U=3), disagree (D=2) and strongly disagree (SD=1).

3.9.5 Study Hypotheses

Outlines the methods used to measure hypotheses of the study

Table 3.4: Study hypotheses

Objectives	Hypotheses	analysis	interpretation
To investigate influence of Entrepreneur's personal characteristics in entrepreneurial networking on growth of SMEs in Kenya.	**Ho_1** There is no statistically significant relationship between entrepreneur's personal characteristics in entrepreneurial networking and growth of SMEs.	Linear regression	If P value < 0.05, Reject the null hypothesis.
To assess the influence of SMEs characteristics in entrepreneurial networking on growth of SMEs in Kenya.	**Ho_2** SMEs characteristics in entrepreneurial networking do not significantly influence growth of SMEs.	Linear regression	If P value < 0.05, Reject the null hypothesis.
To determine influence of entrepreneurial networking structural dimensions on growth of SMEs in Kenya.	**Ho_3** There is no statistically significant relationship between entrepreneurial networking Structural dimensions and growth of SMEs.	Linear regression	If P value < 0.05, Reject the null hypothesis.
To investigate effects of entrepreneurial networking resources on growth of SMEs in Kenya.	**Ho_4** There is no statistically significant relationship between entrepreneurial networking resources and growth of SMEs.	Linear regression	If P value < 0.05, Reject the null hypothesis.
To examine effects of entrepreneurial networking relations on growth of SMEs in Kenya.	**Ho_5** There is no statistically significant relationship between entrepreneurial networking relations and growth of SMEs.	Linear regression	If P value < 0.05, Reject the null hypothesis.

3.10 Diagnostic tests

The study aimed to conduct diagnostic tests to evaluate assumptions for regression before running for regression. Most of parametric tests such regression and correlations give appropriate results when assumptions of regressions are not violated.

3.10.1 Linear relationship

Linearity refers to independent and dependent variables having straight line relationship (Cooper & Schindler, 2014). Linearity can easily be examined through residuals plot. The parametric test including regression and correlation tests can accurately estimate the relationship between independent and dependent variables if the relationships are linear in nature. Linearity is not big problem if the data holds tests for normality and Multicollinearity.

3.10.2 Normality

It assumes that both independent and dependent variables have normal distribution that peaks at the middle. The normal distribution peaks in the middle and is symmetrical about the mean (Ghasemi & Zahedial, 2012). Many of the statistical procedures in parametric tests are based on assumption that data is normally distributed. For the researcher to be able to make valid inferences from regression results, the residual values of regression need to be normally distributed. However, Kothari (2004) noted that with large samples or any sample size greater than 30 and above, the violation of normality assumption should not cause any problem. Elliot and Woodward (2007) observed that parametric test can be applied even if data is not normally distributed. Ghasemi et al. (2012) noted that Kolmogorov-Smirnov(K-S) was the most common test for normality, but cautioned that it should no longer be used alone owing to its lower power and they recommended that normality be assessed both by visually and normality test, that is, Shapiro Wilk test is recommended.

3.10.3 Multicollinearity

Multicollinearity means that independent variables in multiple regression models do not have close correlation. According to Urdan (2010), the problem of Multicollinearity occurs when two or more independent variables are linearly dependent (correlated) or near linearly dependent. This is the problem because explanatory variables (independent) should be independent from each other. According to Lovric (2011), Multicollinearity explains the existence of strong correlations among explanatory variables which can cause problems in multiple regression analysis because it can make it difficult to explain the relationship between an independent variable and dependent variable in the study. According to Urdan (2010), if the degree of correlation between variables is high or perfect, it causes problems when you fit the model and interpret results. Thus Multicollinearity condition prevents multiple regressions from estimating coefficients and the equation may become unsolvable.

Due to overlaps, explanatory variables make it difficult to isolate the influence of each predictor variable variance on dependent variable. Harvey (1977) observed that Multicollinearity is a matter of degree and not a problem that does or does not appear. To test for Multicollinearity the Variance Inflation Factors are estimated and the recommended range is VIF is 1-10. According to Gujarati et al. (2014), if VIF is 1-10, then there is no multi-collinearity while if VIF>10 there exists multi-collinearity.

3.10.4 Heteroscedasticity

It is the degree at which independent and dependent variables have systematic change in spread of residual values over the range of measured value. According to Gujarati et al. (2014), heteroscedasticity is a problem because Ordinary Least Squares (OLS) in regression assumes that all samples are drawn from a population that has a constant variance. Accordingly, lack of heteroscedasticity is the extent to which data values for dependent and independent variables have equal variance of residuals/ error term. Heteroscedasticity is commonly tested by checking p-value yielded and at significant level α. All p-value yielded for independent variables were

less than the significant level $\alpha > 0.05$. Thus confirmed, they lack heteroscedasticity among independent variables.

3.10.5 Auto-correlation

Autocorrelation is a characteristic of data which shows some degree of similarity between the values of the related variables over successive time interval. The presence of autocorrelation negates the principle of independence which underlies the conventional models. The study used error term observations or residuals to check for autocorrelation. The analysis of autocorrelation is a mathematical tool for finding repeating patterns such as the presence of periodic signal obscured by noise or identifying the missing fundamental frequency in signal implied by its harmonic frequency. The very popular test called the Durbin Watson test detects the presence of autocorrelation in the data. If the computed Durbin-Watson statistic ranges between 1.5 and 2.5 means lack of auto-correlation.

CHAPTER FOUR

RESEACH FINDINGS AND DISCUSSION

4.1 Introductions

The chapter details the results of the study performed to test the study model and hypothesis. It outlines the response rate, reliability assessment test, demographic characteristics of the respondents and presents the analyzed data in relation to the specific objectives of the study. The chapter presents results of statistical analysis as well as test hypothesis, and discussion of the results findings of the study.

4.2 Response rate

The study distributed three hundred and sixty three questionnaires to the respondents out of which, 267 were completed and returned. Thus achieving a response rate of 73.6 percent and this was considered adequate for the purpose of further analysis. According to Mugenda and Mugenda (2003), a response rate of 50 percent and above is adequate for social science and education. The response rate for the current study was above Mugenda and Mugenda (2003) recommendation of above 50 percent for social and educational studies.

4.3 Pilot results

The study distributed 36 questionnaires for pilot study through self-delivery and pick model. A total of 27 questionnaires were returned in time for analysis, representing 75 percent of the pilot sample, which is within the acceptable range. The researcher intended to find out the internal consistence among the questionnaire items. Various estimates of reliability were used in the research. However, the Cronbach alpha α is perhaps the most widely used to test internal reliability coefficient.

It estimates the test score reliability from a single test administration using information from the relationship among the test item. Cronbach alpha is a measure of squared correlation between observed scores and true scores. The Cronbach's α is applicable to more general cases of item scored dichotomously or likert scale (Webb

et al., 2006). According to Gliem and Gliem (2003), when using Likert-type scales it is essential to calculate and report Cronbach's alpha coefficient for internal consistency for any scales or subscales one may be using. Accordingly, for the study, 36 questionnaires were administered through self-delivery and a total of 27 questionnaires were returned in time for analysis, representing 75 percent of the pilot sample, which is within the acceptable range. Mugenda and Mugenda (2003) observed that response of 50 percent or above are adequate for social analysis. The study computed Cronbach's alpha α for all study variables from sample data and the results were depicted in the Table 3.3 All the Cronbach values were above 0.7, an indication that they met the criterion.

4.4 Demographic characteristics

Demographic characteristics analysis was meant to provide background information to the study before further analysis can be carried out. This was done through presentation of percentages, frequencies and mean by means of tables and graphs.

a. Gender of the respondents

The respondents were asked to state their gender. The findings of the study on gender of respondents indicated that 60.3 percent were male and 39.7 percent female. This means that SMEs in Trans Nzoia County, Kenya were largely dominated by male. Though, the percentage of female in SMEs is above the minimum Constitutional of Kenya threshold of 30 percent representation of either gender. Still there was need of proactive measures to encourage more females to join entrepreneurship to operate SMEs in order to address this gender parity. Bwisa (2012) recommends that government should formulate entrepreneurship policies to encourage more women to participate in entrepreneurship. Table 4.1.

Table 4.1: Gender of the respondents

Gender	Frequency	Percent
Male	161	60.3
Female	106	39.7
Total	**267**	**100**

b. Age of the respondents

The results on age of respondents revealed 29.2 percent were aged between 35-44 years, 25.8 percent aged between 25-34 years, 20.2 percent aged between 45-54 years, 13.9 percent aged between 18-24 years and 10.9 percent aged above 55 years. This means that age of SME operators or entrepreneurs were curvilinear, that is, majority of SME operators or entrepreneurs are aged between 35-44 years, while small proportions were above 55 years old. The study results probably suggest that middle aged entrepreneurs are able to establish entrepreneurial networking to execute entrepreneurial outcomes. The findings of the study are supported by those of Namusonge, Muturi and Olawoye (2016) who found that age had curvilinear relationship with entrepreneurship activities in Kenya.

Table 4.2: Age of the respondents

Age	respondents frequency	Percent
18-24 yrs	37	13.9
25-34 yrs	69	25.8
35-44 yrs	78	29.2
45-54 yrs	54	20.2
55 above yrs	29	10.9
Total	**267**	**100**

c. Years of operation

The results of the number of years the business had existed since commencement revealed that 36.7 percent were over 5 years, 35.6 percent 2-5 years, 24.3 percent 3-4 years and 3.4 percent were 2-3 years. This shows that chances for survival of SMEs are depended on age of the enterprises. The findings of the study are supported by Ngugi and Bwisa (2013) who found that SMEs that had operated for a long time tender to form valuable alliances to enhance survival and growth. This is shown in Table 4.3.

Table 4.3: Years of business operation

Years of Operation	Respondent frequency	Percent
2-3 yrs	9	3.4
3-4 yrs	65	24.3
4-5 yrs	95	35.6
+ 5 yrs	98	36.7
Total	**267**	**100**

d. Number of employees

The results of the number of employees for the SMEs revealed that 67 percent had 10-20 employees, 24.3 percent had 21-50 employees and 8.7 percent had 51-99 employees. The number of employees employed by SMEs acted as a proxy to identify and classify enterprises into either small or medium enterprises. This means that 91.3 percent of enterprises in Trans Nzoia County were small enterprises as depicted by 10-50 employees, while 8.3 percent were medium enterprises as depicted by 51-99 employees. The findings of the study are supported by Republic of Kenya Sessional paper N0. 2 (2005) which showed that distribution of enterprises in Kenya were cone shaped with many micro and small enterprises, middle few medium enterprise and top very few large firms. Majority of enterprises are micro and small enterprises, followed by a smaller middle representing medium enterprises and very thin the top representing large enterprises. In view of the foregoing discussion on number of businesses in Kenya, there is a need for proactive strategies and measures to promote growth of micro and small enterprises into medium enterprises, while medium enterprises into large enterprises. This may be made possible by addressing challenges that constrained the growth of small and medium enterprises. This is shown in Table 4.4.

Table 4.4: Number of employees

Numbers of employees	Respondents frequency	Percent
10-20	179	67
21-50	65	24.3
51-99	23	8.7
Total	**267**	**100**

e. Management on SMEs

The results on management of SMEs revealed that 97 percent of SMEs were managed by entrepreneurs and 3.0 percent of SMEs were managed by professional managers. It meant that majority of the SMEs were managed by owners and only a small fraction of SMEs afforded professional managers. The findings of the study are supported by Nelima, Namusonge and Sakwa (2016) who found that majority of the SMEs in Kenya were managed by owners, and a small fraction of SMEs were managed by professional managers.

Table 4.5: The management of SMEs

Business Status	Respondents frequency	Percent
Manager	8	3.0
Owners	259	97.0
Total	**267**	**100**

f. Level of education of the respondents

The results on level of education of respondents revealed that 40.8 percent had higher education, 28.5 percent had secondary education, 19.9 percent had primary education and 10.8 percent none education. The result of the study suggested that majority of SME entrepreneurs (operators) in Trans Nzoia County are educated. The findings of the study are supported by those of Mwangemi, Wilson, and Mung'atu

(2017) who found positive correlation between entrepreneur's education levels and micro, small and medium enterprises in Kenya.

Table 4.6: The level education of SME respondents

Level of education	Respondents Frequency	Percent
Higher	109	40.8
Secondary	76	28.5
Primary	53	19.9
None	29	10.8
Total	**267**	**100**

g. Legal status of the SMEs

The results on legal status of enterprises revealed that 62 percent were sole trade, 30 percent companies and 8 percent were partnerships. The result of the study suggested that majority of enterprises in Trans Nzoia county Kenya were sole traders. The findings of the study are supported by those of Njeru, Namusonge and Sakwa (2012) who found that more than 60 percent of enterprises in Nairobi were sole trade.

Table 4.7: Legal status of the SMEs

Legal status of business	Respondents frequency	Percent
Sole trade	165	62
Partnership	21	8
Company	80	30
Total	**267**	**100**

h. Location of SMEs

The results on location of enterprises revealed that 53.2 percent were in urban area, 30.8 percent rural areas and 16 percent other areas. It implies that many enterprises in Kenya are located in urban areas than other regions. The findings of the study

contradict the aspiration of the Vision 2030 of the Republic of Kenya which aims at encouraging the growth of SMEs to transform Kenyan rural areas by creating decent jobs. Findings of the study are supported by Simiyu, Namusonge and Sakwa (2016) who found that many entrepreneurs establish their enterprises in urban due to availability of entrepreneurship enablers.

Table 4.8: Location of SMEs

Location of SMEs	Respondents frequency	Percent
Urban	142	53.2
Rural	82	30.8
Peri-urban	43	16
Total	**267**	**100**

i. Nature of business

The results on nature of the enterprise revealed that 47.2 percent were retail, 20.2 percent wholesale, 20.2 percent agriculture, 7.9 percent restaurant and service and 4.5 percent manufacturing in Trans Nzoia County Kenya. These study findings concurred with those of Gliga (2016) who found that nature of ownership of SMEs influence participation in entrepreneurship. Otieno (2016) found that more than 50 percent of the SMEs in Kenya were in retail businesses and it further revealed that retail businesses required simple technology and entails low risks.

Table 4.9: Nature of business of SMEs

Nature of business	Respondents frequency	Percent
Agriculture	54	20.2
Retail	126	47.2
Wholesale	54	20.2
Restaurant and service	21	7.9
Manufacturing	12	4.5
Total	**267**	**100**

j. Participation in Entrepreneurial Networking

The study revealed that 78.7 percent of SMEs participated in business networking activities, while 21.3 percent of SMEs had not participated in business networking. See table 4.11. The study established that participation in entrepreneurial networking enhance growth of SMEs (increase in profitability, market share, number of employees and return on capital). The study findings are supported by those of Gliga (2016) who found that entrepreneurial networking strategy adddressed challenges limited to growth of SMEs. Table 4.10.

Table 4.10: participation and non-participation in entrepreneurial networking

Categories	Respondents Frequency	Percent
Participation in entrepreneurial networking	210	78.7
Non-participation in entrepreneurial networking	57	21.3
Total	**267**	**100**

4.5 Variables

4.5.1 Influence of entrepreneur's personal characteristics on growth of SMEs

Employing a five point likert scale, the study sought to obtain entrepreneurs or equivalent responses regarding aspects of participation in entrepreneurial networking on growth of SMEs. The opinions statement of respondents which required them to Strongly Disagree (SD), Disagree (D), Neither Agree nor Disagree (U), Agree (A), strongly Agree (SA).

Table 4.11: Influence of entrepreneur's characteristics on growth of SMEs

Statement	SD	D	U %	A	SA	M
Entrepreneurial orientation influence selection of networking partners to enhance growth of SMEs	3.8	6.2	4.3	38.1	47.6	4.2
Locus of control assist SME operator in selection of networking partners to perform enterprise activities	6.2	9	2.9	31.9	50	4.1
Entrepreneur's age influences membership in networks to enhance growth of SME.	6.7	10	5.2	13.8	64.3	4.2
Networking skills assist in securing business opportunities to enhance growth of SME.	7.6	6.2	5.3	41.4	39.5	4.0
Self-efficacy influence utilization of networking resources to enhance growth of SMEs	10	8.0	6.7	52.4	22.9	4.2
Educational qualification assists in selection of networking members with valuable resources and information	6.7	6.2	3.3	33.3	50.5	4.1
Entrepreneur's gender determines membership into entrepreneurial networking to enhance growth of SMEs.	5.2	4.3	12.4	57.6	20.5	3.8
Entrepreneur's experience determines utilization of entrepreneurial networking to enhance growth of SMEs.	10	8.0	6.7	52.4	22.9	3.7
Overall Mean						**4.0**

Table 4.12 summarizes the entrepreneur's personal characteristics in regards to entrepreneurial networking and growth of SMEs. The findings of the study on entrepreneurial orientation on selection of networking partners to enhance growth of SMEs revealed that 3.8 percent strongly disagreed, 4.3 percent neither agree nor disagree, 6.2 percent disagreed, 38.1 percent agreed and 47.6 percent strongly agreed. This meant that 85.7 percent agreed that entrepreneurial orientation

influenced selection of networking partners that could provide entrepreneurial resources, while 10 percent of SME disagreed. This was confirmed by high mean of 4.2. The results of study suggested that entrepreneurial oriented entrepreneurs require more resources than ordinary entrepreneurs. Entrepreneurial networking could be possible paradigm for accessing resources. The results of the study are supported by those of Baker et al. (2016) who found that entrepreneurial oriented entrepreneurs sought entrepreneurial networking partners to grow the enterprises. The findings of the study are supported by Kariuki (2016) who found that entrepreneur's entrepreneurial orientation (risk taking, competitiveness, aggressiveness and independence) had insignificant influence on entrepreneur's participation in entrepreneurial networking to seek resources to enhance growth of enterprises.

Results of respondents on entrepreneur's locus of control revealed that 50 percent strongly agreed, 31.9 percent agreed, 9 percent strongly disagreed, 6.2 percent strongly disagreed and 2.9 percent neither agreed nor disagreed. The results of the study implied that 81.9 percent of the SME operators agreed that the entrepreneur's locus of control assists selection of valuable partners to enhance growth of SMEs, while 15.2 percent of respondents disagreed. This meant that entrepreneur's locus of control affected ability to manipulate networking partners to generate entrepreneurial outcomes. This was confirmed by the high mean of 4.1. The results of the study are supported by those of Kariuki and Namusonge (2017) who found that entrepreneur's locus of control influenced utilization of networking resources. The finding of the study contradicted those of Blisson and Rana (2017) who found that the entrepreneur's locus of control and utilization of networking had low association.

Entrepreneur's age influences membership in networks to enhance growth of SME revealed that 64.3 percent strongly agreed, 13.8 percent agreed, 10 percent disagreed, 6.7 percent strongly disagreed and 5.2 percent were neither agreed nor disagreed. This meant that 78.1 percent of respondents agreed that the age of SME operators in entrepreneurial networking influenced networking activities, while 16.7 percent of SME operators disagreed. The high mean of 4.2 on likert scale of 1-5 indicated agreement that age of SME entrepreneurs affected utilization of networking resource and information to enhance growth of SMEs. This meant that age entrepreneurs may

affect venturing into entrepreneurial activities. The findings of the study are supported by Katambo and Okatch (2016) who found that age of entrepreneurs had curvilinear relationship with use of entrepreneurial networking activities. The study suggested that middle aged entrepreneurs utilized more networking activities than young and advanced aged entrepreneurs. Rauch et al. (2016) found that age of young entrepreneurs engaged more in entrepreneurial practices. The study established that lack of collateral encouraged young entrepreneurs to utilize networking resources.

The study results on influence of networking skills on identification of quality partners to enhance growth of SME revealed that 41.4 percent agreed, 39.5 percent strongly agreed, 7.6 percent strongly disagreed, 6.2 percent disagreed, 5.3 percent neither agreed nor disagreed. This meant that 80.9 percent of SME operator respondents agreed that entrepreneur's networking skills influenced selection of quality network partners to improve growth of SMEs, while 13.8 percent disagreed. This was confirmed high mean of 4.0 on a likert of 1-5 an indication of agreement. The finding of the study are supported by Otieno, Namusonge and Olweny (2018) who found that quality partners provided competitive resources used in improvement of products. However, findings of the study contradicted those of Lagat et al. (2014) who found that networking partners provided redundant resources generating low entrepreneurial outcomes.

The findings of the study on effects of entrepreneur's objective on utilization of networking information to enhance growth of SMEs revealed 41.8 percent strongly agreed, 30 percent agreed, 12.9 percent neither agreed nor disagreed, 11 percent disagreed and 4.3 percent strongly disagreed. This meant that 71.8 percent of SME respondents agreed that objectives of entrepreneurs influenced participation in entrepreneurial networking to utilize networking information to grow businesses, while 13.3 percent of SME respondents disagreed. This was confirmed by moderate mean of 3.9. The findings of the study are supported by Brand et al. (2018) who found that entrepreneurs' objectives influenced utilization of network information and resources. The study further revealed objectives of entrepreneurs' triggered access to networking resources. The results of the study are supported by those of

Rauch et al. (2016) who found that entrepreneurs' objectives had insignificant effects on utilization of network information and resources and growth of business.

The results of study on Self-efficacy influence utilization of networking resources to enhance growth of SMEs revealed that 52.4 percent agreed, 22.9 percent strongly agreed, 10 strongly disagreed, 8 percent disagreed and 6.7 percent neither agreed nor disagreed. This means that 75.3 percent agreed that Self-efficacy influence utilization of networking resources to enhance growth of SMEs, while 18 percent of SMEs respondents disagreed. This was confirmed by the moderate mean of 3.7 on a likert scale of 1-5 an indication agreement. The findings of the study are supported by Bunyasi, Namusonge and Bwisa (2016) who found that entrepreneur's Self-efficacy influence effective and efficient execution of entrepreneurial outcomes.

The results of the study on educational qualification assists in selection of networking members with valuable resources and information to enhance growth of SMEs revealed that 50.5 percent strongly agreed, 33.3 percent agreed, 6.2 percent of respondents disagreed, 6.7 percent of respondents strongly disagreed and 3.3 percent neither agreed nor disagreed. This meant that 83.8 percent of respondents agreed that entrepreneur's educational qualification assists in selection of networking members with valuable resources and information to enhance growth of SMEs. This was confirmed by high mean of 4.1. The results of study are supported by those of Abbas et al. (2019) who found that entrepreneur's educational qualification influenced selection of networking partners that had valuable information and resources required to grow firms. While, 18 percent of respondents disagreed that entrepreneur's educational qualification influenced selection of networking partners endowed with valuable resources to enhance growth of SMEs. The results of the study are supported by that of Kiprotich (2014) who found that entrepreneur's educational qualification had no effect on utilization of networking resources to complement firms' resources.

The findings of the study on entrepreneur's gender determines membership into entrepreneurial networking to enhance growth of SMEs revealed that 4.3 percent disagreed, 5.2 percent strongly disagreed, 12.4 percent neither agreed nor disagreed,

20.5 percent strongly agreed and 57.6 percent agreed. This meant that 78.1 percent of the respondents agreed that entrepreneur's gender determines membership into entrepreneurial networking to enhance growth of SMEs. The results of the study are supported by those of Ngugi and Bwisa (2013) who found that entrepreneur's gender influenced utilization of networking resources and information to enhance entrepreneurial outcomes. It implied that 9.5 percent of respondents disagreed that entrepreneur's gender determines membership into entrepreneurial networking to enhance growth of SMEs. The findings of the study are supported by Turyakira and Mbidde (2015) who found insignificant effects between participation in entrepreneurial networking activities and growth of SMEs.

The findings of the study on entrepreneur's personal experiences on utilization of entrepreneurial networking resources to enhance growth of SMEs revealed that 10 percent disagreed, 8 percent strongly disagreed, 6.7 percent neither agreed nor disagreed, 52.4 percent agreed and 22.9 percent agreed. This meant that 75.3 percent of the respondents agreed that entrepreneur's personal experiences on utilization of entrepreneurial networking resources to enhance growth of SMEs.

Overall high mean of 4.0 implied agreement that entrepreneur's personal characteristics influence utilization of networking resources to enhance growth of SMEs in Kenya. The findings of the study are supported by Brand et al. (2018) who found that entrepreneur's age, entrepreneurial orientation and education affect identification and absorption of networking resources to enhance growth of enterprises. Burt (2017) found that entrepreneur's orientation influenced identification and utilization of networking resources into business processes.

However, the findings of the study contradicted Blisson and Rana (2017) who found that entrepreneur's gender, age, social background and race don't affect utilization of networking resources to enhance growth of SMEs. The study established that entrepreneur's personal characteristics had no effects on determining growth of SMEs.

4.5.1.1 Qualitative Data on Entrepreneur's Personal Characteristics

The respondents were asked to describe any other entrepreneur's personal characteristics utilization of entrepreneurial networking resources affecting growth of SMEs. Most of the respondents (60 %) felt that the ability to control other networking members to benefit the business was important. The study results suggest that entrepreneurs use networking to further business activities. These suggestions agreed with the views of Ruchkina et al. (2017) who found that locus of control influenced entrepreneurial success.

Some respondents (22 percent) felt that the tribe of entrepreneurs affected access to networking resources and information to enhance entrepreneurial outcomes. This probably suggested that entrepreneurial networking were tribal based. The findings of the study are supported by Kim and Lee (2016) who found that 30 % of networks in Italy were race based. The study further indicated that only members of certain race were allowed to join. This meant that entrepreneurial networks in Italy are closed characterized by close relatives and friends. Maina et al. (2016) found that some entrepreneurial networks were tribal and meetings were held in local languages (mother tongue) and only accommodated entrepreneurs from certain tribes.

The respondents (18 percent) felt that the gender of entrepreneurs influenced admission in networks. These meant that business networks were either male or female. These views concurred with those of Kariuki and Iravo (2016) who felt that some business networks were male based. The study further revealed these networks held their meeting late in the night discouraging female entrepreneurs from joining. Okatch (2012) felt that women roles could not allow them to join entrepreneurial night clubs to enhance entrepreneurial outcomes.

Table 4.12: Qualitative Entrepreneur's Characteristics

Personal entrepreneur's characteristics	Frequency	Percent
The tribe of entrepreneur influenced participation in some entrepreneurial networking and influenced growth of SMEs.	19	22
Ability to control networking members influenced use of networking to grow enterprises	53	60
Gender of entrepreneur	16	18
Total	**88**	**100**

4.5.2 Influence of SMEs Characteristics on Growth of SMEs

Employing a five point likert scale, the study sought to obtain entrepreneurs or equivalent responses regarding SMEs' characteristics in entrepreneurial networking influence on growth of SMEs. The statements of opinions required from the respondents ranged from Strongly Disagree (SD), Disagree (D), neither agree nor disagree (U), Agree (A) and Strongly Agree (SA).

Table 4.13: Influence SME Characteristics on Growth of SMEs

Statement	SD	D	U %	A	SA	M
The industry of the SME on selection of networking partners.	26.2	12.4	2.4	49.5	9.5	3.0
Absorption capacity assists in utilization of networking resources to enhance growth of SMEs	16.7	12.8	11	33.8	25.7	3.4
Growth oriented SMEs affect utilized marketing information to enhance growth of SMEs	31	3.8	2.4	37.1	25.7	3.2
The objective of SME affects utilization of entrepreneurial networking resources to enhance growth	6.2	23.8	13	38	19	3.4
The Employees of SME select of networking partners to enhance growth of SMEs.	27.1	43.8	13.8	11	4.3	2.2
Age of SMEs determine strategic alliances	12.0	26.0	1.0	50	11	3.1
SME's financial influence access of networking physical resources to enhance growth of SMEs	8.6	33.7	1.9	42.9	12.9	3.1
Overall Mean						**3.05**

Table 4.13 summarizes the influence of SMEs' characteristics in entrepreneurial networking on growth of SMEs. The findings of the study on effects of industry of SME on identification of networking partners revealed that 49.5 percent agreed, 26.2 percent strongly disagreed, 12.4 percent disagreed, 9.5 percent strongly agreed and 2.4 neither agreed nor disagreed. This meant that 59 percent of respondents agreed that industry of SME affect identification networking partners to enhance growth of SMEs, while 38.6 percent disagreed. This was confirmed by moderate mean of 3.0. This meant that industry of SMEs trigger levels of entrepreneurial networking to enhance entrepreneurship outcomes. The findings of the study are supported by Maina et al. (2016) who found that the industry of SMEs influenced identification of networking partners. The study further indicated that networking provided resources and information complementing SMEs' resources. Atieno (2016) found that the industry of SMEs determined the absorption of networking resources.

Results of study on SMEs' absorption capacity of networking resources to enhance growth of SMEs revealed that 33.8 percent agreed, 25.7 percent strongly agreed, 16.7 percent strongly disagreed, 12.8 percent disagreed and 11 percent neither agreed nor disagreed. This meant that 59.5 percent of SME operator respondents agreed that absorption capacity affect utilization of networking resources to enhance growth of SMEs, while 29.5 percent disagreed. This was confirmed by moderate mean of 3.4. The findings of the study are supported by those of Katambo and Okatch (2016) who found that absorption capacity of SMEs influenced utilizations of networking resources. The study further indicated that entrepreneurial SMEs need more resources than ordinary and developed mechanism for absorption networking resources. However, Kiprotich (2014) found that SME's industry had no impact on utilization of networking resources and information.

The results of the study on effects of growth oriented SMEs on utilization of marketing information to enhance growth of SMEs revealed that 37.1 percent agreed, 31 percent strongly disagreed, 25.7 percent strongly agreed, 3.8 percent disagreed, 2.4 percent neither agreed nor disagreed. This meant that 62.8 percent of SME operator respondents agreed that entrepreneurial orientation of SMEs influenced utilization of networking marketing information to enhance growth of SMEs, while

34.8 percent disagreed. This was confirmed by low mean of 3.2. The findings of the study are supported by those of Kim and Lee (2018) who found that entrepreneurial orientation (risking, innovation and Proactiveness) of SME influenced absorption of entrepreneurial networking resources and marketing information to enhance growth of SMEs. This implied that 34.8 percent of respondents disagreed that entrepreneurial orientation of SME influences utilization of networking marketing information to enhance growth of SMEs. The findings of the study are supported by Atieno (2016) who found that SME's entrepreneurial orientation had no effects on utilization of entrepreneurial networking resources.

The results of the study on objective of SME affects utilization of entrepreneurial networking resources to enhance growth revealed that 38 percent agreed, 23.8 percent disagreed, 19 strongly agreed, 13 percent neither disagreed nor agreed and 6.2 percent strongly disagreed. This meant that 57 percent of SME respondents agreed that objective of SME affects utilization of entrepreneurial networking resources to enhance growth. The mean of 3.4 on likert scale of 1-5 indicated that SME's objectives had undecided effects on utilization of entrepreneurial networking resources to enhance growth influence on enterprises networking to enhance SMEs growth. The results of study are supported by those of Burt (2019) who found that business objectives had insignificant influence on utilization of entrepreneurial networking resources to enhance performance of firms. Maru (2014) found that SMEs objectives had no significant influence on SME participation in entrepreneurial networking and eventually on growth of SMEs.

The findings of the study on effects of SME employees on selection of networking partners to enhance growth of SMEs revealed that 43.8 percent disagreed, 27.1 percent strongly disagreed, 13.8 percent neither agreed nor disagreed, 11.0 percent agreed and 4.3 percent strongly agreed. This meant that 70.9 percent of SME respondents disagreed that SME employees select networking partners to enhance growth of SMEs. The low mean of 2.2 indicated disagreement. The findings of the study are supported by those of Michorori and Fatoki (2013) who found that majority of employees of firms lack experience to select valuable networking partners. It implied that 15.3 percent of SME respondents agreed that SME employees selected

networking partners to enhance growth of SMEs. The results of the study are supported by those of Wekesa and Wainaina (2016) who found that employees of SMEs who selected entrepreneurial networking partners enhanced growth of SMEs.

Results of study on SME's financial base on access to networking physical resources to enhance growth of SMEs revealed that 42.9 percent of respondents agreed, 33.7 percent of respondents disagreed, 12.9 percent of respondents strongly agreed, 8.6 percent of respondents strongly disagreed and 1.9 percent of respondents neither agreed nor disagreed. This meant that 55.8 percent of respondents agreed that SME's financial base influence access to networking physical resources to enhance growth of SMEs. The mean of 3.1 on likert scale of 1-5 indicated undecided. The results of the study are supported by Bunyasi, Namusonge and Bwisa (2016) who found that the financial base of SMEs influenced SMEs look for entrepreneurial networking resources to enhance growth of SMEs, while 42.3 percent of respondents disagreed that the financial bases of SMEs influenced access to entrepreneurial resources.

Overall mean of 3.05, on likert scale of 1-5 implied neither agreed or disagreed that SMEs characteristics in entrepreneurial networking influenced growth of SMEs. The results of these are supported by Bunyasi et al. (2016) who found that SMEs' characteristics had insignificant effects on utilization of networking resources to enhance performance of enterprises. However, Burt (2017) found that SMEs characteristics had positive significant effects on utilizations of networking resources to enhance growth of firms.

4.5.2.1 Qualitative Data on SME's Characteristics on Growth of SMEs

The respondents were asked to describe any other SMEs characteristics that influenced participation in entrepreneurial networking and growth of SMEs. Some respondents (26 percent) felt that the method of operation determined utilization of networking to enhance growth of SMEs in Trans Nzoia County Kenya. This meant that method of operation influenced utilization of networking resources to enhance growth of SMEs. Those views are in agreement with Hoang and An Yi (2016) who stated that the method of operation of an enterprise influenced networking within and without enterprises. The study further suggested complex tasks required more

consultation and joint resources in conducting enterprises' activities. Lagat and Otieno (2016) felt that infrequent tasks that required high resources propelled SME entrepreneurs to look for other entrepreneurs with relevant resources to perform them.

The respondents (22 percent) felt that market coverage of SMEs influenced use of entrepreneurial networking to get market information and distributions. Those views concurred with Khan et al. (2019) who felt that small and medium enterprises formed alliances with other organisations when market sizes expand. The study further revealed that small and medium enterpreneurs lacked adequate resources to directly enter new markets and conduct product promotions.

The respondents (20 percent) felt that the location of SMEs encouraged or discouraged participation in entrepreneurial networking activities to enhance growth of SMEs. The results of the study are supported by Alstrom et al. (2018) who felt that the location of SMEs either influenced, propelled or discouraged entrepreneurs to join networks to enhance growth of SMEs. Band et al.(2018) felt that SME entrepreneurs formed clusters with enterprises that were in promixity to the location of enterprises.

The respondents felt that the life cycle of SMEs (15 percent) influenced SME entrepreneurs' participation in entrepreneurial networking and growth of SMEs. The finding are supported by those of Stam et al. (2014) who felt that entrepreneurial networking provided evolving resources and information to entrepreneurial SMEs in different life cycle of SMEs to enhance enterprises growth. Table 4.14

Table 4.14: Qualitative SME' characteristics

SME' characteristics	Frequency	Percent
Life cycle of SMEs influenced types networks to join	15	17
Location of SMEs influenced access to networking resources and growth of SMEs.	18	20
Financial base and other resources of SMEs influenced networking activities to access insufficient resources to grow enterprises.	13	15
Methods of operations	23	26
Wide Market coverage size required encouraged networking to increase sales.	19	22
Total	**88**	**100**

4.5.3 Influence of Networking Structural Dimensions on Growth of SMEs

Employing a five point likert scale, the study sought to obtain entrepreneurs or equivalent responses regarding effects of entrepreneurial networking structural dimensions on growth of SMEs. The SME respondents were required to give their opinions which ranged from 5 - strongly agree (SA), 4 - agree (A), 3- neither agreed nor disagreed (U), 2 - disagree (D) and 1- Strongly disagree (SD). Table 4.14 summarized influence of entrepreneurial networking structural dimensions on growth of SMEs.

Table 4.15: Influence of Structural Dimensions and Growth of SMEs

Statement	SD	D	U %	A	SA	M
Central position influence access to networking market information	22.4	14.3	7.6	28.6	27.1	3.2
Shortest path with other networking partners easy sharing of resources	45.7	24.8	12.9	5.2	11.4	2.1
High Interconnections enhancing sharing of marketing information	48.1	25.7	12.4	10.0	3.8	2.0.
Frequent interaction through meeting gatherings and telephone share marketing opportunities	20.0	14.8	6.7	20.5	38.0	3.4
Supply chain reduce holding of more capital in stock.	6.2	9.6	5.2	45.7	33.3	3.9
Diverse membership generated innovative improved products.	3.8	10.5	5.2	43.8	36.7	4.0
Distant networking partners created innovative resources	57.1	24.8	9.5	6.2	2.4	1.7
Overall Mean						**2.9**

The results of the study on central position influence access to entrepreneurial networking market information enhance growth of SMEs revealed that 28.6 percent of respondents agreed, 27.1 percent of respondents strongly agreed, 22.4 percent of respondents strongly disagreed, 14.3 percent of respondents disagreed and 7.6 percent of respondents neither agreed nor disagreed. This meant that 55.7 percent of respondents agreed that central position occupied by SME operator on networking influenced access to market information, while 36.7 percent of respondents disagreed. The access of marketing information created insight about market trends that was vital in developing market oriented products by entrepreneurs. The moderate mean of 3.2 on likert scale of 1-5 implied neither agreed nor disagreed. The results of the study are supported by to those of Brand et al. (2018) who found that the focal position of SME entrepreneur enhanced access to marketing information affected development of market oriented products. The findings of the study are contradicted by those of Kim and Lee (2018) who found that focal position exposed members' core competitive advantages to competitors. The study further established that exposure of members' core competitive advantages reduced future sales.

The results of study on shortest path with other networking partners easy sharing of resources revealed that 45.7 percent of respondents strongly disagreed, 24.8 percent of respondents disagreed, 12.9 percent of respondents neither agreed nor disagreed, 11.4 percent of respondents strongly agreed and 5.2 percent of respondents agreed. This implied that 70.5 percent disagreed, while 17.6 percent of the respondents agreed. The low mean of 2.1 on a likert scale of 1-5 indicated disagreement. The results of the study are supported by those Maina et al. (2016) who found that the networking members close to each other generated common information and redundant resources. This suggested that networking members close to each other had low entrepreneurial outcomes. Mwangi and Namusonge (2016) found that short distances between networking partners created low novel ideas and innovations affected product development by entrepreneurs. The innovations and inventions are backbone of entrepreneurial outcomes. This meant that SME operators that develop or access novel ideas, invention and innovation in products were likely to sustain and increase market share. However, the findings of the study contradicted those of Lagat and Otieno (2017) who found that the distance between networking members eased sharing of resources and marketing information which enhanced entrepreneurial outcomes.

The results of the study on high interconnections enhance sharing of networking resources revealed that 48.1 percent of respondents strongly disagreed, 25.7 percent of respondents disagreed, 12.4 percent of respondents neither agreed nor disagreed, 10.0 percent of respondents agreed, 3.8 percent of respondents strongly agreed. This implied that 75.8 percent disagreed, while 13.8 percent agreed. The low mean of 2.0 on a likert scale of 1-5 indicated disagreement that high interconnections influenced sharing of networking resources to enhance growth of SMEs. The results of the study are supported by those Buyayi et al. (2016) who found that high interconnection was characterized by frequent communication and meetings. The study further revealed that high interconnection eased sharing of networking resources with little innovations on products developments of SMEs. However, study results contradicted those of Kiprotich (2014) who found that high interconnection among networking characterized by frequent communication and meeting eased sharing of networking

resources that complemented SMEs' resources to enhance growth of networking members.

The results of the study on frequent interaction enhanced sharing marketing opportunities revealed that 38.5 percent strongly agreed, 20.5 percent agreed, 20 percent strongly disagreed, 14.8 percent disagreed and 6.7 percent neither agreed nor disagreed. This means that 59 percent of respondents agreed that frequent interaction enhanced sharing marketing opportunities to enhance growth of SMEs, while 34.8 percent of the respondents disagreed. The moderate mean of 3.4 on a likert scale of 1-5 indicated neither agreed nor disagreed. The results of the study are supported by those of Abbas et al. (2019) who found that frequency of communication by networking members generated low entrepreneurial and non-innovative for improvement of products offered. Mugambi, Namusonge and Sakwa (2014) found that frequency of communication generated non-competitive innovations to improve goods or services offered by members. The study further revealed that frequency of communication eased diffusion of networking knowledge.

The results of study on supply chain reducing holding more funds in stock to enhance growth of SMEs revealed that 45.7 percent agreed, 33.3 percent strongly agreed, 9.5 percent disagreed, 6.2 percent strongly disagreed and 5.2 percent neither agreed nor disagreed. This meant that 79 percent of the respondents agreed that supply chain reduce holding more funds in stock to enhance growth, while 11.4 percent disagreed. This moderate mean of 3.9 on a likert scale 1-5 indicated neither agreed nor disagreed. This meant that supply chain freed financial reduction in stock to enhance growth of SMEs. The results of the study are supported by Turyakira and Mbidde (2015) who found that supply chain reduced holding funds in stock to enhance growth of SMEs. This meant that just in time model was effective in freeing financial resources in stock to finance other business activities. Lee et al. (2018) found that Supply chain alliances and collaborations were effective during high inflation as they hedged members against unreliable prices. However, results contradicted those of Rauch et al. (2016) who found that supply chain arrangements were unreliable in supplying stock and other inventories.

The results of the study on diverse membership generation of innovation to improve products for SMEs revealed that 43.8 percent of respondents agreed, 36.7 percent of respondents strongly agreed, 10.5 percent of respondents disagreed, 5.2 percent of respondents neither agreed nor disagreed and 3.8 percent of respondents strongly disagreed. This meant that 80.5 percent of respondents agreed that diverse membership generated innovative knowledge to improve products, while 14.3 percent of respondents disagreed. This was confirmed by high mean of 4.0 on a likert scale of 1-5 indicating agreement that diverse membership generated innovative improved products to enhance growth of SMEs. The findings of the study are supported by those of Mwangi and Namusonge (2016) who found that diverse membership generated innovative improved products to enhance growth of SMEs. Imran et al. (2019) found that entrepreneurs networks' innovative generated normal profit below entrepreneurial returns.

The findings of the study on distant networking partners create innovative information improved products revealed that 57.1 percent strongly disagreed, 24.8 percent disagreed, 9.5 percent neither agreed nor disagreed, 6.2 percent agreed and 2.4 percent strongly agreed. This meant that 81.9 percent disagreed that distant networking partners created innovative resources and information to improve products, while 9 percent agreed. The low mean of 1.7 on a likert scale of 1-5 indicated disagreement that distant networking partners created innovative information that improved products offered. The findings of the study are supported by those of Ochieng (2015) who found that distant of networking partners' generated non-innovative resources to enhance growth of SMEs. Katambo and Okatch (2016) found that great distance between actors of a network generated new market and entrepreneurial opportunities that increased the sales of SMEs.

The overall low means of 2.9 on a likert scale of 1-5 indicated disagreement that entrepreneurial networking structural dimension had influence on growth of SMEs. This meant networking dimensions had insignificant influence on access of networking resources and information affecting growth of SMEs. The finding of the study are supported by those of Lee et al. (2018) who found that entrepreneurial

networking structural dimensions had no influence on flow of resources, market opportunities and information to enhance growth of enterprises.

Stam et al. (2014) found that networking range, intensity and resources had influence on fulfillment of entrepreneurial outcomes. However, the findings of the contradict those of Band et al. (2018) who found that the position occupied by a member in a networking arrangement influenced where one reached for assistance. The study further revealed that high interconnectedness and frequent of communication eased sharing of networking resources and information to enhance entrepreneurial outcomes. Nelima, Namusonge and Sakwa (2016) found that diversified networking provided innovative resources which improved products offered by members.

4.5.3.1 Qualitative Data on Networking Structural Dimensions

The study asked respondents to describe any other entrepreneurial networking structural dimensions influence on growth of SMEs. The respondents (45 percent) felt that the central position of SME entrepreneurs influenced dependence on networking resources and information enhancing growth of SMEs. Those views dovetailed those of Kim and Lee (2018) who felt that the position of an enterprise in entrepreneurial networking influenced flow of resources and information into enterprises. Gliga (2016) felt that SME entrepreneur's prominence in entrepreneurial networking influenced access to information and resources from other networking members and to perform businesses activities.

The respondents (17 percent) felt that high frequency of contacts eased sharing of resources and information. This meant that high contacts between networking members eased sharing of resources as members are familiar with each other. The study views were supported by Stam et al. (2014) who felt that high density networking increased diffusion of networking innovation. Mwangi and Namusonge (2016) felt that an entrepreneurial networking characterized by high frequency of contacts among networking members increased diffusion of information, knowledge, innovations and networking resources that enhanced growth of SMEs. Kiprotich (2014) felt that frequency of communication eased sharing of networking resources to mitigate resources deficiency that limited SMEs growth. Table 4.16.

Table 4.16: Qualitative Networking Structural Dimensions

Structural dimension	Frequency	Percent
Central position to access of resources	39	45
Frequent of contacts on sharing resources and information	47	55
Total	**86**	**100**

4.5.4. Entrepreneurial Networking Resources on Growth of SMEs

Employing a five point likert scale, the study sought to obtain entrepreneurs or equivalent responses regarding effects of the entrepreneurial networking resources on growth of SMEs. The respondents were required to give opinion ranged from the 1- strongly disagree (SD), 2 - disagree (D), 3 - neither agreed nor disagreed (U), 4 - agree (A) and 5 - strongly agree (SA).

Table 4.17: Entrepreneurial Networking Resources and Growth of SMEs

Statement	SD	D	U %	A	SA	M
Entrepreneurial networking resources complementing SMEs' machineries and equipment	5.7	8.6	4.8	42.8	38.1	4.1
Entrepreneurial networking innovations improve products for sale.	5.2	8.1	5.3	47.6	33.8	4.0
Use of patent rights reduced time to develop own products that enhanced growth of SMEs.	11.9	6.2	1	47.6	33.3	3.8
Peer learning generates information to improve businesses management.	4.8	5.7	2.4	27.6	59.5	4.3
Chamber of commerce provide marketing and referral that enhance growth of SMEs	9.1	5.7	3.3	34.3	47.6	4.1
Networking membership eased access to strategic resources that enhance growth of SMEs	8.1	5.7	2.4	36.2	47.6	4.1
Overall Mean						**4.0**

Table 4.15 summarized influence of entrepreneurial networking resources on growth of SMEs. The results of the study on influence of entrepreneurial networking resources complementing SMEs' machineries and equipment resources to enhance growth of SMEs revealed that 42.8 percent of respondents agreed, 38.1 percent of respondents strongly agreed, 8.6 percent of respondents disagreed, 5.7 percent of respondents strongly disagreed and 4.8 percent of respondents neither agreed nor disagreed. This meant that 80.9 percent of SMEs agreed that entrepreneurial networking resources complement SMEs' machineries and equipment to enhance growth of SMEs, while 14.3 percent of respondents disagreed. This was confirmed by high mean of 4.1 on a likert scale of 1-5 indication of agreement. The results of the study are supported by those of Abbas et al. (2019) who found that network resources complemented SMEs resources to improve growth of enterprises. However, findings of the study contradict those of Ndesaulwa and Kikula (2016) who found that entrepreneurial networking resources were inadequate in complementing SMEs resources.

The results of the study on entrepreneurial networking innovations to improve products for sale revealed that 47.6 percent of respondents agreed, 33.3 percent of respondents strongly agreed, 11.9 percent of respondents strongly disagreed, 6.2 percent of respondents disagreed and 1 percent of SMEs neither agreed nor disagreed. This meant that 80.9 percent of SMEs agreed that entrepreneurial networking innovations improve products for sale. This was confirmed by high mean of 4.0 indication of agreement. The findings of the study are supported by those of Katambo and Okatch (2016) who found that entrepreneurial networking innovations helped member to access new markets. The results of the study contradicted those of Sungur (2015) who found that SMEs pooling up with other SMEs had no influence on growth of production and market share.

The results of study on use of patent rights on reduction of time to develop own products enhanced growth of SMEs revealed that 47.6 percent agreed, 33.3 percent strongly agreed, 11.9 percent strongly disagreed, 6.2 percent agreed and 1 percent neither agreed nor disagreed. This meant that 80.9 percent of SMEs agreed that use of patent rights on reduction of time to develop own products enhance growth of

SMEs. The mean of 3.3 on a likert scale of 1-5 indicated neither agreement nor disagreed. The results of the study are supported by those of Mustafa and Mohammad (2014) who found that use of patent rights reduced on time to develop own products. The study established that use of others' patent right enabled SMEs to access superior technologies that were difficult to develop in-house. This meant that 18.1 percent of SME respondents disagreed that use of others' patent rights reduced time to develop own products. The results of the study are supported by Torok et al. (2017) who found that use of others' patents and innovations had little effects on firms' improvement of products and market share.

The results of the study on influence of peer learning to generate information that improve business management revealed that 59.5 percent strongly greed, 27.6 percent agreed, 5.7 percent of respondents disagreed, 4.8 percent of respondents strongly disagreed and 2.4 percent of respondents neither agreed nor disagreed. This implied that 87.1 percent of respondents agreed that peer learning generates information that improved business management, while 10.5 percent disagreed. This was confirmed by the high mean of 4.3 on a likert scale of 1-5 which indicated agreement. The results of the study are supported by those of Muruku et al. (2016) who found that peer learning generated information that improved business management. However, findings of the study contradict those of Mwangi (2016) who found that peer learning provided non-competitive information that had little entrepreneurial outcomes.

Study results on chamber of commerce provide marketing information and referral to enhance growth of SMEs revealed that 47.6 percent of the respondents strongly agreed, 34.3 percent of respondents agreed, 9.1 percent of respondents strongly disagreed, 5.7 percent of respondents disagreed and 3.3 percent of respondents neither agreed nor disagreed. This means that 81.9 percent agreed that chamber of commerce provide marketing information and referral to enhance growth of SMEs. The high mean of 4.1 on a likert scale of 1-5 indicated agreement. The study results are supported by those of Otieno (2016) who found that chamber of commerce provided important marketing and referral information. This meant that 14.8 percent of respondents disagreed that chamber of commerce provided important marketing

and referral information to enhance growth of SMEs. The findings of the study are supported by Wanga et al. (2017) who found that chamber of commerce provided important marketing and referral information that promoted SMEs' exports.

Study results on networking membership eased access to strategic resources to enhance growth of SMEs revealed that 47.6 percent of respondents strongly agreed, 36.2 percent of respondents agreed, 8.1 percent of respondents strongly disagreed, 5.7 percent of respondents disagreed and 2.4 percent of respondents neither agreed nor disagreed. This meant that 83.8 percent agreed that networking membership eased access to strategic resources to enhance growth of SMEs, while 13.8 percent of respondents disagreed. The high mean of 4.1 on likert scale of 1-5 indicated agreement. The findings of the study are supported by those of Burt (2019) who found that networking membership eased access to strategic resources that enhanced growth of SMEs. However, Batjargal (2015) found insignificant relationships between networking membership and access to strategic resources to enhance growth of SMEs.

Overall high mean high of 4.0 on a likert scale of 1-5 indicated agreement that entrepreneurial networking resources influence growth of SMEs. It meant that entrepreneurial networking resources were important in mitigating SMEs' resources inadequacy to enhance growth. The findings of the study are supported by those Abbas et al. (2019) who found that networking resources complemented SMEs resources to mitigate resources deficiency syndrome of SMEs. Burt (2019) found that access to external resources enhanced growth of small firms. The finding of the study contradict those of Wanga et al. (2017) who found that clusters in networking exposed a firm's competitive resources to competitors.

4.5.4.1 Qualitative Data on Networking Resources on Growth of SMEs

The study asked respondents to describe any other entrepreneurial networking resources that enhanced growth of SMEs. The respondents (47 percent) of SME entrepreneurs felt that moral support encouraged them to remain in businesses to undertake risky business projects. The study's views are supported by Brand et al. (2018) who felt that moral support provided by family members influenced

entrepreneurs to venture into entrepreneurship. Bunyasi et al. (2016) felt that family members coaching provided impetus for nascent entrepreneurs to consider entrepreneurship as a worthwhile career path.

The respondents (33 percent) felt that entrepreneurial networking assisted in incubation of innovations and evaluation of entrepreneurial opportunities to enhance implementation. The views of the respondents are supported by Naude et al. (2014) who felt that entrepreneurial networking members assisted SME entrepreneurs in evaluation of entrepreneurial opportunities that had high probabilities of scalable in the market. They further felt that entrepreneurial networking assisted members to create prototype of goods to test before introducing to buyers. Kariuki and Iravo (2016) felt that entrepreneurial networking incubation centers assisted nascent entrepreneurs in assessment of their innovations and business ideas with successful entrepreneurs to test their viability.

The respondents 20 percent felt that the use of networking innovations and resources enhanced competitiveness of their enterprises. The results of the study are supported by Maina et al. (2016) who found that entrepreneurial networking enabled entrepreneurs to access innovations and patents of other entrepreneurial networking members. Okatch, Mukulu and Oyugi (2012) felt that subcontracting in motor vehicle industry enabled SMEs to access innovations and resources from motor vehicle assemblers. Table 4.18.

Table 4.18: Qualitative Networking Resources

Networking resources	Frequency	Percent
Moral support from entrepreneurial networking members to encourage SME entrepreneur taking risky enterprises and continue in businesses	23	47
Networking members assisted in incubation of innovations that became ease to introduce at markets and sale	16	33
Enterprise used other networking innovations to improve its products to increase sales	10	20
Total	**49**	**100**

4.5.5 Influence of Networking Relations on Growth of SMEs

Employing a five point likert scale, the study sought to obtain entrepreneurs or equivalent responses regarding effects entrepreneurial networking relations on growth of SMEs. The statements were opinions which required the respondent to Strongly Disagree (SD), 4 - Disagree (D), 3 - neither agree nor disagree (U), 4 - Agree (A) and 5 - Strongly Agree (SA).

Table 4.19: Influence of Networking Relations on Growth of SMEs.

Statement	SD	D	U %	A	SA	M
Family networks provide capital without security to enhance growth of SMEs.	4.3	7.6	5.2	31.9	51	4.2
Networking rules inhibit formation of new networks to enhance growth of SMEs.	3.8	6.2	4.8	38.6	46.6	4.2
Family members provide all resources required for growth of SMEs.	8.1	5.2	6.7	32.4	47.6	4.1
Managers' networks on adoption of innovation and market referral for growth of SMEs	2.9	3.2	1	32.9	60	4.4
Strategic alliances ease sharing of resources and innovation to enhance growth of SMEs	8.2	11.4	5.2	23.3	51.9	4.0
Managers' networks allows freedom in formation networks to enhance growth of SMEs	5.7	2.4	3.3	24.3	64.3	4.4
Close friends networks prevent admission of new members.	6.2	2.9	2.4	25.2	63.3	4.4
Business networks generate market information to increase sales	5.2	2.9	6.2	18.6	67.1	4.4
Weak networking relationships generated innovations to improve SME's products and growth	4.3	1.9	7.1	20.5	66.2	4.4
Overall Mean						**4.2**

Table 4.16 summarizes the study results on influence of entrepreneurial networking relations on growth of SMEs. Study results on family networks provision of capital without security to enhance growth of SMEs revealed that 51 percent strongly agreed, 31.9 percent agreed, 7.6 percent disagreed, 5.2 percent neither agreed nor disagreed and 4.3 percent disagreed. This meant that 82.9 percent of SME operator respondents agreed that family networks provide capital without security to enhance growth of SMEs, while 11.9 percent disagreed. This was confirmed by the high mean of 4.4 on a likert scale of 1-5 indication of agreement. This meant that infant or nascent SME operators lacked collateral to access capital from commercial banks. The study results are supported by those of Mwangi and Namusonge (2016) who found that family networks provide capital and coaching during nascent stages of entrepreneurial development. Maina et al. (2016) found that family networks were unable to provide resources and other entrepreneurial software (coaching and technologies) promoted entrepreneurial outcomes of SMEs.

Study results on influence of networking rules inhibit on formation of new networks to enhance growth of SMEs revealed that 51.4 percent strongly agreed, 38.6 percent agreed, 6.2 percent disagreed, 4.8 percent neither agreed nor disagreed and 3.8 percent strongly disagreed. This meant that 90 percent agreed that networking rules inhibition on formation of new networks to enhance growth of SMEs, while 10 percent disagreed. This was confirmed by high mean of 4.2 on a likert scale of 1-5 indicating agreement. The study results are supported by Zhao and Burt (2018) who found that entrepreneurial networking norms limited formation of new networks and constrained opportunistic behavior. The study further revealed that networking norms promoted reciprocity and trust among network members. Nee, Dellaposta and Opper (2017) found that entrepreneurial networking arrangements were voluntary associations that promoted mutual entrepreneurial benefits.

Study findings on family members provide all resources required for growth of SMEs revealed that 47.6 percent strongly agreed, 32.4 percent agreed, 8.1 percent strongly disagreed, 5.2 percent disagreed and 6.7 percent neither agreed nor disagreed. This meant that 80 percent of respondents agreed that family networks provide all resources required for growth of SMEs, while 13.3 percent disagreed.

This was confirmed by high mean of 4.1 on a likert scale of 1-5 indicated agreement. The findings of the study are supported by that of Merluzzi (2017) who found that family networks were sufficient in provisions of marketing information and innovations for growth of SMEs. However, the study results contradicted those of Biang and Wang (2016) who found that family networks were unable to provide both tangible and intangible resources for growth of SMEs.

Study results on influence of managers' networks on adoption of innovation and market referral for growth of SMEs revealed that 60 percent strongly agreed, 32.9 percent agreed, 3.2 percent disagreed, 2.9 percent strongly disagreed and 1 percent neither greed nor disagreed. This meant that 92.9 percent of the respondents agreed that those managers' networks provided innovations and marketing referral for growth of SMEs, while 6.1 percent disagreed. The high mean of 4.4 on a likert scale of 1-5 indicated agreement. Study results are supported by those of Buyayi et al. (2016) who found that managers' networks affected adoption of innovation and market referral for growth of SMEs. This implied that 6.1 percent of the SME operator respondents disagreed that managers' networks provided innovations. The findings of the study contradict those of Rauch et al. (2016) who found that business networks provided redundant resources that derail growth of SMEs.

Study findings on strategic alliances ease sharing of resources and innovation to enhance growth of SMEs revealed that 51.9 percent strongly agreed, 23.3 percent agreed, 11.4 percent disagreed, 8.2 percent strongly disagreed, 5.2 percent of neither agreed nor disagreed. This meant that 75.2 percent of SME operator respondents agreed that strategic alliances ease sharing of resources and innovation to enhance growth. The study high means of 4.0 on a likert scale of 1-5 an indicated agreement. Study results were supported by Katambo and Okatch (2016) who found that strategic alliance enabled SMEs to use large firms' technologies. The study revealed that large firms allocate more resources on R and D than SMEs characterized by meager resources. However, the study findings contradicted those of Kim and Lee (2018) who found that strategic alliances curtailed members from forming new networking.

Study results on managers' networks allows freedom in formation of networks to enhance growth of SMEs revealed that 61.5 percent strongly agreed, 24 percent of SME respondents agreed, 9 percent of respondents strongly disagreed, 4 percent of respondents disagreed and 1.5 percent of respondents neither agreed nor disagreed. This meant that 85.5 percent of SME respondents agreed that Managers' networks allowed freedom in formation of networks to enhance growth of SMEs. This was confirmed by high mean of 4.2 on a likert scale of 1-5 an indication of agreement. The results of the study suggested that SME operators freely enter networks to access evolving resource needs of enterprises. Study results are supported by those of Zhao and Burt (2018) who found that networking governance mechanisms forced networking partners to remain in associations. Brand et al. (2018) found that Managers' networks allow freedom in formation of networks to access resources to enhance entrepreneurial outcomes.

The findings of the study on close friends' networks prevent admission of new members revealed that 64.3 percent strongly agreed, 24.3 percent agreed, 5.7 percent strongly disagreed, 3.3 percent neither agreed nor disagreed and 2.4 percent disagreed. This meant that 88.6 percent of SME respondents agreed that Close friends networks prevent admission of new members. This was also confirmed by the high mean of 4.4 on a likert scale of 1-5 an indication of agreement. The findings of the Study are supported by Kariuki and Iravo (2016) who found that closed networks required consent by all networking members before new admission was done.

Study findings on business networks generate market information to increase sales revealed that 63.3 percent strongly agreed, 25.2 percent agreed, 6.2 percent strongly disagreed, 3.3 percent neither agreed nor disagreed and 2.4 percent disagreed. This meant that 88.5 percent of SME respondents agreed and high mean of 4.4 on a likert scale of 1-5 indicated agreement, while 8.6 percent disagreed. The results of the study are supported by those of Lee and Gargiulo (2018) who found that business networks generated market information that created entrepreneurial opportunities influenced growth of members. Stam et al. (2014) found that business networks provided resources which complemented SMEs resources.

Study results on SME weak relationships on generation of innovations to improve products for SMEs growth revealed that 66.2 percent strongly agreed, 20.5 percent agreed, 7.1 percent neither agreed nor disagreed, 4.3 percent strongly disagreed and 1.9 percent disagreed. This meant that 86.7 percent agreed, while 8.1 percent disagreed. This was also confirmed by the high mean of 4.4 which meant that entrepreneurial weak association with other networking partners such as universities generated innovations that improved products. The study findings are supported by Ruef (2017) who found that entrepreneurs or SME operators that had weak entrepreneurial networking with members accessed innovative resources and marketing information that extended the market of entrepreneurs' or SMEs' products. However, Kiprotich (2014) found that entrepreneurs' weak relationships had little effects on sales of SMEs.

Overall mean of 4.17 on a likert scale of 1-5 indicated agreement. This meant that entrepreneurial networking relations influenced access to networking resources and information enhancing growth of SMEs. The findings of the study are supported by those of Mwangi and Namusonge (2016) who found that entrepreneurial networking relations determined access to both resources and information vital for enterprising culture. Zhao and Burt (2018) found that strategic alliance provided shortcuts for mitigating SMEs limited resources. The study further established that adequate supply of resources to SMEs enabled them to compete favourably with large firms. However, Rauch et al. (2016) found that entrepreneurial networking relation was not the sole determinant of accessing resources, market opportunities and information from networking members.

4.5.5.1 Qualitative Data on Networking Relations on Growth of SMEs

The study asked respondents to describe any other influence of entrepreneurial networking relations on growth of SMEs. The majority of respondents (90 percent) felt that family members provided capital and other resources easily. This meant that family members were able to provide capital probably without requirement of security. The findings of the study are supported by Stam et al. (2014) who felt that family members provided capital to nascent SME entrepreneurs. The study further

revealed that nascent entrepreneurs lack collateral to access finance from commercial banks. Kiprotich et al. (2014) felt that family member networks and close friends networks were vital in promoting enterprising culture. The study further revealed that majority of nascent entrepreneurs depended on member coaching and cheering to venture into entrepreneurial activities.

Some SME entrepreneur respondents (10 percent) felt that entrepreneurial business networking provided resources during growth phases of SMEs. This meant that business networks provided resources to complement SMEs' resources. The findings of the study are supported by Brand et al. (2018) who felt that learning institutions such as universities were responsible for channeling out new technologies adopted by SMEs to innovate products. The study further revealed that SME entrepreneurs networking with universities offered competitive products. Katambo and Okatch (2016) felt that SME entrepreneurs with vibrant research and development produced market oriented products. Table 4.20

Table 4.20: Qualitative Entrepreneurial relations

Entrepreneurial relations	Frequency	Percent
Family and friends provided finance (no security)	17	90
Weak relations provided technology (improved)	2	10
Total	**19**	**100**

4.5.6 Aggregation of the Means of Independent Variables on Growth of SMEs

The means for independent variables (entrepreneurial networking) were analyzed in order to find out which independent variable had the highest effect on dependent variable (growth of SMEs). From descriptive statistics it was found that entrepreneurs' personal characteristics Mean = 4.00, SME's characteristics mean = 3.05, entrepreneurial networking structural dimensions Mean = 2.9, entrepreneurial networking resources Mean = 4.00 and entrepreneurial networking relations Mean = 4.17. It meant that entrepreneurial networking relations had highest mean. It

suggested that entrepreneurial networking relations had highest effects on determining who and where a firm reached for assistance. Table 4.21.

Table 4.21: Aggregation of Independent Variables on Growth of SMEs

Variables	N	MEAN
Entrepreneur's characteristics	210	4.00
SME characteristics	210	3.05
Networking Structural dimensions	210	2.90
Networking resources	210	4.00
networking relations	210	4.17
N	**210**	**3.62**

4.5.7 Cross Tabulation of Growth of SMEs Participation versus non-Participation

When the growth of SMEs was tabulated with participation in entrepreneurial networking versus non-participation in entrepreneurial networking, the findings were summarized in Table 4.22. The growth of SMEs was measured by changes in profitability, sales, and returns on capital and employees.

Table 4.22: Effects participation versus non-participation on growth of SMEs

Indicator	Participate in networking			Do not participate in networking		
	Decreased	Stable	Increased	Decreased	Stable	Increased
Growth in profitability	7.8%	21.5%	70.7 %	68.4%	17.5%	14.1%
Growth in sales	7.8%	21.5%	70.7%	57.9%	31.6%	10.5%
Growth in market share	7.8%	20 %	72.2%	64.3%	21.4%	14.3%
Equipment/assets	9.5%	30.7%	59.5%	66.7%	19.3%	14.0%
Growth in number of customers	8.8%	24.4%	66.8%	63.2%	28.1%	8.8%
Growth in number of employees	14.6%	57.1%	28.3%	66.7%	26.3%	7.0%
Profit margin on sales	9.8%	20%	70.2%	66.7%	14%	19.3%

4.6 Inferential Results

After highlighting the independent variables through descriptive statistical analysis, the study sought to establish the relationship between independent variables (entrepreneur's personal characteristics, SMEs characteristics, entrepreneurial networking structural dimensions, entrepreneurial networking resources and entrepreneurial networking relations and dependent variable growth of SMEs measured by both financial and non-financial indicators: sales turnover rate, profitability turnover, return on capital and number of employees turnover.

To determine bivariate relationship between an individual variable and dependent variable growth of simple linear regression was adopted. To assess the strength and direction of a relationship among the variables p value and t test were employed at $\alpha = 0.05$ percent level of significance. The study adopted linear regression to test

hypotheses at $\alpha = 0.05$ percent level of significance to establish the significance of entrepreneurial networking on growth of SMEs.

4.6.1 Testing Assumption of Linear Regression

a. Normality test of all variables

The normal distribution peaks in the middle and is symmetrical about the mean (Ghasemi & Zahedial, 2012). Many of the statistical procedures in parametric tests (correlations, t-test and regression) are based on assumption that data is normally distributed. Though with large samples or any sample size greater than 30 and above, the violation of normality assumption should not cause any problem (Kothari, 2004). According to Elliot and Woodward (2007), parametric test can be applied even if data is not normally distributed. Ghasemi et al. (2012) observed that Kolmogorov-Smirnov (K-S) test seems to be the most common test for normality, but they cautions that it should not be used owing to its lower power and they recommend that normality be assessed both by visually and normality test, that is, Shapiro Wilk test is recommended. The study employed p value from both Kolmogorov-Smirnov and Shapiro-Wilk to determine normality. If p value is greater than $\alpha = 0.05$ implies normally distributed, while p value less than $\alpha = 0.05$ skewed. All p values for entrepreneur's personal characteristics, SMEs characteristics, entrepreneurial networking structural dimensions, entrepreneurial networking resources, entrepreneurial networking relation and growth of SMEs yielded were less than $\alpha = 0.05$, implied skewed. The normality was conducted using both Kolmogorov-Smirnov and Shapiro-Wilk as illustrated below in Table 4.22: Tests of Normality. Table 4.23.

Table 4.23: Tests of Normality

	Kolmogorov-Smirnov[a]			Shapiro-Wilk		
Variables	**Statistic**	**Df**	**Sig.**	**Statistic**	**Df**	**Sig.**
Entrepreneurs' Personal characteristics.	.153	210	.000	.847	210	.000
SME characteristics	.151	210	.000	.896	210	.000
Networking structural dimensions	.234	210	.000	.801	210	.000
Entrepreneurial networking resources.	.180	210	.000	.747	210	.000
Entrepreneurial networking Relations	.246	210	.000	.797	210	.000

a. Lilliefors Significance Correction

The Normality tests for all variables were done using both Kolmogorov-Smirnov[a] and Shapiro-Wilk. Both Kolmogorov-Smirnov[a] and Shapiro-Wilk results indicated that all variables had p value less than $\alpha = 0.05$, thus were significant ($p<0.000$). Therefore, $H_{01:}$ data normally distributed in sample was rejected and adopted alternate (H_1) hypothesis that data is skewed or not normally distributed (the conclusion is that entrepreneurs' Personal characteristics, SME characteristics, entrepreneurial networking entrepreneurial networking structural dimensions, entrepreneurial networking resources and entrepreneurial networking relations were skewed. Regardless of skewedness' of data the parametric tests can still be applied if

the sample is large. Central limit theorem holds that when sample size is large violation normality is not a problem.

b. Multicollinearity

According to Urdan (2010), the problem of Multicollinearity occurs when two or more independent variables are linearly dependent (correlated). This is a problem because explanatory variables (independent) should be independent. According to Lovric (2011), Multicollinearity explains the existence of strong correlations among explanatory variables which can cause problems in multiple regression analysis because it can make it difficult to isolate each predictor variance on dependent variable. In bivariate relationship Multicollinearity is not an issue as there are one predictor variable on dependent variable. According to Gujarati (2014), if the degree of correlation between explanatory variables is high or perfects it causes problems when you fit the model and interpret results. Thus Multicollinearity condition prevents multiple regressions from estimating coefficients (slope) and the equation may become unsolvable.

Due to overlaps of explanatory, this makes it difficult to isolate the influence of each explanatory variable on dependent variable. Harvey (1977) observed that Multicollinearity is a matter of degree. It is not a problem that does or does not appear. To test for Multicollinearity in this study, the Variance Inflation Factors were estimated and the study VIF values ranged between 1-10. Table 4.24. According to Gujarati (2014), if VIF is 1-10, then there is no Multicollinearity. The VIF of entrepreneur's personal characteristics, SMEs characteristics, entrepreneurial networking structural dimensions, entrepreneurial networking resources and entrepreneurial networking relations VIF $\leq$ 10 it means lack of Multicollinearity. Thus as illustrated in the table 4.22 for Multicollinearity test using Variance Inflation Factor of all variables were between 1 and 10, hence indicated lack of Multicollinearity among predictor variables.

Table 4.24: Multicollinearity Test using VIF

Variables		Unstandardized Coefficients		Standardized Coefficients			Collinearity Statistics	
		B	Std. Error	Beta	T	Sig.	Tolerance	VIF
1	(Constant)	6.178	2.510		2.461	.015		
	Entrepreneur's personal characteristics	.024	.057	.029	.422	.674	.692	1.444
	SME characteristics	.127	.087	.102	1.454	.147	.651	1.536
	Networking Structural dimensions	.200	.045	.297	4.458	.000	.727	1.375
	Networking resource	.290	.117	.190	2.482	.014	.552	1.813
	Networking relations	.317	.049	.465	6.421	.000	.614	1.628

a. Dependent Variable: Growth of SMEs

c. Heteroscedasticity

This is the extent to which residual values for dependent and independent variable have unequal variance. The variables p-value was presented in Table 4.00: Heteroscedasticity Coefficients. The table showed SMEs growth p-value = 0.060, entrepreneurs' personal characteristics p-value = 0.084, SME characteristics p-value = 0.088, networking structural dimensions p-value = 0.053, networking network resources p-value = 0.076 and networking relations p-value = 0.151. All variable p-value were greater than > 0.05 ($\alpha = 0.05$). It implied that there was no heteroscedasty as all p-values are > 0.05. Table 4.25: Heteroscedasticity.

Table 4.25: Heteroscedastic test Coefficients

Variables		Unstandardized Coefficients		Standardized Coefficients		
		B	**Std. Error**	**Beta**	**T**	**Sig.**
1	(Constant)	3.761	1.605		2.344	.020
	Entrepreneur's Personal characteristics	.063	.036	.143	1.737	.084
	SME characteristics	.014	.056	.021	1.243	.088
	Entrepreneurial networking Structural dimensions	.056	.029	.156	1.949	.053
	Entrepreneurial networking resources	.133	.075	.164	1.783	.076
	Entrepreneurial networking relations	.045	.032	.126	1.440	.151

a. Dependent Variable: (Growth of SMEs)

d. Auto-correlation

Autocorrelation is a characteristic of data which shows some degree of similarity between the values of the related variables over successive time interval. The study used error term observations or residuals to check for autocorrelation. The presence of autocorrelation negates the principle of independence which underlies the conventional models. The analysis of autocorrelation is a mathematical tool for finding repeating patterns such as the presence of periodic signal obscured by noise or identifying the missing fundamental frequency in signal implied by its harmonic frequency. The very popular test called the Durbin Watson test detects the presence of autocorrelation in the data. Thus the study computed the Durbin-Watson statistic

was 1.897 which was between 1.5 and 2.5 and concluded that data was not auto-correlated. Table 4.26.

Table 4.26: Auto-correlation Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.585[a]	.342	.326	3.95373	1.897

a. Predictors: (Constant): entrepreneur's personal characteristics, SME characteristics, entrepreneurial networking structural dimensions, entrepreneurial networking resources and entrepreneurial networking relations. b. Dependent Variable: Growth of SME.

4.7 Correlation matrix

The study employed Pearson Correlation Coefficient to determine the correlation between independent variables (entrepreneurial networking) and dependent variable growth of SMEs (bivariate). The Pearson correlation coefficient established the relationship between one individual independent variable and dependent variable (growth of SMEs). The correlation value range between -1 to +1, if the correlation yielded r = -1 implied that variables had perfectly negatively correlated, r = +1 implied positive perfect correlations between variables and r = 0 means that there is no correlations between variables.

The correlation matrix table 4.27 revealed that entrepreneurs' personal characteristics in entrepreneurial networking and growth of SMEs had r = 0.505. This meant that entrepreneur's personal characteristics in entrepreneurial networking and growth had positive moderate association. The findings of the study are supported by Burt (2017) who found that entrepreneur's personal characteristics in entrepreneurial networking was vital in determining valuable networking partners that enhanced growth of firms.

Table 4.27: Correlation Matrix for Study Variables

Variables		Y	X_1	X_2	X_3	X_4	X_5
X_1	Correlation coefficient (r)	0.505	1.000				
	P-value	<0.001	<0.001				
X_2	Correlation coefficient (r)	0.416	.446**	1.000			
	P-value	<0.001	<0.001	<0.001			
X_3	Correlation coefficient (r)	0.615	.446**	.455**	1.000		
	P-value	<0.001	<0.001	<0.001	<0.001		
X_4	Correlation coefficient (r)	0.672	.444**	.414**	.397**	1.000	
	P-value	<0.001	<0.001	<0.001	<0.001	<0.001	
X_5	Correlation coefficient (r)	0.602	.401**	.458**	.393**	.559**	1.000
	P-value	<0.001	<0.001	<0.001	<0.001	<0.001	<0.001

Y= Growth of SMEs X_1= Entrepreneur's personal characteristic X_2= SMEs characteristic X_3= entrepreneurial structure dimensions, X_4= entrepreneurial networking resources X_5= entrepreneurial networking relations

Study results revealed that SME's characteristics in entrepreneurial networking and growth of SMEs had moderate correlation r = 0.416. This meant that SME's characteristics in entrepreneurial networking had positive moderate correlation with growth of SMEs. The study results are supported by Michorori et al. (2013) who found that SMEs characteristics had positive correlation with growth of SMEs. Gliga (2016) found positive correlations between SMEs characteristics and growth of SMEs. However, the study results contradicted those of Rauch et al. (2016) who found that firm's characteristics had no significant correlation with participation in networking.

Study findings on entrepreneurial networking dimensions and growth of SMEs had a correlation r = 0.615. This meant that entrepreneurial networking dimensions and growth of SMEs had moderate positive correlation. The study results are supported

by Kiprotich (2014) who found positive significant correlation between networking structural dimensions and growth of enterprises. However, contradicted those of Maina et al. (2016) who found that networking structural dimensions had no significant correlation with growth of enterprises in manufacturing SMEs in Kenya.

Study results on entrepreneurial networking resources and growth of SMEs had a correlation r = 0.672. This meant that entrepreneurial networking resources and growth of SMEs had moderate positive correlation. The results of the study are supported by Bunyasi et al. (2016) who found positive significant correlation between entrepreneurial networking resource(s) and SMEs performances.

Study results on entrepreneurial networking relations and growth of SMEs had a correlation r = 0.602. This meant that entrepreneurial networking relations and growth of SMEs had moderate positive correlation. The study results are supported by those Burt (2017) who found positive significant correlations between entrepreneurial networking relations and growth of SMEs. Katambo and Okatch (2016) found that networking relationship influenced flow of resources and information among networking partners.

4.8 Regression results

The study used both simple and multiple regressions to determine the statistical influence of independent variables (entrepreneurial networking) on dependent variable (growth of SMEs) of the study. The simple linear regression analysis was used to determine (bivariate) relationship between single independent variable (entrepreneurial networking: entrepreneur's personal characteristics in entrepreneurial networking, SMEs characteristics in entrepreneurial networking, entrepreneurial networking structural dimensions, entrepreneurial networking resources and entrepreneurial networking relations) on growth of SMEs.

The study tested two types of hypotheses null (H_0) and alternative (H_1). The reason for testing two types of hypotheses: null (H_0) and alternative (H_1) hypothesis is for significant purpose. The null (H_0) hypothesis denies existence of any relationship or differences between two groups where it can be directional or non-directional. In

non-directional hypothesis testing two tailed test is used, while in directional single tailed test is used (Kothari, 2004). This study was non-direction thus adopted a two tailed test.

The hypothesis testing enables the researcher on the basis of the sampled data either to accept or reject null hypothesis and accept or reject alternative hypothesis. The p-value and t value were employed to test significance, while (r^2 or R^2) was meant to measure the model's goodness of fit (coefficient of determination). The study five null hypotheses of the study were tested using simple linear and multiple linear regressions.

4.8.1 Regression of Entrepreneur's Personal Characteristics on Growth of SMEs

The simple regression analysis was employed to determine bivariate relationship between entrepreneur's personal characteristics in entrepreneurial networking and growth of SMEs.

a. Model summary regression of entrepreneurs' personal characteristics in entrepreneurial networking on growth of SMEs

The regression summary model of X_1 (Entrepreneur's personal characteristics in entrepreneurial networking) and Y (Growth of Small and Medium Enterprises) yielded Coefficient of determination r^2 of 0.255 which showed that 25.5 percent of SMEs' growth was determined by entrepreneur's personal characteristics in entrepreneurial networking. The adjusted r^2 meant that 25.2 percent of growth of SMEs was explained, the remaining can be explained by other factors not included in the model. The r of 0.505 shows there is moderate positive correlations between entrepreneur's personal characteristics in entrepreneurial networking and growth of Small and Medium Enterprises. The standard error of 0.4690 shows deviation from line of best fit results. Table 4.28.

Table 4.28: Model Summary of Entrepreneur's characteristics on growth of SMEs

Model	r	r Square	Adjusted r Square	Sig	Std. Error of the Estimate
1	.505[a]	.255	.252	0.000	0.4690

a. Predictors: (Constant), personal characteristics. b. Growth of SMEs

The results of the study are supported by those of Abbas et al. (2019) who found that entrepreneur's personal characteristics (behavior, entrepreneurial orientation and networking competencies) influenced utilization of entrepreneurial networking resources to enhance growth of SMEs. Brand et al (2018) found that entrepreneur's personal characteristics in entrepreneurial networking influenced utilization of networking resources that enhanced growth of SMEs. However, the findings of the study contradict those of Rauch et al. (2016) who found that entrepreneur's personal characteristics in entrepreneurial networking had insignificant influence on utilization of networking resources to enhance growth of SMEs.

b. Results for ANOVA of entrepreneur's personal characteristics in entrepreneurial networking on growth of SMEs

The ANOVA of the entrepreneur's personal characteristics in entrepreneurial networking had positive significant influence on growth of SMEs as depicted by F value = 23.272 and p value < 0.000. This implied that entrepreneur's personal characteristics were valid predictor in the model of entrepreneurial networking determining SMEs growth. Table 4.29.

Table 4.29: ANOVA of Entrepreneur's Personal Characteristics on Growth of SMEs

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	291.948	1	291.948	23.372	.000[a]
	Residual	4553.507	209	21.998		
	Total	4845.455	210			

a. Predictors: (Constant), personal characteristics in entrepreneurial networking. b. Dependent Variable: Growth of SMEs

The findings of the study are supported by Kim and Lee (2018) who found that entrepreneur's personal characteristics were valid predictor in entrepreneurial networking model determining utilization of entrepreneurial networking enhancing growth of SMEs in Italy. Kariuki and Mukulu (2016) found that entrepreneur's personal characteristics were valid predicted in the model of entrepreneurial networking determining access to networking resources enhancing growth of SMEs in Kenya. The findings of the study contradict those Otieno (2016) who found that entrepreneurs' education, age and gender were insignificant in entrepreneurial networking model insignificant determining access to networking resources to enhance SMES performance in Kisumu.

c. Coefficients results of entrepreneur's personal characteristics in entrepreneurial networking on growth of SMEs

The coefficients regression of personal entrepreneurs' characteristics (X_1) and growth of SME (Y) revealed $\beta_{01} = 0.205$, $\beta_0 = 18.284$, p value <0.000 implied statistical significant at 0.05 % significance level. The coefficients were to fit to simple regression model equation: $Y = \beta_0 + \beta_1 X_1 + e$. The coefficients regression of personal entrepreneurs' characteristics (X_1) fitted simple regression model $Y = 18.284 + 0.205\, X_1$. Table 4.30.

Table 4.30: Coefficients personal entrepreneurs' characteristics on growth of SMEs

Model		Unstandardized Coefficients		Standardized Coefficients			Collinearity Statistics	
		B	Std. Error	Beta	T	Sig.	Tolerance	VIF
1	(Constant)	18.284	1.942		9.416	.000		
	Personal characteristics	.205	.252	.245	3.651	.000	1.000	1.000
a. Dependent Variable: Growth of SMEs								

Testing Hypothesis One

The study hypothesized that $H_{01:}$ there is no statistical significant relationship between entrepreneur's personal characteristics in entrepreneurial networking and growth of SMEs in Kenya. This means that in $H_{01:}$ $\beta_{01} = 0$, $H_{1:}$ $\beta_1 \neq 0$. The survey results analyzed revealed that $\beta_{01} = 0.205$, $\beta_0 = 18.284$, $t = 3.651$, p value < 0.000. This meant that null hypothesis was rejected and adopted alternate hypothesis which stated that $H_{1:}$ there is statistical significant relationship between entrepreneur's personal characteristics in entrepreneurial networking and growth of SMEs in Kenya. The survey data fitted a regression model

$$\mathbf{Y= 18.284+ 0.205\ X_1}$$

Where: Y= growth of SMEs, X_1 = entrepreneurs' personal characteristics in entrepreneurial networking. This means that a unit change in entrepreneur's personal characteristics in entrepreneurial networking results in 20.5 percent increase in growth of SMEs.

The findings of the study are supported by those of Abbas et al. (2019) who found that entrepreneur's had positive effects on utilization of networking resources and innovation on entrepreneurial outcomes in Pakistan. Brand et al. (2018) found that

entrepreneurs' personal characteristics in entrepreneurial networking had significant effects on absorption of networking resources and information to enhance growth of SMEs in Dutch. Stam et al. (2014) found that entrepreneur's personal characteristics influenced utilization of entrepreneurial networking resources and information to enhance growth of small and medium enterprises in United States of America. However, the findings of the study contradict those of Rauch et al. (2016) who found that entrepreneur's personal characteristics had insignificant effects on utilization of networking resources and growth of SMEs in in United States of America. The findings of the study supported entrepreneurship theory of Schumpeter on role of entrepreneurs to create new organization to enhance growth of enterprises (Drucker, 2014).

4.8.2 Regression results for SMEs' Characteristics on Growth of SMEs.

The study used simple regression analysis to determine bivariate statistical relationship between SMEs characteristics in entrepreneurial networking on growth of SMEs.

a. The model summary regression for SMEs' characteristics in entrepreneurial network on SMEs growth

The regression summary model of X_2 (SMEs' characteristics in entrepreneurial networking) and Y (Growth of Small and Medium Enterprises) yielded Coefficient of determination $r^2 = 0.173$ (p value = 0.185) which meant that 17.3 percent of SMEs growth was determined by SMEs characteristics in entrepreneurial networking insignificant. The adjusted r^2 meant that 0.169 or 16.9 percent growth of SMEs was explained, the remaining can be explained by other factors not included in the model. The r of 0.416 shows weak positive correlations between SMEs characteristics in entrepreneurial networking and growth of Small and Medium Enterprises. The standard error of 4.658 shows deviation from line of best fit results. Table 4.31.

Table 4.31: Model Summary of SMEs' Characteristics on Growth of SMEs

Model	R	r Square	Adjusted r Square	Sig.	Std. Error of the Estimate
1	.416[a]	.173	.169	0.185	4.658

a. Predictors: (Constant), SME characteristics. b. Dependent Variable: growth of SMEs

The findings of the study are supported by Lin et al. (2017) who found that SMEs characteristics in entrepreneurial networking had no influence on utilization of networking resources to enhance growth of SMEs in China. Lin (2016) found that SMEs characteristics in entrepreneurial networking had no influence on access to networking resources to enhance performance of SMEs in China. However, findings of the study contradict those of Atieno and Namusonge (2016) who found that SMEs' characteristics (entrepreneurial orientation, age and number of employees) had significant effects on growth of SMEs manufacturing sector in Thika Kenya.

b. Results of ANOVA of SMEs characteristics on growth of SMEs

The regression ANOVA model of X_2 (SMEs' characteristics in entrepreneurial networking) and Y (Growth of Small and Medium Enterprises) was insignificant **(**F= 1.337, p = 0.185) predictor in the model of entrepreneurial networking on growth of SMEs. Table 4.32.

Table 4.32: ANOVA SMEs Characteristics and Growth of SMEs

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	354.451	1	354.451	1.337	.185 [a]
	Residual	4491.004	209	21.696		
	Total	4845.455	210			

a. Predictors: (Constant), SME characteristics. b. Dependent Variable: SME growth

The study results are supported by Rauch et al. (2016) who found that SMEs' characteristics were not valid predictor in detection and absorption of networking resources to complement resources deficiency in United States of America. Rana et al. (2017) found that SMEs characteristics (age, growth orientations and objective) had insignificant effects on growth of SMEs France. However, the findings of the study contradict those of Lagat and Namusonge (2017) who found that SMEs characterized by entrepreneurial orientation depended on outside resources to achieve entrepreneurial outcomes. The study established that entrepreneurial orientation had positive significant effects with detection and absorption of networking resources in Kenya. Stam et al. (2014) found high locus control had positive significant effects with utilization networks to enhance growth of SMEs United States of America.

c. Results of coefficients of regression of SMEs characteristics

The table 4.30 of coefficients of regression of SMEs characteristics in entrepreneurial networking on growth of SMEs, revealed $\beta_{02} = 0.336$, $\beta_0 = 17.240$, t = 0.054, P value = 0.185 was insignificant at 0.05 % level of significant. The coefficients of regression results were to fit linear regression model: $Y = \beta_0 + \beta_2 X_2 + e$ Where: X_2 = SMEs characteristics in entrepreneurial networking (X_2), Y= growth of SMEs.

$Y = 17.24 + 0.336 X_2$ Where: X_2 = SMEs characteristics (X_2) Y= growth of SMEs. This meant one unit increase in SMEs characteristics in entrepreneurial networking resulted into 33.6 percent increases in growth of SMEs insignificantly. Table 4.33.

Table 4.33: Coefficients of SMEs' Characteristics and growth of SMEs

Model		Unstandardized Coefficients		Standardized Coefficients			Collinearity Statistics	
		B	Std. Error	Beta	T	Sig.	Tolerance	VIF
1	(Constant)	17.240	2.008		8.585	.456		
	SME characteristics	.336	.083	.271	0.054	.185	1.000	1.000

a. Dependent Variable: SME Growth

Testing Hypothesis Two

The study hypothesized that **H_{02}**: There is no statistical significant relationship between SMEs' characteristics in entrepreneurial networking and growth of Small and Medium Enterprises in Kenya ($H_{02:}$ β_{02}= 0, $H_{1:}$ $\beta_1 \neq 0$). The results of survey revealed (β_{02} = 0.336, β_0 = 17.240, t = 0.054, P value = 0.185). This means that SMEs' characteristics in entrepreneurial networking have insignificant influence on growth of Small and Medium Enterprises in Kenya. The study retained the null hypothesis (**H_{02}**): There is no statistical significant difference between SMEs' characteristics in entrepreneurial networking and growth of Small and Medium Enterprises in Kenya. The findings of the study are supported by those of Mwangi and Namusonge (2014) who found that SMEs characteristics had no influence on absorption of networking resources and information on growth of SMEs. Rauch et al. (2016) found that SMEs' characteristics had no competitive advantaged in utilization networking resources to enhance growth of SMEs in United States of America. However, the findings of study contradict those of Abbas et al. (2019) who found that SMEs characteristics had positive significant influence on detection and absorption of networking resources determining growth of SMEs. Burt (2017) found that entrepreneurial oriented SMEs grew faster by offering innovative products than

ordinary SMEs by offering common product. The study concluded entrepreneurial oriented SMEs enjoyed competitive advantages in the market than ordinary SMEs.

4.8.3 Regression results of Networking Structural Dimension on SMEs Growth

The study used simple regression analysis to determine bivariate relationship between entrepreneurial networking structural dimensions on growth of SMEs.

a. Model summary of entrepreneurial networking structural dimension on growth

The model summary of entrepreneurial networking structural dimensions on growth of SMEs revealed that the coefficient of determination $r^2 = 0.265$, which showed that 26.5 percent of SMEs growth was explained by entrepreneurial networking structural dimensions insignificantly (p value = 0.086). The adjusted $r^2 = 0.202$ or 20.2 percent meant growth of SMEs explained, the remaining growth of SMEs could be attributed to other factors not captured in the model. The r = 0.515 revealed weak correlations between entrepreneurial networking structural dimensions and growth of SMEs. The results of the study are supported by those of Maina et al. (2016) who found that entrepreneurial networking structural dimensions (size of network, intensity and range) had positive insignificant effects on utilization of networking resources to enhance growth of SMEs in Nairobi Kenya. Lagat (2016) found that networking density had insignificant effects on SME entrepreneurs' access to resources and information to enhance growth of enterprises. Otieno (2016) found networking structure characterized with high frequent of communication generated redundant resources that resulted into less competitive advantages to members. However, the findings of the study contradict those of Katambo and Okatch (2016) who found that structural networking dimensions (position of an actor, number of actors and frequent of interactions) had significant effects on flow of resources and information to be adopted by members to enhance growth of their enterprises. Table 4.34.

Table 4.34: Model Summary networking dimensions and growth of SMEs

Model	r	r squared	Adjusted r squared	F	Sig.
1	0.515[a]	0.265	0.202	1.01	0.086

a. Predictors: (Constant) entrepreneurial structural dimensions. b. Dependent variable growth of SMEs

b. ANOVA of networking structural dimensions on growth of SMEs

The ANOVA of entrepreneurial networking structural dimensions on growth of SMEs revealed the F value of 1.01 and P value 0 >.5 (p value = 0.086). The study revealed that entrepreneurial networking structural dimensions were not valid predictor in entrepreneurial networking model determining growth of SMEs. Table 4.35.

Table 4.35: ANOVA Networking Structural Dimensions and Growth of SMEs

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	1.094	1	1.094	1.01	. 0.086[a]
	Residual	4844.361	209	23.403		
	Total	4845.455	210			

a. Predictors: (Constant), entrepreneurial networking structural dimensions. b. Growth of SMEs

This meant that entrepreneurial networking structural dimensions were insignificant predictor in the model of entrepreneurial networking determining growth of SMEs. The results of the study are supported by Rauch et al. (2016) who found that entrepreneurial networking structural dimensions were insignificant predictor in the model of entrepreneurial networking. Hussein (2017) found that networking structural dimensions (range, focal position of an actor and density) affected who a

member reached but not performance of members in terms of increase in profitability. However, the findings of the study contradict those Rana et al. (2017) who found entrepreneurial networking structural dimensions influenced who a member reached in the network and growth of SMEs.

c. Coefficient of regression of entrepreneurial networking structural dimensions

The Coefficient of regression of entrepreneurial networking structural dimensions revealed $\beta_0 = 24.979$ $\beta_3 = 0.111$, t = 0.226, p value > 0.05. This meant entrepreneurial networking structural dimensions were insignificant. The Coefficient of regression of entrepreneurial networking structural dimensions fitted linear regression equation:

$$\mathbf{Y = 24.979 + 0.111\ X_3}$$

Where: X_3 = Entrepreneurial networking structural dimensions, Y = growth of SMEs.

Table 4.36: Coefficients of regression of structural dimensions and growth of SMEs

		Unstandardized Coefficients		Standardized Coefficients			Collinearity Statistics	
Model		**B**	**Std. Error**	**Beta**	**T**	**Sig.**	**Tolerance**	**VIF**
1	(Constant)	24.979	1.355		18.437	.087		
	Structural dimensions	.111	.347	.216	.226	.086[a]	1.000	1.000

a. Dependent Variable: Growth of SMEs

Testing Hypothesis Three

The study hypothesized that **H_{03}**: There is no statistical significant relationship between entrepreneurial networking structural dimensions and growth of Small and

Medium Enterprises in Kenya ($H_{02:}$ β_{02}= 0, $H_{1:}$ $\beta_1 \neq 0$). The results of survey revealed β_0 = 24.979 $\beta_{3=}$ 0.111, t = 0.226, p value > 0.05. This meant entrepreneurial networking structural dimensions had insignificant influence on growth of SMEs in Kenya. The study adopted null hypothesis that **H_{03}**: There is no statistical significant relationship between entrepreneurial networking structural dimensions and growth of Small and Medium Enterprises in Kenya

The results of the study are supported by Kiprotich (2014) who found that networking structural dimensions (density, range and centrality) had insignificant effects on who a member of network reached for resources and information in Kenya. Hussein (2017) found that high networking density yielded non-competitive advantages to members thus had insignificant effects on performance of member enterprises. However, findings of the study contradict those of Lin et al. (2017) who found that networking structural dimensions influenced where a networking member reached for resources and information determining performance of SMEs. However, findings of the study contradict those of Burt (2017) who found that networking structural dimensions influenced where a networking member reached for resources and information determining performance of SMEs.

4.8.4 Regression Results for Networking Resources on Growth of SMEs

The study used simple regression to determine the influence of entrepreneurial networking resources on growth of SMEs.

a. The model summary of entrepreneurial networking resources on growth of SMEs

The model summary of entrepreneurial networking resources revealed coefficient of determination of r^2 = 0.452 (p value < 0.001). This means that entrepreneurial networking resources determined 45.2 percent growth of SMEs. The adjusted r^2 = 0.447 (44.7 %) meant growth of SMEs explained, the remaining an unexplained growth could be attributed to other factors not captured in the model. The r = 0. 672 revealed that there was positive correlation between entrepreneurial networking resources and growth of SMEs in Kenya. Table 4.37.

Table 4.37: Model Summary Networking Resources on Growth of SMEs

Model	r	r Square	Adjusted R Square	Sig.	Std. Error of the Estimate
1	.672[a]	.452	.447	0.000	4.3573

a. Predictors: (Constant), entrepreneurial networking resources. b. Growth of SMEs

The findings of the study are supported by those of Brand et al. (2019) who found that entrepreneurial networking resources complemented SMEs' tangible and innovations. The study further established that entrepreneurial networking resources determined performance of SMEs. Okatch (2012) found that SME entrepreneurs formed subcontracting relationship with large firms and multinational corporations to access marketing information that enhanced sales of SMEs. Burt (2019) found that entrepreneurial networking arrangement paradigm enabled SMEs to address resources deficiencies.

However, the findings of the study contradict those of Mwangi and Namusonge (2016) who found that collaboration of enterprises exposed competitive advantages to current collaborators who in future turn up as competitors. Korir and Maru (2014) found that some networking member engaged in opportunistic behaviour that limited sharing of resources and information.

b. ANOVA of entrepreneurial networking resources on growth of SMEs

The regression ANOVA model of X_4 (entrepreneurial networking resources) and Y (Growth of Small and Medium Enterprises) was significant (F value of 36.888, p value < 0.001) at 0.05 percent level of significance. This means that entrepreneurial networking resource is a valid predictor in the entrepreneurial networking model determining growth of small and medium enterprises in Kenya. Table 4.38.

Table 4.38: ANOVA Networking Resources on Growth of SMEs

Model	Sum of squares	DF	Mean square	F	Sig
Regression	732.869	1	732.869	36.888	0.000
Residue	4112.585	209	19.868		
Total	4845.455	210			

a. Predictors: entrepreneurial networking resources. b. Dependent: SMEs growth

The study ANOVA (F value of 36.888, P value < 0.001 at 0.05) which meant that entrepreneurial networking resource is a valid predictor significant in entrepreneurial networking model determining growth of SMEs. The findings of the study are supported by those of Stam et al. (2014) who found entrepreneurial networking resource was a valid predictor in entrepreneurial networking model determining growth of small and medium enterprises in USA. Katambo and Okatch (2016) found that networking resources were valid significant predictor in entrepreneurial networking model determining growth of small and medium enterprises in Kenya. However, findings of the study contradict those of Rauch et al. (2016) who found that networking resources created less competitive advantages to enhance performance of SMEs.

c. Coefficients of regression of entrepreneurial networking resources on growth of SMEs

The coefficients of regression of entrepreneurial networking resources revealed that $\beta_{0=}$ 9.241, β_{03} = 0.394, t = 6.089, P value < 0.001 at 0.05 level of significance. The coefficients of regression fitted simple regression. **$Y = 9.241 + 0.394 X_4$**

Where Y = growth of SMEs, X_4 = entrepreneurial networking resources. This meant that a unit increase in entrepreneurial networking resources resulted in an index 0.394 or 39.4 percent increase in growth of SMEs significantly. The findings of study are supported by those of Brand et al. (2018) who found entrepreneurial

networking resources complemented SMEs' resources to enhance growth of SMEs in Dutch. Table 4.39.

Table 4.39: Coefficients of regression of networking resources

Model	Unstandardized Coefficients		Standardized Coefficients			Collinearity Statistics	
	B	Std. Error	Beta	t	Sig	Tolerance	VIF
Constant	9.241	2.651		3.485	0.001		
Networking resources	0.394	0.980	0.389	6.089	0.000	1.000	1.000

a. Dependent Variable: growth of SMEs b. Entrepreneurial networking resources

Testing Hypothesis Four

The study hypothesized that **H_{04}:** There is no statistical significant difference between entrepreneurial networking resources and growth of Small and Medium Enterprises in Kenya ($H_{04:}$ β_{04}= 0, $H_{4:}$ $\beta_4 \neq 0$.). The coefficient of regression of entrepreneurial networking resources revealed ($\beta_{0=}$ 9.241, β_{04} = 0.394, t= 6.089, P value < 0.001 at 0.05). This means that entrepreneurial networking resources have significant influence on growth of Small and Medium Enterprises in Kenya. The study rejected the null hypothesis and adopted H_4: There is statistical significant difference between entrepreneurial networking resources and growth of Small and Medium Enterprises in Kenya. The survey results fitted regression model: $Y = 9.241 + 0.394X_4$

Where: X_4 = entrepreneurial networking resources, Y= growth of SMEs. This meant one unit increase in entrepreneurial networking resources resulted into 39.4 percent increases in growth of SMEs significantly. The findings of the study are supported by those of Abbas et al. (2019) who found that use of entrepreneurial networking resources complement both tangible and intangible resources in Pakistan. The study further established that entrepreneurial networking resources had positive significant effects on performance of SMEs. Okatch (2012) found that subcontracting between

SMEs and large firms assisted former to have wide markets in Kenya. However, the findings of the study contradicted those of Rauch et al. (2016) who found that use entrepreneurial networking resources created redundant resources and common resources lacked competitive advantages on member enterprises products in USA. Korir and Maru (2014) found utilization over reliance on entrepreneurial networking resources disrupted supply in case of emergency. The study established that entrepreneurial networking resources were not assured sources for growth of SMEs. The findings of the study supported entrepreneurial networking theory assumption on dependency on others resources to fulfill entrepreneurial aspirations. The entrepreneurial networking theory assumption of governance contends that networking governance provided means of networking access actual and virtual resources.

4.8.5 Regression Results for Networking Relations on Growth of SMEs.

The study used simple regression analysis to determine the relationship between entrepreneurial networking relations and growth of Small and Medium Enterprises.

a. **The model summary of entrepreneurial networking relations on growth SMEs**

The regression summary model of entrepreneurial networking relations and Growth of Small and Medium Enterprises) yielded Coefficient of determination $r^2 = 0.362$ (p value < 0.001). This meant 36.2 percent of growth of Small and medium was determined by entrepreneurial networking relations. The adjusted $r^2 = 0.359$ (35.9 %) meant explained growth of SMEs, the remaining unexplained growth of SMEs could be attributed to other factors not captured in the model. The r = 0.602 revealed that there was positive correlation between entrepreneurial networking relations and growth of SMEs in Kenya. Table 4.40.

Table 4.40: Model Summary networking relations and growth of SMEs

Model	r	r Square	Adjusted r Square	Std. Error of the Estimate
1	.602[a]	.362	.359	4.1537

a. Predictors: (Constant), networking relations. b. Dependent variable growth of SMEs

The findings of the study are supported by those of Nee et al. (2017) who found that entrepreneurial networking relations influenced flow of resources, information and other support from entrepreneurial networking members. The study further revealed that family relations characterized by high trust between contacts provided nascent entrepreneurs with initial capital and other resources when other sources were reluctant due to lack of collateral. Abbas et al. (2019) found that family relations provided trustworthy advice, coaching and information that were positively significant and determined growth of SMEs. The study further revealed that during growth phases of SMEs, weak relations (enterprise relations or buyers and suppliers relations) provided innovative information that influenced access to entrepreneurial opportunities that eventually determined growth of SMEs.

Ruef (2017) found that weak relations provided non-redundant that created entrepreneurial opportunities to enhance growth of enterprises. The study further argued that weak relationships were mainly formed by distant networking members and business associates. Kariuki and Namusonge (2015) found that networking relations where an entrepreneur was connected to other networking members who were not connected to each other generated innovative and competitive advantages enhanced growth of SMEs. However, Buyayi et al. (2016) found that networking relation had insignificant effects on accessing support inventory from suppliers and buyers.

b. ANOVA of Entrepreneurial Networking Relations on Growth of SMEs

The regression ANOVA of entrepreneurial networking relations and Growth of Small and Medium Enterprises had positive significant effects (F value of 39.839, p value < 0.001) at 0.05 percent level of significance. This means that entrepreneurial networking relation is a significant valid predictor in the entrepreneurial networking model determining growth of small and medium enterprises in Kenya. Table 4.41.

Table 4.41: ANOVA of Entrepreneurial Networking Relations on Growth of SMEs

Model	Sum of Squares	Df	Mean Square	F	Sig
Regression	1273.987	1	1273.987	73.839	0.000
Residual	3571.468	209	17.253		
Total	4845.455	210			

Predictors: entrepreneurial networking relations. b. Dependent variable: SME growth

The findings of the study are supported by those of Bunyasi, Bwisa and Namusonge (2016) who found that entrepreneurial relations determined the extent of accessing resources and information from networks in Kenya. Brand et al. (2018) found entrepreneurial relations affected nature of resources and support accessed from networking relations in Dutch.

c. Coefficients of regression of entrepreneurial networking relations

The coefficients of regression of entrepreneurial networking relations on growth of Small and Medium Enterprises revealed $\beta_0 = 10.941$, $\beta_{05} = 0.349$, t = 8.586 p value < 0.000 significant at 0.05 level of significance. The coefficients of regression of entrepreneurial networking relations fitted simple linear statistical equation:

$$\mathbf{Y= 10.941+0.340X_5}.$$

Where Y= Growth of SMEs, X_5 = entrepreneurial networking relations. This means that a unit increase in entrepreneurial networking relations results into 0.349 index unit or 34.9 percent increase in growth of SMEs. Table 4.42.

Table 4.42: Coefficients entrepreneurial networking relations and Growth of SMEs

	Unstandardized Coefficients		**Standardized Coefficients**			**Collinearity Statistics**	
Model	**B**	**Std. Error**	**Beta**	**t**	**sig**	**Tolerance**	**VIP**
Constant	10.941	1.694		6.460	0.000		
Entrepreneurial networking relations	.340	.041	.512	8.586	0.000	1.000	1.000

a. Predictor: Entrepreneurial networking relations b. Dependent Variable: SME Growth

Testing Hypothesis Five

The study hypothesized that **H_{04}:** There is no statistical significant difference between entrepreneurial networking relations and growth of Small and Medium Enterprises in Kenya ($H_{05:}$ β_{05}= 0, $H_{5:}$ $\beta_5 \neq 0$.). The coefficient of regression of entrepreneurial networking relations revealed (β_0 = 10.941, β_{05} = 0.349, t = 8.586, P value < 0.001 at 0.05). The study rejected the null hypothesis H_{05} and adopted alternate H_5: There is statistical significant difference between entrepreneurial networking relations and growth of Small and Medium Enterprises in Kenya. The survey results fitted regression model:

$$\mathbf{Y = 10.941 + 0.349X_5}$$

Where: X_5 = entrepreneurial networking relations, Y= growth of SMEs. This meant one unit increase in entrepreneurial networking relations resulted into 34.9 percent increases in growth of SMEs significantly. The findings of the study are supported by those of Ruef (2017) who found that networking relations influenced virtual and actual access to resources that had positive significant effects on growth of enterprises in German. The study further established that nature of networking relations influenced nature of interactions, flow of resources and information that affected performance enterprises. Kariuki and Namusonge (2015) found that networking relations affected members accessed by the networking member. The findings of the study support entrepreneurial networking assumption that entrepreneurial networking relations influence (determine) flow of resources and information to execute enterprises functions (Huggins & Thompson, 2014).

4.9 Multiple Regression

The study employed multiple regressions model to establish joint influence of independent variables (X_1= Entrepreneur's personal characteristics, X_2= SMEs' characteristics, X_3 = Entrepreneurial networking structural dimensions, X_4 = Entrepreneurial networking resources and X_5 = Entrepreneurial networking relations), e = error term, β_{01}, β_{02}, β_{03}, β_{04} and β_{05} = Coefficients of regression: the change in growth of SMEs due to independent variables. To test hypothesis the following multiple regression model was to be fitted:

$$\mathbf{Y= \beta_0 + \beta_{01} X_1 + \beta_{02} X_2 + \beta_{03} X_3 + \beta_{04} X_4 + \beta_{05} X_5 + e}$$

a. Multiple Model Summary Entrepreneurial Networking on Growth of SMEs

The multiple model summary revealed coefficient of determination R^2 = 0.643 (64.3 percent, p value < 0.000) which meant that 64.3 percent of growth Small and Medium Enterprises growth can be determined by entrepreneurial networking significantly. The adjusted R^2 = 62.7 implied growth of SMEs explained, the remaining unexplained growth of Small and Medium Enterprises could be attributed to other factors not captured by the multiple model. The study revealed R = 0.802

which indicated strong positive significant correlation between entrepreneurial networking and growth of Small and Medium Enterprises in Kenya. Table 4.43.

Table 4.43: Overall Multiple Model Summary

Model	R	R Square	Adjusted R Square	Std error of the estimate	Sig F change	
1	.802[a]	.643	.627	3.961	0.000	34.2

a. Predictor,(constant), entrepreneur's personal characteristics, SME'S characteristics, entrepreneurial networking structural dimensions, entrepreneurial networking resources, entrepreneurial networking relations

b. Growth of SMEs

The study revealed that entrepreneurial networking variables had positive significant influence on growth of SMEs in Kenya. The study findings are supported by those of Kim and Lee (2017) who found that entrepreneurial networking variables (entrepreneurs' personal characteristics, SMEs characteristics, entrepreneurial networking structural dimensions, entrepreneurial networking resources, and entrepreneurial networking relations) had positive significant effects on growth of small and medium enterprises in electronic industry in Italy. Similar to Abbas et al. (2019) who found that entrepreneurial networking mitigated challenges that inhibited growth of small medium enterprises in Pakistan. The study further established that entrepreneurial networking had positive significant influence on growth of small medium enterprises. Bunyasi, Namusonge and Bwisa (2016) found that entrepreneurial networking provided shortcuts for networking SMEs to access resources owned by large firms. The study further established that entrepreneurial networking provided wedge to enter new markets that increased both sales and profitability of SMEs.

However, the findings of the study contradict those of Rauch et al. (2016) who found that small entrepreneurial networking increased operational costs and exposed firms' competitive advantages to competitors who posed initially as networking partners in USA. Kiprotich et al. (2014) found that entrepreneurial networking expanded entrepreneurs' social connection but had insignificant effects on sales and profitability of SMEs.

b. ANOVA of Entrepreneurial Networking and Growth of SMEs

The multiple ANOVA (F value = 34.2, p value < 0.001) revealed that entrepreneurial networking variables (entrepreneurs' personal characteristics, SME characteristics, entrepreneurial networking structural dimensions, entrepreneurial networking resources and entrepreneurial networking relations) were valid significant predictors in entrepreneurial networking model determining growth of SMEs. Table 4.44.

Table 4.44: ANOVA Entrepreneurial Networking and Growth of SMEs

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	1664.322	5	332.864	34.20	.000[a]
	Residual	3181.132	205	15.671		
	Total	4845.455	210			

a. Predictors: (Constant) entrepreneur's personal characteristics (X_1), SME characteristics (X_2), entrepreneurial networking structural dimensions (X_3), entrepreneurial networking resources (X_4) entrepreneurial networking relations (X_5). b. Dependent Variable: SME of growth (Y)

The results of the study are supported by those of Brand et al. (2018) who found that entrepreneur's personal characteristics, SMEs' characteristics, entrepreneurial networking structural dimensions, entrepreneurial networking resources, and entrepreneurial networking relations were valid predictors in entrepreneurial networking model in Dutch. The study further established that entrepreneurial

networking resources and entrepreneurs' characteristics had strong positive effects on growth of SMEs. The study probably suggested that entrepreneurs' characteristics determined detection and utilization of entrepreneurial networking resources into business processes to enhance growth of small and medium enterprises. Similar to Lin and Lin et al. (2017) who found that entrepreneurial networking model that included entrepreneur's personal characteristics, entrepreneurial networking structural dimensions and entrepreneurial networking resources determined growth of small and medium enterprises in China.

However, the findings of study contradict those of Kariuki and Iravo (2017) who found that entrepreneurial networking resources, entrepreneurial networking structural dimensions and entrepreneurial networking relation had insignificant influence growth of small and medium enterprises in Kiambu County Kenya. Maru (2014) found that entrepreneurial networking resources and entrepreneurial networking structural dimensions had insignificant effects on growth of small and medium enterprises among Textile industry in Uasin Gishu County Kenya.

c. Coefficients of Multiple Linear Regression of Entrepreneurial Networking on Growth of SMEs

The coefficients of multiple regressions were to fit statistical model of the joint influence of entrepreneurial networking variables on growth of SMEs:

$$\mathbf{Y= \beta_0 + \beta_{01}X_1+ \beta_{02}X_2+ \beta_{03}X_3+ \beta_{04}X_4+ \beta_{05}X_5+ e}$$

Where Y= Growth of SMEs, $X_{1=}$ entrepreneur's personal characteristics, X_2= SME's characteristics, X_3= entrepreneurial networking structural dimensions, X_4= entrepreneurial networking network resources, X_5= entrepreneurial networking relations, e = error term.

The survey results coefficient yielded β_0= 6.239, β_{01}= 0.126 (t= 4.448, p value < 0.001), this meant that entrepreneur's personal characteristics in entrepreneurial networking had positive significant influence on growth of SMEs. It suggested that a

unit increase in entrepreneur's personal characteristics results into 12.6 percent growth of SMEs holding other predictors constants in Kenya.

The survey results indicated $\beta_{02} = 0.123$ (t= 2.409, p value < 0.001). This meant that SME's characteristics in entrepreneurial networking had positive significant influence on growth of SMEs. It suggested that a unit increase in SME's characteristics results into 12.3 percent growth of SMEs holding other predictors constants in Kenya.

Survey results indicated that $\beta_{03} = 0.109$ (t= 0.486, p value > 0.05). The entrepreneurial networking structural dimensions had positive insignificant influence on growth of SMEs. This suggested that a unit increase in entrepreneurial networking structural dimensions resulted into 10.9 percent increase in growth of SMEs insignificantly holding other predictors constant in Kenya.

Survey results indicated that $\beta_{04} = 0.321$, t = 8.426, p < 0.001 meaning that entrepreneurial networking resources had positive significant influence on growth of SMEs in multiple regression model. It suggested that a unit increase in entrepreneurial networking resources resulted into 32.1 percent increase in growth of SMEs holding other predictors constant in Kenya.

Survey results indicated that $\beta_{05} = 0.284$, t= 6.451, p value < 0.001 indicated that entrepreneurial networking relations had positive statistical significant influence on growth of SMEs. The results suggested that a unit increase entrepreneurial networking relations resulted in 28.4 percent increase in growth of SMEs holding other predictors constant in Kenya.

The survey data fitted multiple regression model:

$$\mathbf{Y = 6.239 + 0.126\ X_1 + 0.123\ X_2 + 0.109\ X_3 + 0.321\ X_4 + 0.284\ X_5}.$$

Y= Growth of SMEs, $\mathbf{X_1}$= entrepreneur's personal characteristics, $\mathbf{X_2}$= SME's characteristics, $\mathbf{X_3}$= entrepreneurial networking structural dimensions, X_4= entrepreneurial networking network resources, $\mathbf{X_5}$ = entrepreneurial networking relations. Table 4.45.

Table 4.45: Coefficients of Multiple Regression and Growth of SMEs

Model	Coefficients				
	Unstandardized coefficients β	**Std. Error**	**Standardized coefficients beta**	**T**	**Significance p**
Constant	6.239	2.515		2.481	0.140
Entrepreneur characteristics (X_1)	.126	.157	0.111	4.448	0.000
SME's characteristics (X_2)	.123	.788	0.599	2.409	0.000
Entrepreneurial networking structural dimensions (X_3)	.109	.145	.299	0.486	0.176
Entrepreneurial networking resources (X_4)	.321	.117	.186	8.424	0.000
Entrepreneurial networking relations (X_5)	.284	.750	.471	6.451	0.000

a. Dependent variable: growth of SMEs

The study findings are supported by those of Alstrom et al. (2018) who found that entrepreneurs' personal characteristics (entrepreneurial orientation, networking behaviour and experiences), SMEs' characteristics, networking dimensions, networking resources and entrepreneurial networking relations had positive significant effects on growth of SMEs. The study further established 68 percent of SMEs growth could be attributed to effects of entrepreneurial networking on entrepreneurial outcomes.

Kim and Lee (2018) found that entrepreneurial networking provided mechanisms for SMEs addressing resources deficiencies. The study further noted that government agencies were unable to provide all requirements of SMEs. Mwangi and Namusonge (2016) found that entrepreneurial networking had strong positive significant

influence on growth of SMEs. The study established that 53 percent of SMEs could attribute to entrepreneurial networking.

Brand et al. (2019) found that entrepreneurial networking provided mechanism to manage dynamic business environment. The study established that entrepreneurial networking provided both virtual and actual resources to enhance growth of SMEs in Dutch. The study concluded that entrepreneurial networking provided shortcuts for SME addressing inhibitors of growth. Katambo and Okatch (2016) found that entrepreneurial networking had positive significant effects on growth of SMEs. The study revealed that entrepreneurial networking provided information on entrepreneurial opportunities that enhanced growth of SMEs.

Bunyasi, Bwisa and Namusonge (2016) found that entrepreneurial networking arrangement contributed 43 percent of SMEs growth. The study further established that networking SMEs were able to sell their products to networking members and the marketing referrals provided by networking members increased sales. This suggested that entrepreneurial networking provided means for creating product promotion.

However, the findings of the study contractided those of Otieno et al. (2016) who found that entrepreneurial networking relations exposed the SME's competitive advantages. The study further established that SMEs need only tangible resources as they provide little entrepreneurial outcomes. The study established that business networking assisted commercial banks and SACCOs to share ATMs that significantly reduced operational cost. Kariuki et al. (2015) found that entrepreneurial networking created redundant resources, opportunistic behaviour and high operational costs that reduced profitability of SMEs. The study established that entrepreneurial networking had insignificant influence on growth of SMEs.

The findings of study supported entrepreneurship theory and networking theory constructs of resources dependency and entrepreneur's action (Huggins & Thompson, 2014). The study results supported entrepreneurship theory of Schumpeter that entrepreneur's action resulted into innovative organisation of enterprises processes.

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

The chapter highlights the summary of the study findings as guided by specific objectives of the study, the conclusions, as well as policy recommendation derived from the study, contribution to new knowledge and suggestion for further studies. The study sought to investigate influence of Entrepreneur's personal characteristics in entrepreneurial networking on growth of SMEs in Kenya, to assess the influence of SMEs characteristics in entrepreneurial networking on growth of SMEs in Kenya, to determine influence of entrepreneurial networking structural dimensions on growth of SMEs in Kenya, to examine the influence of entrepreneurial networking resources on growth of SMEs in Kenya and to evaluate influence of entrepreneurial networking relations on growth of SMEs in Kenya.

5.2 Summary

5.2.1 To examine influence of entrepreneurs' personal characteristics in entrepreneurial networking on Growth of SMEs in Kenya

From descriptive statistics, entrepreneur's personal characteristics in entrepreneurial networking had high mean indication of agreement. This meant that entrepreneur's personal characteristics influenced utilization of networking resources and information determining growth of SMEs in Kenya. The entrepreneur's personal characteristics with highest means indication of agreements included entrepreneurial orientations, educational qualification of entrepreneur, experience of entrepreneur, networking skills and objective of entrepreneur). The study revealed that entrepreneur's personal characteristics influenced identification and utilization of entrepreneurial networking resources to enhance growth of small and medium enterprises. While, entrepreneur's personal characteristics with lower means indication of disagreements included entrepreneur's social background and gender.

5.2.2 To assess influence of SMEs Characteristics in entrepreneurial networking on Growth of SMEs in Kenya

Descriptive statistics on SMEs characteristics had moderate rating (mean) an indication of neither agreed nor disagreed. This meant that SMEs characteristics in entrepreneurial networking had no influence on identification and utilization of networking resources and information determining growth of SMEs in Kenya. Some individual SMEs' characteristics (industry of SME, growth oriented SMEs, SMEs' objectives and financial) had neither agreement nor disagreement. However, SMEs organization and number of employees had lowest mean an indication disagreement influence on utilization of networking resources and information to determining growth of SMEs.

5.2.3 To investigate influence of entrepreneurial network structural dimensions on growth of SMEs

Descriptive statistics revealed that entrepreneurial networking structural dimensions had lowest rate (mean) indication of disagreement. This meant that entrepreneurial networking structural dimensions had no influence to where SMEs reached for assistance to determine growth of SMEs. The following entrepreneurial networking structural dimensions variables (position of the SME, low networking density, high networking and range) had high moderate means indication of neither agreement nor disagreement influence on growth of SMEs. However, the shortest path, high networking density and long distance between networking had lowest ratings an indication of disagreement that they influenced growth of SMEs.

5.2.4 To evaluate influence of entrepreneurial networking resources on growth of SMEs in Kenya

Descriptive results revealed that entrepreneurial networking resources had high rating/ mean indication of agreement. This meant that entrepreneurial networking resources influenced growth of SMEs in Kenya. The following entrepreneurial networking resource variables (complementing SMEs' resources, pooling up their resources use, innovations and information) affirmed influence of growth of SMEs.

However, resources from very close friends and family membership had low ratings an indication of disagreement influence on growth of SMEs.

5.2.5 To identify influence of entrepreneurial networking relations on growth of SMEs in Kenya.

Descriptive statistics revealed that entrepreneurial networking relations had high rating or mean indication of agreement. This meant that entrepreneurial networking relations influenced growth of SMEs in Kenya. The following entrepreneurial networking relations variables revealed that networking with other entrepreneurs or other businesses and entrepreneurial institutions had high means an indication of influence on growth SMEs. However, networks of close family members and friends had low means, an indication of disagreement influence on growth of SMEs.

5.3 Conclusions

5.3.1 To examine influence of entrepreneurs' personal characteristics in entrepreneurial networking on Growth of SMEs in Kenya

In view of the study findings, the study concluded that entrepreneur's personal characteristics in entrepreneurial networking had positive significant influence on growth of SMEs in Kenya. Accordingly, the SME entrepreneurs' personal characteristics play pivotal roles in configuring workable entrepreneurial networking relations that are crucial for growth of SMEs. The SME entrepreneur's personal characteristics (entrepreneurial orientation, networking skills and locus of control) influence identification of strategies to utilize entrepreneurial networking resources and information to address challenges that inhibit growth of SMEs.

5.3.2 To assess influence of SMEs Characteristics in entrepreneurial networking on Growth of SMEs in Kenya.

In view of the study findings, the study concluded that SMEs characteristics in entrepreneurial networking had positive insignificant influence on growth of SMEs in Kenya. This meant SMEs characteristics were not significant in utilization of entrepreneurial networking characteristics determining growth of SMEs. The study

further concluded that SMEs characteristics were valid predictor in the model of the study. Also, correlation analysis concludes that SME characteristics in entrepreneurial networking have positive correlations with growth of SMEs.

5.3.3 To investigate influence of entrepreneurial network structural dimensions on growth of SMEs

The study concludes that entrepreneurial networking structural dimensions had positive insignificant influence on growth of SMEs in Kenya. This meant that entrepreneurial networking structural dimensions (networking density, networking range and size) had insignificant influence on growth of SMEs. This meant that entrepreneurial networking structural dimensions were not effective and efficient utilization of entrepreneurial networking resources, information and any other support to enhance growth of enterprises in Kenya.

5.3.4 To evaluate influence of entrepreneurial networking resources on growth of SMEs in Kenya

The study concluded that entrepreneurial networking resources had positive significant influence on growth of SMEs in Kenya. Accordingly, the study concluded that entrepreneurial networking resources complemented SMEs' resources to enhance growth of SMEs. The study established that entrepreneurial networking resources provided shortcuts for SME entrepreneurs to acquire resources that are difficult to obtain from markets.

5.3.5 To identify influence of entrepreneurial networking relations on growth of SMEs in Kenya.

The study concluded that entrepreneurial networking relations had positive significant influence on growth of SMEs in Kenya. Accordingly, entrepreneurial networking relations determine how networking members interact, share resources and relate in future transactions. The study further concludes that weak entrepreneurial networking relations between an entrepreneur with a team of SME entrepreneurs or other businesses generated more entrepreneurial opportunities for

growth of SMEs. The close entrepreneurial networking relations between an entrepreneur with close family members and close friends restricted an entrepreneur to forge new relation to access evolving or more resources to enhance growth of SMEs. The study further concluded that close family members and close friends are vital in provision of resources and advice to nascent entrepreneurs that lack security to acquire resources from weak networking.

5.4 Recommendation

5.4.1 Entrepreneurial recommendation

The study recommends that entrepreneurs should configure valuable entrepreneurial networking to complement SMEs resources to enhance growth. The growth of SMEs increases performance of both social (job creation, reduction of poverty and redistribution of national wealth) and economic (contribution toward Gross Domestic Product, revenue to government through taxation and industrial base) functions. The study recommends that entrepreneurial networking assist SME operators to address most challenges that inhibit growth of SMEs. The valuable networks provided both hardware and software resources that are difficult to acquire from market.

5.4.2 Policy recommendation

The study recommends that the government as a policy setting organ to concoct conducive regulatory policies that suit the necessities of existing SME entrepreneurs and nascent SME entrepreneurs to participate in entrepreneurial networking activities to spur growth of the SMEs. The growth of SMEs has potential of contributing toward GDP. The SMEs are important for economic development since they constitute a large proportion of enterprises that cut across all sectors of economy, thus strategies that enhance their growth will bolster economic development and place the country on the right path of achieving Vision 2030 and the millennium development objective.

The investigation prescribes that entrepreneurial networking provides alternative means for SME entrepreneurs to access valuable resources and information. Thus,

the study recommends that government should formulate a policy to encourage SME entrepreneurs to participate in entrepreneurial networking to address some challenges that inhibit their growth that government may be unable to address. Therefore, it is a necessity for Ministry for Industrialization and Enterprises to initiate policies that encourage SME entrepreneurs and other business people to engage in entrepreneurial networking.

5.5 Areas for Further Research

The current study has examined influence of entrepreneurial networking on growth of SMEs in Kenya. The research along these lines prescribes that to add weight to these investigations:

Further studies ought to be done to examine influence of entrepreneurial networking on growth of other enterprises possibly Micro and Small Enterprises (MSEs) in Kenya. The current study was limited to SMEs thus its findings may not be applicable to other enterprises like Micro and Small Enterprise.

Further study ought to examine influence of entrepreneurial networking on growth of SMEs in specific industries like manufacturing, services and agribusinesses. The current study was general as it considered SMEs in different industries. In order to create insight about influence of entrepreneurial networking on growth of SMEs in specific sector or industry future studies should be conducted along that line.

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APPENDICES

Appendix I: Questionnaire

Dear respondent

The researcher is a PhD student at Jomo Kenyatta University of Agriculture and Technology and is carrying out a research on **"Influence of entrepreneurial networking on growth of SMEs in Kenya in County".** I kindly request for your time and participation in this research since it's a requirement for the study. All your answers will remain strictly confidential and results will be presented in aggregate only. No reference will be made to an individual, people or firms.

Section A: Entrepreneur and Business Characteristics

Age(years)	18-24 □ 25-34 □ 35-44 □ 45-54 □ 55 and above □
Gender	Male □ Female □
Educational level	None □ Primary □ Secondary □ Higher □
Your status in the business	Owner □ Manager □ Both □
Age of business in year(s)	0-1 [ ] 2-3 □ 3-4 □ 4-5 5 above □
Experience (in years)	1-2 □ 2-3 □ 3-4 □ 4 above □
Number of employees	10-20 □ 21-50 □ 51-99 □
Business sector	Manufacturing □ Agriculture □ Retail □ Wholesale □ Restaurant and service [ ] Other (specify)……
Location of business	Urban □ Peri-urban □ Rural □
Legal status of the business	Sole trade □ Partnership Company Other specify……..

Section B: Entrepreneurial Networking

Have you ever participated in any form of business networking	Yes ☐ No ☒ ***IF NO, MOVE TO SECTION H (pg8)***
If yes, indicate the type of entrepreneurial networking involved in (**Tick all that apply**)	a. General networks ☐ ☐ b. Managerial networks c. Social networks ☐ ☐ d. Ethnic networks f. Others specify …….
State duration of your strategic alliance, if any	a. 0-1 year ☐ ☐ b. 1-2 years c. 2-3 years ☐ ☐ d. above years

In each of the types of entrepreneurial networking involved in, specify the type of networking

General networks(**Tick all that apply**)	Professional associations ☐ ☐ Governmental agencies ☐ Non-governmental agencies ☐ Business consultants
Social networks(**Tick all that apply**)	Friends ☐ ☐ Family and relatives ☐ Social associations/clubs
Managerial networks(**Tick all that apply**)	Competition/similar business ☐ ☐ Suppliers ☐ Customers ☐ Ethnic networks
Ethnic networks(**Tick all that apply**)	Association or clubs formed on the basis of cultural group ☐ Financial investment formed on the basis of cultural group ☐ Business to business relationship formed on the basis of cultural group ☐

Section C: Influence of Entrepreneur's Personal Characteristics on Growth of SMEs

State your opinion of following entrepreneur's personal characteristics. Looking at the parameter, tick the extent to which you agree with the following statements using the scale given below 5-strongly agree, 4-agree, 3-neutral, 2-disagree, 1-strongly disagree

	Statement	SD	D	N	A	SA
1	Entrepreneur's entrepreneurial orientation influence selection of networking partners to enhance growth of SMEs					
2	Locus of control assist SME operator in selection of networking partners to perform enterprise activities					
3	Entrepreneur's age influences membership in networks to enhance growth of SME					
4	Entrepreneur's networking skills assist in securing business opportunities from networking partners for growth of SMEs.					
5	Self-efficacy influence utilization of networking resources to enhance growth of SMEs					
6	Education qualification assists in selection of networking members with valuable resources and information					
7	Gender determines memberships in networking to enhance growth of SMEs					
8	Entrepreneur's experience influence on selection of networking partners to enhance growth of SMEs					

Describe any other entrepreneur's personal characteristics that influence utilization of networking activities to enhance growth of your enterprise ……
……

Section D: Small Medium Enterprise Characteristics and Growth of SME.

State the extent to which you agree with the following statements on the effect of SME characteristic on its growth SA-strongly agree, A-agree, N- neutral, D-disagree, SD-strongly disagree

	Statement	**SD**	**D**	**N**	**A**	**SA**
1	The industry of the SME influences type of networking partners					
2	Absorption capacity of SMEs influence utilization of networking resources to enhance growth of SMEs					
3	Growth oriented SMEs affect utilization of networking marketing information to enhance growth of SMEs					
4	The objective of SME affects utilization of entrepreneurial networking resources to enhance growth					
5	The Employees of SME select networking partners to enhance growth of SMEs.					
6	Age of SMEs determine strategic alliances					
7	SME's financial base informs access resources to enhance of growth SMEs					

Describe any other SMEs' characteristics that affect participation in a network to enhance growth of SMEs

……
……
……
……

E. Structural Dimensions and Growth of SMEs

SA-strongly agree, A-agree, U-neither agree nor disagree, D-disagree, SD-strongly disagree

Code	Statement	SD	D	U	A	SA
1	Central position influence access to networking market information to enhance growth of SMEs					
2	Shortest path with other networking partners easy sharing of resources					
3	High interconnections sharing marketing information to enhance growth of SMEs					
4	Frequent interaction through meeting gatherings and telephone share marketing opportunities					
5	Supply chain reduce holding of more capital in stock.					
6	Diverse membership generated innovative improved products to enhance growth of SMEs					
7	Distant networking partners created innovative resources to enhance growth of SMEs					

Describe any other structural networking dimensions that influence growth of your business?

……
……
……
……

F. Network Resources and SMSs Growth

You are required to give your opinion on the influence of entrepreneurial networking resources on growth of SMEs 5-SA-strongly agree, 4-A-agree, 3-N- neutral, 2-D-disagree, 1-SD-strongly disagree

Code	Statement	SD	D	N	A	SA
1	Entrepreneurial networking resources complementing SMEs' machineries and equipment to enhance growth of SMEs					
2	Entrepreneurial networking innovations improve products for sale.					
3	Use patent rights reduced time to develop own products for sales.					
4	Peer learning generates information to improve business managements.					
5	Chamber of commerce provide marketing information and referral to enhance growth of SMEs					
6	Networking membership eased access to strategic resources that enhance growth of SMEs					

Describe any other influence of entrepreneurial networking resources on growth of your business?

……
……
……

G. Networking Relation on Growth of SMEs

You are required to state your opinion ranging from 5-SA-strongly agree, 4-A-agree, 3-N- neutral, 2-D-disagree, 1-SD-strongly disagree

Code	Statement	SD	D	N	A	SA
1	Family networks provide capital easily to enhance entrepreneurial outcomes.					
2	Networking rules inhibit formation of new networks to enhance growth of SMEs.					
3	Family members provide all resources required for growth of SMEs.					
4	Managers' networks provided adoption of innovation and market referral for growth of SMEs					
5	Strategic alliances enable sharing of resources and innovation to enhance growth of SMEs					
6	Managers' networks allows freedom in formation of networks to enhance growth of SMEs					
7	Friends' networks prevent admission of new members.					
8	Business networks generate market information that increase sales					
9	Weak networking relationships generate innovations to improve SME's products and growth					

Section H: BUSINESS GROWTH

State approximately the nature of change on the following indicators of growth of your business for the last 3 years.

2016					
Indicator of growth	**Decrease by more than >20%**	**Decrease between 0-20 %**	**Stable**	**Increase between 0-20%**	**Increase by more than <20%**
Profitability					
Sales					
market share					
Equipment/ assets					
Number of employees					
Profit margin					

2017					
Indicator of growth	**Decrease by more than >20%**	**Decrease between 0-20 %**	**Stable**	**Increase between 0-20%**	**Increase by more than <20%**
Profitability					
Sales					
market share					
Equipment/ assets					
Number of employees					
Profit margin					

2018					
Indicator of growth	**Decrease by more than >20%**	**Decrease between 0-20 %**	**Stable**	**Increase between 0-20%**	**Increase by more than <20%**
Profitability					
Sales					
market share					
Equipment/ assets					
Number of employees					
Profit margin					

Respondent

signature……Date……..

Thanks for Your Participation

Appendix II: Secondary Data

The researcher collected the following data during dropping of the questionnaires

1. When was the business established? ----------
2. To examine income statements of the trading periods 2016, 2017 and 2018?
3. The researcher to inquire the presence of business licenses of SMEs for 2016, 2017 and 2018?
4. The nature of changes on indicators of growth of SMEs for the last three year

Sales	**2016**	**2017**	**2018**
Number of employees			
Annual sales			
Profitability			
market share			
Equipment/assets			

Appendix III: NACOSTI Permit

THIS IS TO CERTIFY THAT:
MR. ALBERT NJIBWAKALE WANAMBISI
of JOMO KENYATTA UNIVERSITY OF AGRICULTURE AND TECHNOLOGY,
0-30200 KITALE,has been permitted to conduct research in *Transnzoia County*

on the topic: *INFLUENCE OF ENTREPRENEURIAL NETWORKING ON GROWTH OF SMALL AND MEDIUM ENTERPRISES IN TRANS NZOIA COUNTY KENYA.*

for the period ending:
8th June,2019

Permit No : NACOSTI/P/18/22640/22866
Date Of Issue : 12th June,2018
Fee Recieved :USD 19

.....
Applicant's Signature

.....
Director General
National Commission for Science, Technology & Innovation

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