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**EFFECT OF SOCIO-ECONOMIC STATUS ON PERFORMANCE OF
WOMEN OWNED SMALL AND MEDIUM ENTERPRISES IN NAIROBI**

LOISE NJENGA

MBA/57289/2017



**A RESEARCH PROJECT SUBMITTED IN PARTIAL FULFILLMENT
OF THE REQUIREMENTS FOR THE DEGREE OF EXECUTIVE
MASTER'S IN BUSINESS ADMINISTRATION AT STRATHMORE
UNIVERSITY**

STRATHMORE BUSINESS SCHOOL

STRATHMORE UNIVERSITY,

NAIROBI, KENYA

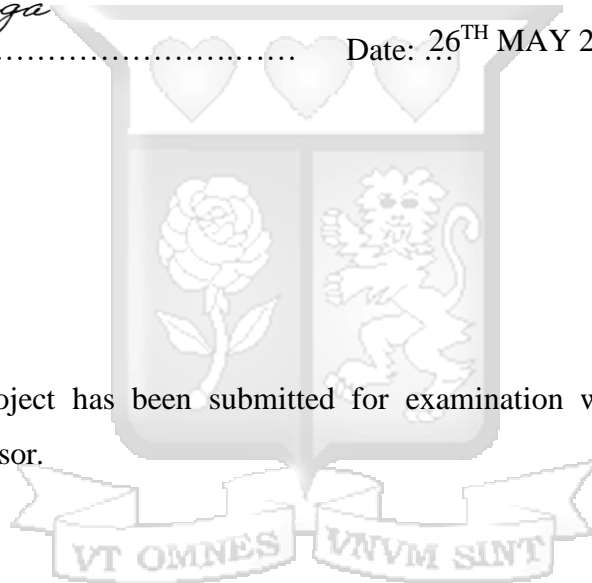
MAY 2024

DECLARATION

This project is my original work and has not been submitted for examination in any other institution. Where previously published or written material by another person has been used due reference was made. No part of this proposal may be reproduced without the permission of the author and Strathmore University.

Loise Njenga MBA/ 57289/2017

Loise Njenga
Sign: Date: 26TH MAY 2024



Approval

This research project has been submitted for examination with my approval as the university supervisor.

Prof. S. Wagura Ndiritu

Associate Professor

Strathmore University Business School

18/08/2022

Sign:  Date:

DEDICATION

This project is dedicated to my family and friends. Their support and encouragement have seen me through this, and I will forever remain grateful to them.



ACKNOWLEDGEMENT

I sincerely thank our Almighty God for the gift of life, health, and protection for the entire period of my study. Without his help I could not have come this far. Special appreciation to my supervisor Prof. S. Wagura Ndiritu, for his support, thank you so much for the guidance throughout the course of preparing this thesis. I would also like to thank in a big way all those individuals who assisted in proofreading my document and giving positive criticism. I would also like to acknowledge all lecturers who took me through the course units in this program. Thank you for making me a better person through the knowledge you have imparted.



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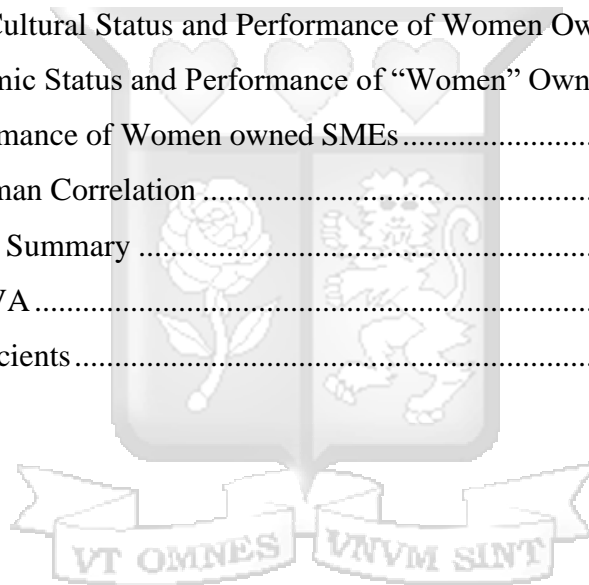
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LIST OF ABBREVIATIONS

GDP	Gross domestic product
ILO	International Labour Organization
IPA	Interpretive Phenomenological Analysis
KIPPRA	Kenya Institute for Public Policy Research and Analysis
KNBS	Kenya National Bureau of Statistics
KPIs	Key Performance Indicators
KPSA	Kenya Private Sector Association
MCA	Multiple Correspondence Analysis
NCC	Nairobi City County
RBV	Resource-Based View
SMEs	Small and Medium Enterprises
SMMEs'	Small Medium and Micro Enterprises
SPSS	Statistical Package for the Social Sciences
WB	World bank

DEFINITION OF TERMS

Demographic status	These are the factors that describe a population such as their age, gender, education level among others (Han, Jin, Wood, & Yang, 2019).
Economic status	The disparity in income and wealth among individuals in the society (Gordon, Booyesen, & Mbonigaba, 2020).
Performance	The measure of how well an organization realizes its goals (Pambreni, Khatibi, Azam, & Tham, 2019).
Socio-cultural status	The disparities in treatment of a group of people based on cultural norms, religious beliefs, and customs (Neubert, 2019).
Socioeconomic status	The disparity in the distribution of income and economic assets impacting individual's quality of life (Neubert, 2019).
Socioeconomic status	Socioeconomic status (SES) includes not just income but also level of education, financial empowerment, and perceptions of social status and social class (Hoff & Laursen, 2019).



ABSTRACT

Globally, small and medium enterprises (SMEs) have a significant impact on the economic and social development of nations, particularly in developing countries. However, it is important to note that the ownership of these businesses is predominantly male dominated, leading to socioeconomic status for women in entrepreneurship activities. Therefore, the objective of this current study is to examine the influence of socioeconomic status on the performance of women-owned SMEs in Nairobi City County. Specifically, the study focuses on socio-cultural status, economic status, and demographic status and their impact on the performance of women-owned SMEs. The study is guided by empowerment theory and complemented by the resource-based view theory. The research was carried out using a descriptive cross-sectional survey design to gather the necessary data for analysis. A total of 14,232 registered women-owned SMEs across the 17 sub-counties in Nairobi County as participants. The sample size of 389 respondents was determined using the Yamane formula, and stratified random sampling technique was used to distribute the sample across the sub-sectors. Primary data was collected through a questionnaire, and the collected data was analyzed using the Statistical Package for the Social Sciences (SPSS). The analysis included both descriptive and inferential statistics, with multiple linear regression analysis and correlation analysis being conducted as part of the inferential statistics. The study findings were presented and interpreted using frequency tables and figures. The finding of the study established that there existed a positive and significant relationship between socio-cultural status, economic status, demographic status and performance of women-owned small and medium enterprises in Nairobi City County. Future studies should explore the specific mechanisms through which socioeconomic status affect women-owned SMEs. This could involve examining the role of education, social networks, and cultural norms in shaping women entrepreneurs' access to resources and opportunities. Understanding these underlying mechanisms would provide valuable insights for designing targeted interventions to address the challenges faced by women-owned SMEs.



CHAPTER ONE

INTRODUCTION

1.1 Background to the Study

Across the world, small and medium enterprises (SMEs) hold immense significance in driving economic and social development, particularly in developing countries. SMEs play a crucial role in economies across the globe, yet the ownership of these businesses remains largely dominated by males (World Bank, 2023). SMEs play a crucial role in the economic development of developing countries by serving as engines for growth (Liu, 2021). They are vital sources of employment and income due to their ability to adapt quickly to market changes and their flexible nature. SMEs are more labor-intensive, have lower capital costs for job creation, and enhance domestic market efficiency while utilizing scarce resources efficiently, contributing to long-term economic growth (World Bank, 2014).

Across the world, SMEs comprise of more than 90% of businesses and have a substantial impact on job creation, contributing around 50%, and on the national income (GDP) in emerging economies, contributing approximately 40% (World Bank, 2023). The influence of SMEs becomes even more pronounced when informal ones are taken into consideration. The majority of formal employment opportunities in emerging markets are generated by SMEs, making them a pivotal player in the labor market with a contribution of 70% to the overall job sector. The World Bank (2023) estimated that the SME sector created around 600 million jobs in the year 2023, highlighting the utmost importance of SME development for governments worldwide. In the African economy, SMEs contribute to approximately 80% of job employment and 50% of GDP. According to a report by the Kenya Private Sector Association (KPSA) (2023), SMEs constitute 98% of all businesses, generating 30% of annual jobs, and contributing 20% to the GDP in Kenya.

Globally, only 33% of SMEs and large businesses are owned by women. However, the ownership landscape varies across different economies. For instance, in developed countries, women own 40% of SMEs, while in low-middle-income countries, they own at least 33% (WB, 2023). In low-income countries, the ownership of women dropped to 24% in 2021. In Kenya, SMEs are defined as business that employ between 10 and 50 workers with annual turnovers between KES 500,000 and KES 5 million and capital formation

between KES 5 million and KES 20 million for services or between KES 5 million and KES 50 million for enterprises doing manufacturing (KNBS, 2016). Statistics reveal that women own 31% of licensed SMEs, whereas men own 48%, and 17% are jointly owned by both genders (KNBS, 2016). Additionally, within the unregulated informal sector, women hold a substantial majority in terms of ownership of unlicensed SMEs, accounting for 61% of the total. Conversely, men solely own a mere 6.4% of these enterprises (KNBS, 2016). These figures indicate that the proportion of women-owned SMEs in Kenya falls below the global average of 33% and that women-owned SMEs are dominant in sectors that are largely considered to be of less value.

The report by the Kenya National Bureau of Statistics (KNBS) (2022) sheds light on the closure of SMEs between 2017 and 2022, revealing a significant gender disparity. The report indicates that 54.9% of the businesses that ceased operations during this period were owned by women, while only 20% were owned by men. The closure of women-owned businesses can be attributed to a range of factors, with social and economic challenges contributing largely to their closure. Socially, women entrepreneurs face obstacles such as a lack of mentors, limited exposure to the business environment, and insufficient experience. Economically, women-owned businesses encounter challenges related to inadequate capital, limited financial support, and restricted access to loans from financial institutions. Women's businesses face even greater challenges in terms of growth and sustainability due to the existing financial constraints. Additionally, the report identifies factors such as family background, gender, and education level as contributing to the failure of women-owned businesses (KNBS, 2022).

Globally, the International Labour Organization (ILO) (2023) reports that approximately 20% of women express their desire to establish their own businesses. Interestingly, those women who take the leap into entrepreneurship often achieve remarkable success. However, despite facing similar obstacles as men in their entrepreneurial pursuits, women also encounter an additional layer of stereotypical socioeconomic status (Agrawal, 2018). These gender-based disparities create barriers that impede women's access to financial resources and business prospects, consequently restricting their capacity to compete on an equitable level with their male counterparts. Consequently, women entrepreneurs often

find themselves at a disadvantage when it comes to securing necessary funding, acquiring essential skills and knowledge, and establishing valuable networks (Elaine, 2021). The perpetuation of these gender biases not only hampers the individual aspirations of women entrepreneurs but also poses a hindrance to overall economic growth and development. To gain insights into the performance of women-owned small and medium enterprises in Kenya, it is crucial to conduct a study that explores the effect of socioeconomic status on SMEs owned by women within the local context.

1.1.1 Socio-Economic Status

Socio-economic status encompass the differences in access to resources, opportunities, and social advantages based on factors like gender, income, education, and social status (Byrne, Fattoum & Diaz Garcia, 2019). It signifies the uneven distribution of income and opportunities among different societal groups (UNDP, 2016), leading to a significant loss of control over their lives for socio-economically disadvantaged groups. In the realm of entrepreneurship, socio-economic status pertains to the gaps that exist between individuals or groups in terms of their capacity to initiate and thrive in business ventures (World Bank, 2019). These disparities are deeply rooted in various socio-economic aspects such as income, education, social networks, and access to resources.

In more gender unequal countries, women in entrepreneurship are constrained by socio-economic status that impede their consideration, pursuit, and success in opportunity-based entrepreneurship. The progress and achievements of women in entrepreneurship are hindered by various socio-economic disparities (Kyalo & Kiganane, 2018). These disparities stem from a combination of social and economic factors, creating obstacles and difficulties for women in the business realm (World Bank, 2023). From a social standpoint, women encounter gender biases and stereotypes that restrict their access to resources, networks, and opportunities. Discrimination and prejudice are often encountered, undermining their credibility and impeding their ability to secure funding or attract investors. Moreover, societal expectations and traditional gender roles may impose additional responsibilities on women, thereby making it more arduous to find a harmonious balance between their personal and professional commitments.

Women entrepreneurs frequently encounter financial constraints and limited access to capital on the economic front. Discriminatory lending practices or a lack of collateral often hinder their ability to secure loans or investments. Additionally, women-owned businesses are often concentrated in sectors that are undervalued or have lower profit margins, which further exacerbates the economic status they face (Chowdhury, Yeasmin & Ahmed, 2018). Moreover, women entrepreneurs often lack the same level of mentorship and support networks as their male counterparts, which restricts their access to valuable guidance, advice, and collaboration opportunities. The absence of mentors makes it more challenging for women to navigate the entrepreneurial landscape and overcome the obstacles they encounter.

SMEs owned by women often confront a multitude of obstacles in their day-to-day operations. These challenges encompass limited access to financial resources, discriminatory practices, and societal biases (Singh & Dash, 2021). The presence of socio-economic status further compounds these difficulties, thereby creating a more arduous environment for women entrepreneurs to flourish in the business realm. A pertinent example of such hurdles is the impediment faced by women in obtaining loans and capital, owing to biased lending practices prevalent in financial institutions (Shaikh, 2020). The dearth of adequate financial support can significantly hinder the development and expansion of women-owned SMEs. Consequently, this lack of financial backing restricts their ability to effectively compete in the market, thereby constraining their overall growth potential.

Entrepreneurs, particularly women, face a multitude of challenges that extend beyond gender-based discrimination and encompass various obstacles that hinder their growth and success. The association of women with certain industries or roles through stereotypes can hinder their ability to tap into various markets and networks, thus limiting their potential for expansion. In addition, female entrepreneurs who own small and medium-sized enterprises frequently encounter challenges in both attracting and retaining proficient staff members. These obstacles arise from societal prejudices that tend to favor businesses headed by men (Chowdhury, Yeasmin & Ahmed, 2018). These complex elements collectively shape the performance and achievements of these SMEs, underscoring the

urgent need to address socio-economic status and foster an environment that promotes inclusivity and equality in the business landscape.

In its report, the World Bank (2023) underscores the profound impact of socioeconomic inequality on women-owned SMEs. These enterprises face numerous obstacles, primarily due to their constrained access to financial resources and credit facilities. The establishment and expansion of women-owned SMEs are hindered by the lack of financial support, as women entrepreneurs often encounter difficulties in obtaining loans or investment capital. Discriminatory practices and the absence of collateral further exacerbate these challenges. Consequently, women-owned SMEs face significant constraints in investing in business development, acquiring necessary equipment, and hiring skilled employees, which ultimately affects their performance and competitiveness. Furthermore, the World Bank (2023) emphasizes that socioeconomic inequality is perpetuated by social norms and gender biases, which have a detrimental impact on women-owned SMEs. Women's access to networks, markets, and business opportunities is hindered by deeply ingrained cultural beliefs and stereotypes, which serve as formidable barriers. By impeding the growth potential of women-owned SMEs, these factors not only impede progress but also contribute to the perpetuation of gender inequality and economic disparity (ILO, 2023).

The International Labour Organization (ILO) (2023) highlighted that there is a persistent presence of socioeconomic status that significantly affect the opportunities available for individuals to initiate and develop their businesses. It has been observed that enterprises owned by women tend to be smaller in scale compared to those managed by men. Moreover, these businesses are often concentrated in sectors that have limited potential for value addition and operate within the informal economy, which is rarely subject to regulation (Sappleton, 2018). These challenges are further compounded by socio-cultural, economic, and demographic status, which impose additional pressures on the time, workload, and overall well-being of women entrepreneurs. Additionally, these statuses contribute to the creation of unfavorable business environments for SMEs owned by women. Hence, the present study aims to investigate the influence of socio-cultural, economic, and demographic status on the performance of women-owned SMEs.

1.1.1.1 Socio-Cultural Status

Socio-cultural disparities encompass a wide array of discrepancies that exist within societies, stemming from various factors such as race, ethnicity, gender roles, social class, and cultural values (Onyekachi & Muogbo, 2023). The existence of these disparities holds great importance in molding the societal framework of a community, as they have the ability to shape individuals' availability to resources, opportunities, and influence. They can manifest in various forms, including economic disparities, educational inequities, and unequal representation in decision-making processes. Socio-cultural status highlights the unequal distribution of social and cultural resources among different groups within a society. These disparities have deep historical, political, and economic roots, perpetuating social hierarchies and marginalizing specific communities (Ogbuabor, Onu & Nwibo, 2020).

According to Wetherly (2012), socio-cultural status related to business performance encompass a range of activities and interpersonal relationships that individuals partake in within their personal and private spheres. These factors include population characteristics, social status, lifestyle, age, ethnicity, religion, cultural values, and family roles. Maziku et al. (2014) highlight that women often bear a greater burden in terms of household and caregiving responsibilities due to the family roles assigned to them. Mashenene and Majenga (2014) further emphasize that women face the challenge of juggling multiple family roles while also managing the demands of running a business, which can impact their ability to allocate sufficient time and energy to their enterprises. Petro, Anastazia, and Mashenene (2018) argue that women are often assigned a lower social status compared to men in many societies, resulting in limited access to resources, networks, and opportunities. This inequality poses obstacles to the growth and success of women-owned small and medium enterprises (SMEs), as they encounter difficulties in securing funding, establishing business connections, and gaining recognition in the market.

Mashenene (2020) highlighted the existence of diverse cultural perspectives on the roles and abilities of women in entrepreneurship. He further emphasized that many societies prioritize male leadership and dominance, which poses obstacles for women entrepreneurs in terms of resource accessibility, network establishment, and support acquisition. Adisa,

Egbetokun, and Siyanbola (2019) conducted a study revealing that women encounter discrimination when seeking financial assistance, consequently impacting the growth and performance of their businesses.

1.1.1.2 Economic Status

Economic disparities encompass the uneven allocation of resources and opportunities, impeding individuals from marginalized or disadvantaged backgrounds in initiating and expanding their own enterprises (Bogliacino & Maestri, 2014). Khan, Salamzadeh, Shah, and Hussain (2021) have highlighted the persistent obstacles encountered by women entrepreneurs in obtaining sufficient funding for their ventures. This predicament can be attributed to several factors, including limited collateral, inadequate financial literacy, and gender biases prevalent within the financial sector. Access to accurate and up-to-date financial information plays a pivotal role in making well-informed business decisions and formulating effective financial strategies (Chit, 2019). Nevertheless, women entrepreneurs often confront barriers when attempting to acquire such information, thereby impeding their capacity to efficiently manage their enterprises.

Women entrepreneurs often face challenges when it comes to securing loans from financial institutions (Muhumuza, 2018). These challenges can be attributed to various factors, such as gender biases, lack of collateral, and limited credit history. It is unfortunate that small and medium-sized enterprises (SMEs) primarily owned by women encounter obstacles in accessing credit, which hinders their ability to invest in fresh initiatives, obtain crucial inventory, or expand their businesses. As a result, their growth potential is hindered, and their ability to compete in the market is limited. However, partnerships can play a significant role in determining the success or failure of SMEs. Through partnerships, SMEs have the opportunity to collaborate with others, share resources, and exchange knowledge (Ellitan, 2017). This enables them to leverage their strengths and overcome their limitations, ultimately leading to improved performance and competitiveness in the market. The establishment of partnerships can bring about significant advantages for SMEs that are owned by women. By joining forces with other entities, these businesses can strengthen their ability to compete, extend their market reach, and elevate their overall performance.

1.1.1.3 Demographic status

Demographic disparities are the differences that exist among individuals within a population, resulting from various factors including age, gender, race, marital status, family background, educational attainment, and geographical location (Amegayibor, 2021). These disparities have a profound impact on the allocation of resources, opportunities, and overall outcomes within a society, often resulting in status in the overall quality of life (Han, Jin, Wood, & Yang, 2019). Demographic status is not confined to a single factor, but rather involve an intricate interplay of multiple demographic characteristics.

Age is a significant factor that can influence the experience, knowledge, and adaptability of women entrepreneurs (Amegayibor, 2021). According to Belenzon and Zarutskie (2013), as owners grow older, the performance of their firms tends to decline, especially for those above the age of 54. Conversely, Cressy and Storey (2015) argue that older entrepreneurs have higher survival rates for their businesses compared to their younger counterparts. The ability of a business to perform well and survive is crucial for long-term success. Additionally, women entrepreneurs who have attained higher levels of education frequently benefit from improved access to vital resources, knowledge, and competencies essential for the successful operation of their businesses (Otieno & Weda, 2023). These individuals are more likely to possess critical thinking abilities, problem-solving skills, and a comprehensive understanding of market trends. Conversely, women with lower levels of education may encounter difficulties in accessing financial support, comprehending complex business concepts, and competing in highly competitive markets.

The marital status of female entrepreneurs who own SMEs plays a crucial role in determining their business performance. Married women often face additional responsibilities and time constraints due to family obligations, which can limit their availability and focus on business operations (Bayala, Djika & Sako, 2023). On the other hand, women who are not married or do not have children might possess greater adaptability and availability to devote to their entrepreneurial endeavors. Additionally, the performance of women-owned SMEs can be significantly influenced by their family background, including their financial resources and support systems (Lwango, Coeurderoy & Gimenez, 2017). Women from economically disadvantaged backgrounds may encounter

challenges in accessing capital, while those with supportive families and networks may have better opportunities for growth and success.

1.1.2 Performance of Small and Medium Enterprises

Javier (2002) presented a definition of performance as the ability of an organization to achieve desired results within a designated time period. According to Daft (2013), organizational performance is centered on the organization's effectiveness in attaining its objectives while optimizing resource utilization. Hence, the concept of organizational performance is closely linked to a company's proficiency in operating efficiently and effectively. Machuki and Aosa (2011) defined organizational performance as the evaluation of how well a firm utilizes its resources and accomplishes its goals. This definition underscores the significance of both efficiency, which involves the optimal utilization of resources, and effectiveness, which focuses on the successful attainment of organizational objectives.

To gain a competitive advantage, organizations must continuously evaluate their performance in relation to their predetermined objectives. This process, referred to as performance management, is of utmost importance as it enables organizations to ascertain whether they are meeting their goals or falling short of expected outcomes. Teau and Protopopescu (2015) highlight the significance of performance management systems in attaining organizational objectives. Key Performance Indicators (KPIs) are widely used by SMEs to gauge performance. These indicators serve as a means of evaluating the success of an organization or a specific undertaking. The choice of appropriate KPIs relies on a comprehensive understanding of the organization's key priorities. the utilization of Key Performance Indicators (KPIs) can be an effective approach to evaluate performance within an organization (Velimirovic, Velimirovic & Stankovic, 2011). These indicators can encompass both quantitative and qualitative measures. Examples of parameters that can be employed to measure performance using KPIs encompass sales volume, market growth, profit margin, market segment, customer loyalty, number of customers, customer satisfaction levels, and other non-financial metrics. In this particular study, the performance of women-owned SMEs will be evaluated based on profit margin, market segment, volume of sales, and market growth.

The financial health and efficiency of SMEs can be assessed to determine their ability to generate profits (Serrasqueiro, Pinto & Sardo, 2023). This evaluation serves as a valuable tool in identifying specific areas where cost reduction or revenue optimization strategies can be implemented to enhance profitability. Additionally, it enables SMEs to make informed decisions regarding pricing, cost management, and resource allocation, ultimately leading to improved financial performance. Given the diverse markets and customer segments in which SMEs often operate, they can gauge their success in attracting and retaining customers by focusing on the number of customers. This assessment allows SMEs to evaluate the effectiveness of their marketing strategies and identify areas for improvement, thereby enhancing overall business performance (Tam, Son, Le Tan & Ha, 2021). Through the measurement of customer numbers, SMEs can acquire valuable insights into their market reach, customer acquisition, and overall business growth.

The performance evaluation of SMEs can be effectively conducted using the KPI model, which encompasses the measurement of sales volume as a critical factor. By diligently monitoring and analyzing sales volume, SMEs can gain valuable insights into their market demand and evaluate the efficacy of their sales strategies (Djakasaputra, Wijaya, Utama, Yohana, Romadhoni & Fahlevi, 2021). This data-driven approach empowers SMEs to make informed decisions, optimize their sales efforts, enhance customer acquisition and retention, and ultimately foster revenue growth. Furthermore, the success of SMEs is greatly influenced by the growth of the market. It emphasizes the various prospects available to businesses in terms of expanding their customer base, augmenting their revenues, allocating resources towards research and development, diversifying their product offerings, and enhancing their operational efficiency (Puspaningrum, 2020). Additionally, market growth creates a favorable business environment that attracts potential investors and stimulates business expansion.

1.1.3 Women Owned SMEs in Nairobi County

Based on the data released by the Nairobi City County (2023), it has been observed that there is a significant presence of licensed Small and Medium Enterprises (SMEs) owned by women. By June 2023, a total of 14,232 women-owned businesses were reported to be in operation. According to the report, a considerable proportion of SMEs owned by women

operate in sectors that are typically associated with lower perceived value. These sectors encompass retail shops, salons, cafes, tailoring shops, hotels, green grocery stores, boutique shops, and day care centers. This diverse range of businesses not only showcases the entrepreneurial spirit of women in Nairobi but also highlights their unwavering determination.

In the local business scene of Nairobi, women-owned businesses have a noteworthy presence, although they tend to focus on sectors that are typically considered less profitable compared to SMEs that are owned by men. These sectors include retail, food services, handicrafts, and small-scale manufacturing. Despite the perception of these sectors as having lower value, it is essential to recognize the significant contributions and potential of these women-owned enterprises in stimulating economic growth and promoting women's empowerment within the region. Women entrepreneurs in Nairobi have achieved remarkable progress in establishing and managing their own enterprises. Female-owned enterprises commonly concentrate on niche markets, delivering specialized products and services that meet the distinct demands of specific customer segments.

1.2 Statement of the Problem

Small and medium-sized enterprises (SMEs) in Nairobi County are vital for creating employment opportunities, as highlighted by NCC (2023). However, there is a notable gender gap within the SME sector, with 65% of SMEs being owned by men, 24% by women, and 6% jointly owned. This aligns with the WB (2022) report, which indicates that 61% of SMEs in Nairobi are owned by men and 31% by women. These figures fall below the national average reported by KNBS (2016), where 31.4% of licensed SMEs were owned by women. Women-owned enterprises in Nairobi face sustainability challenges, with 62% not surviving beyond the second year, primarily due to limited financial resources, lack of social connections, and restricted access to necessary resources. ILO (2023) found that only 30% of women-owned enterprises secure loans compared to 62% of those owned by men, posing a significant barrier to business growth for women entrepreneurs.

The report by KNBS (2022) reveals that many women-owned enterprises in Nairobi have closed due to financial constraints and societal obligations. KIPPRA (2023) points out that these enterprises struggle due to socioeconomic status like lack of gender role, ethnicity, family background, education among other factors. Additionally, (KNBS, 2022) found that socioeconomic disparities such as inadequate capital, financial support, and limited access to loans are barriers to success of SMEs. Factors such as family background, gender, and education level also contribute to business failure. The World Bank (WB, 2023) notes that women-owned businesses face marginalization in funding and accessing networks, along with challenges in meeting financial institutions' criteria for credit and loans. Mwathi (2018) emphasizes that social-economic status present significant challenges for women entrepreneurs.

Scholars have differing perspectives on how socioeconomic status affect the performance of small and medium enterprises (SMEs) owned by women. Sikolia, Mathenge, and Ntale (2020) suggest that women's enthusiasm for business is hindered by socio-cultural constraints. Conversely, Maziku, Mashenene, and Majenga (2014) argue that societal norms, such as social stigma, limit women entrepreneurs from pursuing ambitious goals compared to men. Nkatha (2016) points out economic challenges faced by women, like limited access to collateral and financial literacy. Otieno and Weda (2023) emphasize the impact of demographic factors like age, education level, marital status, and location on the success of women-owned businesses. These factors significantly influence the trajectory of their entrepreneurial pursuits. Even though, scholars have identified social cultural, economic, and demographic factors influence growth of small, medium enterprises, no study has focused on women SMEs in Nairobi leaving a contextual gap that this study aims to breach. Therefore, the current study aimed to evaluate effect of socioeconomic status on the performance of women-owned SMEs in Nairobi County.

1.3 Research Objectives

1.3.1 General Objective

The primary objective of this study was to assess the effect of socioeconomic disparities on the performance of women-owned small and medium enterprises in Nairobi County.

1.3.2 Specific Objectives

The research specifically sought to;

- i. Establish the effect of socio-cultural status on the performance of women-owned small and medium enterprises in Nairobi County.
- ii. Establish the effect of economic status on the performance of women-owned small and medium enterprises in Nairobi County.
- iii. Examine the effect of demographic status on the performance of women-owned small and medium enterprises in Nairobi County.

1.4 Research Questions

The study sought to answer the following research questions.

- i. What is the effect of socio-cultural status on the performance of women-owned small and medium enterprises in Nairobi County?
- ii. What is the effect of economic status on the performance of women-owned small and medium enterprises in Nairobi County?
- iii. How does demographic status impact the performance of women-owned small and medium enterprises in Nairobi County?

1.5 Scope of the Study

This research paper highlights the social and economic disparities that are prevalent in our societies, with a specific focus on the impact of these disparities on women-owned businesses in Kenya. The study primarily concentrates on Nairobi County, which holds the status of being Kenya's capital city and boasts a rich variety of businesses owned by women. It provides an overview of the initiatives that have been implemented to address these social and economic disparities, while also offering recommendations to further enhance these efforts. The central focus of this study revolves around the SMEs that are owned by women and have obtained official registration within Nairobi City County. Geographically, the study encompasses firms operating within this specific locale. Moreover, the research endeavors to examine the impact of socioeconomic and demographic disparities on the operational effectiveness of female-led small and medium

enterprises within Nairobi City County. The research is grounded in the empowerment and Resource-Based View Theory, employing a quantitative methodological approach that aligns with a positivism research philosophy. The study's timeframe is May 2024.

1.6 Significance of the Study

This study provides valuable insights into the challenges faced by women in their endeavor to entrepreneurship activities. By examining factors such as socio-cultural status, economic status and demographic status, researchers can uncover the barriers that hinder the growth and success of women entrepreneurs in the region. This study contributes to the existing body of knowledge by shedding light on the unique struggles faced by women-owned businesses in a developing economy like Nairobi County.

Furthermore, this research has practical implications for policymakers, business owners, and other stakeholders interested in promoting gender equality and economic development. By understanding the specific challenges faced by women entrepreneurs in Nairobi County, policymakers can design targeted interventions to support their growth and success. For example, initiatives such as providing access to microfinance loans, offering training programs on business management, and creating networking opportunities for women entrepreneurs can help address the socioeconomic disparities highlighted in the study.

This study also provides valuable insights into the strategies and interventions that can help to mitigate the negative effects of socioeconomic disparities on women-owned small and medium enterprises. By examining successful case studies and best practices, this study helps to identify practical solutions that can be implemented to support the performance and growth of these businesses. These insights can inform the development of policies, programs, and initiatives aimed at empowering women entrepreneurs and reducing the impact of socioeconomic disparities. By implementing these recommendations, stakeholders can create a more inclusive and equitable business environment that fosters the success of women-owned enterprises and contributes to overall socioeconomic development.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

In this chapter, a thorough exploration of the primary research topics is presented, incorporating both theoretical and empirical perspectives. Moreover, it outlines the research gaps that have been identified and provides a conceptual framework that illustrates the interrelationship between the variables under investigation in this study.

2.2 Theoretical Review

2.2.1 Empowerment Theory

The study was conducted based on the empowerment theory, which establishes a connection between an individual's well-being and the socio-political context in which they exist (Rappaport, 1984). This theory emphasizes the strengths and capabilities of individuals, as well as the support systems and proactive behaviors that contribute to long-term solutions. By emphasizing the interplay between human behavior, mental well-being, and collective efforts, the theory encourages individuals to actively promote their own health and increase their self-sufficiency. It advocates for a focus on identifying and leveraging strengths rather than weaknesses, and it emphasizes the importance of understanding the environmental and social factors that may hinder individual wellness. In terms of interventions, the theory supports approaches that address existing problems, provide opportunities for knowledge and skill development, and involve collaboration with professionals.

Upon delving into the correlation between empowerment theory and small businesses, it becomes clear that social status significantly influences the experiences of women-owned businesses. These statuses can manifest in various forms, including limited access to financial resources, gender biases, and societal norms and expectations. Empowerment theory recognizes the imperative of addressing these disparities by promoting equal opportunities, fostering supportive networks, and advocating for policies that foster gender equality. It establishes an atmosphere where women entrepreneurs can thrive and make significant contributions to the overall performance of small businesses.

Moreover, empowerment theory is closely intertwined with economic and demographic status, which have profound implications for women-owned businesses. Economic disparities, such as wage gaps and limited access to capital, can pose obstacles to the growth and sustainability of small businesses owned by women. Additionally, demographic factors, including race, ethnicity, and age, can further compound these challenges.

In this study, empowerment theory is highly relevant in understanding how women entrepreneurs overcome challenges caused by socioeconomic disparities. This theory allows researchers to explore the dimensions of empowerment crucial for women-owned SMEs, including economic, social, and psychological empowerment. By understanding how these dimensions interact with socioeconomic disparities, valuable insights can be gained into the challenges faced by women-owned SMEs and the strategies they employ to overcome them. The theory also helps identify how limited access to financial resources hampers business expansion, innovation, and marketing for women-owned SMEs. Additionally, it highlights how social and cultural norms influenced by socioeconomic disparities restrict women's access to networks, mentorship, and business opportunities. By examining these mechanisms, researchers can develop a comprehensive understanding of the barriers faced by women-owned SMEs and propose targeted interventions to address them.

2.2.2 Resource Based View Theory

The resource-based view theory (RBV), as introduced by Wernerfelt (1984), posits that the competitive advantage and market positioning of a firm are primarily determined by its internal resources. To establish a sustainable competitive advantage, these resources must possess certain characteristics, including high value, rarity, difficulty to imitate, and the absence of contemporary substitutes. Moreover, these resources must exhibit superior quality, justifying a higher price compared to similar products available in the market (Dobbs, 2014). Additionally, the scarcity of these resources is crucial, as they should be hard to find and have limited availability. The final aspect of RBV emphasizes the difficulty of replicating the final product, ensuring its uniqueness and exclusivity in the market (Barney, 2001; Cardeal & Antonio, 2012).

According to the RBV theory, the success of small businesses is heavily influenced by the availability and effective utilization of resources. Small businesses that possess resources that are valuable, rare, and difficult to imitate are more likely to achieve a sustainable competitive advantage and outperform their competitors. These resources can include tangible assets such as physical infrastructure, financial capital, and technology, as well as intangible assets like human capital, knowledge, and reputation.

The RBV theory gains significant significance within the domain of women-owned businesses, primarily owing to the prevailing socio-economic status. Women-owned businesses often face unique challenges, including gender-based discrimination, limited access to resources, and societal biases. These statuses can manifest in unequal access to financial capital, limited networking opportunities, and gender stereotypes that influence the perception of women's capabilities as entrepreneurs. Hence, these statuses can act as obstacles in the process of obtaining and effectively utilizing resources, thereby directly affecting the overall success of businesses that are owned by women.

The application of RBV in this study is justified as it offers a framework for identifying and leveraging resources that can assist in overcoming the challenges faced by women-owned businesses. Notably, RBV highlights the significance of human capital, which encompasses the skills, knowledge, and experience of individuals within the organization. Women-owned businesses can invest in the development of their human capital by implementing training and mentorship programs, fostering a supportive work environment, and promoting diversity and inclusion. Through these efforts, they can enhance their resource base and improve their performance, even in the midst of socio-economic status.

2.3 Empirical Literature Review

2.3.1 Socio-Cultural Status and Performance of SMEs

In Indonesia, Games (2020) conducted a comprehensive study to investigate the correlation between socio-cultural factors and business innovation within the Minangkabau Muslim community. The research employed the partial least square methodology and collected data from a sample of 150 business people. The study indicated a favorable connection between cultural values and the magnitude of innovation. Interestingly, ethnicity was not found to

have a significant impact on innovation, and the impact of cultural values was not moderated by religion. However, the study did find that cultural values significantly affected the performance of small and medium-sized enterprises (SMEs) owned by women. Furthermore, a positive correlation was discovered between ethnicity and both entrepreneurial and business performance. In a separate study conducted by Sanka, Malima, and Mbogo (2018), the influence of cultural values on the business performance of women-owned SMEs in Shinyanga Municipality, Tanzania was investigated. Data was collected from 98 participants through questionnaires and interviews, and descriptive and regression analyses were employed. The outcomes indicated a positive association between cultural values and the effectiveness of business operations. However, it is noteworthy that these research studies were conducted in diverse countries with potentially distinct business environments and cultural values when compared to Kenya. The present study endeavors to bridge the gap by analyzing the correlation between cultural values and the success of women-owned SMEs in Kenya, thereby filling the void in existing research.

The study by Giwa and Babakatun (2019) investigated the impact of social status on women's entrepreneurship in Kaduna State, utilizing correlation and regression analysis on data from 332 women entrepreneurs in the Kaduna metropolis. The results indicated a significant relationship between social status and the progress of women's entrepreneurship in the region. Conversely, MeenuMaheshwari and PriyaSodani (2018) conducted a systematic review on women entrepreneurship in India, highlighting that women's social status, encompassing education, income, and occupation, significantly affects the success of their businesses. Women from higher social classes tend to have better access to resources, networks, and opportunities, leading to enhanced business performance. In contrast, women from less privileged backgrounds encounter challenges such as limited financial capital, networking opportunities, and support systems. Notably, the studies were conducted in Nigeria and India, respectively, which may restrict the generalizability of the findings. Moreover, both studies did not specifically concentrate on small and medium-sized enterprises (SMEs), indicating the necessity for further research in diverse geographical and contextual settings, like Kenya, to gain a more comprehensive understanding of how social status influences the performance of women-owned SMEs.

Mote (2015) conducted a study on the influence of gender roles on the performance of women entrepreneurs in small and medium-sized enterprises (SMEs) in Nyeri town. The study used a descriptive research design and targeted 349 registered women-owned SMEs in Nyeri town. Questionnaires were used to gather data, and a sample size of 186 respondents was selected using Yamane's sampling formula. The findings showed that women's success as small business owners are negatively affected by greater domestic responsibilities, making it challenging to manage time between their business and personal life. Maziku et al. (2014) investigated the effects of socio-cultural factors on the performance of women-owned SMEs in Tanzania. The research used both quantitative and qualitative approaches and involved a sample size of 80 female owner-managers. The findings revealed that 95% of women-owned SMEs in Tanzania acknowledged that gender roles contradict with their business operations. The study concluded that the female role has a positive and significant relationship with the performance of women-owned SMEs. Both studies focused on examining the impact of gender roles on SME performance, with gender role being one of the parameters explored. The present study aims to investigate whether the findings align with or contradict the results of previous research and whether gender roles extend to SMEs in Nairobi County.

Dube and Maende (2018) conducted a research study on the impact of ethnicity on the performance of women entrepreneurs in Kibra Constituency. The study focused on 523 registered women entrepreneurs, with 221 participants included in the study. The researchers used the Drop and Pick method for questionnaire administration and analyzed the data using SPSS Version 23. The study found that ethnicity played a significant role in influencing the performance of women entrepreneurs. Discrimination was also identified as having a negative impact on the performance of women entrepreneurs. The study did not categorize the women entrepreneurs based on the size of their businesses, but acknowledged that businesses of different sizes may face varying levels of ethnicity status. In a separate study by Njoki (2020), the influence of ethnicity on entrepreneurship opportunity formation among immigrant entrepreneurs in Dublin was investigated. This study used a systematic literature review and analyzed the collected data using NVivo software and Interpretive Phenomenological Analysis (IPA). The findings of this study indicated that ethnicity influenced the type of entrepreneurial activities undertaken by

immigrant entrepreneurs. However, there is a knowledge gap in understanding how ethnicity specifically affects the performance of women-owned small and medium enterprises (SMEs). This topic is of great interest to academic researchers and policy makers due to its significant implications.

2.3.2 Economic Status and Performance of SMEs

Liu (2021) conducted a study in Taiwan to examine the influence of partnership quality on the success of small- and medium-sized enterprises (SMEs). Through the utilization of survey data collected from 257 SMEs. The research found a positive association between superior partnership quality and financial performance. Lin and Lin (2016) conducted a study in Indonesia that explored the effects of network relationships on the performance of SMEs in the manufacturing sector. Through utilizing multiple correspondence analysis (MCA) to analyze data obtained from questionnaires distributed to 77 manufacturing SMEs. The study categorized network relationships into two dimensions: network content and network relationship, and found that different types of network relationships have varying levels of influence on performance outcomes. Both studies identify gaps for further exploration. Liu's study focused only on Taiwan, while the present study will be conducted in Kenya, highlighting a geographical gap. Lin and Lin's study focused solely on the manufacturing sector in Indonesia, leaving a contextual gap as SMEs operate across diverse sectors. These gaps present opportunities for future research to investigate the role of partnership quality and network relationships in different geographical and contextual settings and specifically in Kenyan context.

Sanni, Oke, and Alayande (2020) conducted a study in Kwara State, Nigeria to assess the availability of bank credit and its impact on the performance of small and medium-sized enterprises (SMEs). They collected data from 198 SME owners/managers and used descriptive statistics and the PLS-SEM estimation techniques for analysis. The findings showed that credit accessibility from deposit money banks had a positive and significant influence on SME performance, and credit-related charges also had a positive and significant effect. Muhire (2018) conducted a study in Nakawa Division, Kampala, Uganda to examine the accessibility of credit and the sustainability of SMEs. They collected data from 248 SMEs and used SPSS for analysis. The results indicated a significant positive

relationship between credit accessibility and SME sustainability within Nakawa Division. Both studies have identified gaps, including geographical differences and the focus on SMEs in general. The current study will specifically concentrate on women-owned SMEs to address these contextual gaps.

Esperance (2021) conducted a study in Kabale Municipality, Uganda, examining the influence of access to financial information on SME performance. The study utilized a descriptive research design and found that most customers obtained financial information by physically visiting financial institutions, while a smaller proportion received information from staff who visited their business premises. The study revealed a positive and significant relationship between access to information and SME performance. In a separate study conducted by Harelimana (2017) in the Muhoza sector, Rwanda, the impact of access to financial information on SME performance was investigated using a descriptive case study design and data collected through questionnaires and interviews. The study found that a significant proportion of SMEs did not have any form of financial information records, which negatively affected their ability to access finance. These two studies examined access to financial information from different perspectives and in different countries, highlighting a conceptual gap and geographical gap that the current study aimed to address.

In Kenya, Mwathi (2018) conducted a study on the factors affecting the performance of women-owned SMEs in Nairobi County. The study employed descriptive research design and a sample size of 179 from a population of 253 women. The study found that the absence of collaterals, lack of land tenure, and reliance on informal credit negatively impacted women entrepreneurs, with limited access to funds from formal sectors being a major challenge. The study specifically focused on SMEs in the Westlands area of Nairobi County and primarily examined economic aspects such as collaterals. Similarly, Mbuva and Wachira (2019) conducted a descriptive study on the influence of access to finance on the financial performance of processing SMEs in Kitui County, collecting data through interviews and questionnaires from 75 respondents, including CEOs, finance managers, and accountants from 25 processing SMEs. The study revealed that female entrepreneurs face challenges in accessing funds, markets, networks, and policymakers, with an emphasis

on the unequal distribution of resources, particularly land as collateral for credit. Both studies highlighted the importance of finance access for women-owned SMEs and the challenges they encounter. However, there is a geographical and contextual gap in the existing research, which this current study aims to address by focusing on all women-owned SMEs in Nairobi County, considering its unique socio-economic status.

2.3.3 Demographic Status and Performance of SMEs

Demographic disparities, which include age, gender, race, and education level, can have significant effects on small and medium-sized enterprises (SMEs) (Amegayibor, 2021). These disparities can impact access to resources, opportunities, and networks, ultimately affecting the prosperity and expansion of SMEs. One way in which demographic status can influence SME performance is through their impact on accessing financial resources. Han, Jin, Wood, and Yang (2019) argued that women-owned SMEs, for example, often face greater difficulties in obtaining capital compared to their male counterparts due to factors such as gender biases in lending practices, limited networks, and lower levels of financial literacy. This can hinder their ability to invest in their businesses, expand operations, or foster innovation. Lwango, Coeurderoy and Gimenez (2017) added that demographic status can also affect SME performance by influencing access to markets and networks. Marginalized racial or ethnic groups may encounter barriers in accessing specific markets or networks due to discrimination or lack of representation, limiting their ability to form strategic partnerships, secure contracts, or reach a broader customer base (Bayala, Djika & Sako, 2023). As a result, SMEs owned by individuals from marginalized groups may struggle to scale up operations or achieve sustainable growth.

In Burkina Faso, Bayala, Djika, and Sako (2013) did a study on the relationship between marital status and the performance of women's family businesses. Using quantitative methods, they analyzed data from 331 family businesses and found that marital status significantly influences the performance of these businesses. However, the study also revealed that the performance of women's family businesses is not significantly affected by whether they are married or unmarried. Interestingly, the study showed that when the business promoter lived in a monogamous household, the likelihood of the business performing well increased by 3.47 times compared to when they lived in a polygamous

household. In a separate study by Bula (2017) the success of small-scale enterprises owned by women was investigated in relation to marital status and family characteristics. The findings indicated that neither family characteristics nor responsibilities had a significant independent relationship with performance in these enterprises. Additionally, the marital status of women owners and managers in Kenya was found to be insignificant in relation to performance. The current study focuses on small and medium-sized enterprises owned by women in Nairobi County, Kenya, providing a different research context from Bayala's study in Burkina Faso and Bula's study in Nyeri County. This geographical and contextual gap presents an opportunity for the current study to contribute to the existing literature.

Osunsan et al. (2015) conducted a study in Kampala, Uganda, to examine the relationship between age and the performance of small business enterprises. They selected a sample of 409 legally registered small businesses, all managed by their respective owners, and used a Likert scale questionnaire to collect data on nonfinancial performance. The data was analyzed using various statistical techniques, including one-way ANOVA, Pearson's Linear Correlations Coefficient (PLCC), and simple regression analysis. The findings indicated a significant difference in performance between older and younger small business owners. Similarly, Ogubazghi and Muturi (2014) conducted a study in Asmara City, Eritrea, focusing on the impact of age and educational level of owner/managers on small and medium manufacturing enterprises' (SMMEs) access to bank loans. They selected a sample of 87 SMMEs and collected primary data through semi-structured and structured questionnaires. Descriptive and econometric statistical analysis techniques were used to analyze the data. The study found that the age of the owner/manager significantly influenced SMMEs' access to bank loans, which in turn affected the firm's resources and overall performance.

Lwango, Coeurderoy, and Gimenez (2017) conducted a study to understand the positive effects of family influence on the performance of small and medium-sized enterprises (SMEs), considering variations based on firm size and age. They used a large sample size of 4,240 small businesses in the United States and focused on active ownership, which involves owners' direct involvement. The study found a positive correlation between active family ownership and SME profitability. However, the relationship between family

influence and profitability was negatively affected by firm size and age. In a separate study, Franco and Prata (2019) explored the influence of individual characteristics and personality traits of founders on the performance of family-owned SMEs. They collected data from 123 family-owned SMEs through a questionnaire and found that individual characteristics like age, gender, and academic qualifications did not significantly impact performance. Although these studies examined different aspects, they did not provide a conclusive understanding of the overall impact of family background on SME performance. Therefore, the present study aims to bridge this gap by comprehensively examining the relationship between family background and SME performance.

Virglerova, Dobes, Kramolis, and Kotaskova (2017) conducted a study in the Czech Republic to explore the relationship between SME owners' education and their perception of the business environment. They used Pearson's Chi-squared test to analyze the data and found that businesspersons with lower levels of education were more satisfied with the role of the state in the business environment. Conversely, those with higher levels of education were more aware of administrative obstacles when starting a business. Similarly, Othman, Pazil, Zaib, Jin, Attaullah, and Mahadi (2016) conducted a study in Kelantan to examine the influence of work experience and education on business performance among entrepreneurs. They used stepwise regression analysis and found that work experience had a stronger impact on business performance compared to education. These studies suggest that education may not significantly affect SME performance, but it is important to conduct further research in different contexts, such as Kenya, to validate these findings.

2.4 Research Gaps

The aforementioned exploration has shed light on the various factors that influence the performance of small and medium-sized enterprises (SMEs) owned by women, particularly when compared to those owned by men. However, it is worth noting that there are discrepancies in the methodology employed and the specific constructs investigated across the reviewed studies. For instance, Games (2020) examined the impact of socio-cultural factors on innovation using the Partial Least Squares (PLS) methodology. Conversely, Sanka, Malima, and Mbogo (2018), as well as Bullough, Guelich, Manolova, and Schjoedt (2021), focused on socio-cultural factors but did not explore socio-economic factors.

Additionally, Bullough, Guelich, Manolova, and Schjoedt (2021) conducted an empirical review that relied on secondary data. In contrast, Mashenene (2020) investigated the performance disparities between urban and rural SMEs, while the present study solely concentrates on SMEs in urban areas. The various gaps identified are illustrated in the table 2.1

Table 2.1 Summary of Knowledge Gaps

Author	Focus of Study	Findings	Research Gap
Ahmed and Kar (2019)	Influence of demographic status on Profitability among businesses owned by youth in Ethiopia.	Performance among the women-youth owned businesses increased significantly among older owners who and among owners with previous work experience.	The study focussed on youth demographic status while the current focusses on women-owned businesses.
Khan, Salamzadeh, Shah and Hussain (2021)	Factors determining the success of female-owned SMEs in the Pakistan	The study revealed that both internal and external factors significantly impact performance among women SMEs.	The study did not assess the influence of financial literacy impacts on business performance which this study seeks to determine.
Oyugi and Wainaina (2020)	Effect of Micro financial services and profitability among SMEs owned by women in Migori Township, Kenya	The study determined that financial services offered by microfinance were significantly influential in the success of women enterprises.	The study did not access how cultural aspects and demographic components of business owners impact firm performance.

Sanka, Malima and Mbogo (2018)	Influence of social-cultural factors on business outcomes of small and medium enterprises (SMEs) in Tanzania	The study determined a positive correlation between socio-cultural elements and business performance.	The study did not consider how demographic status explained the success of women business.
Uddin (2021)	The motives driving women involvement in business activities and the factors hindering their success.	The study noted that gender discrimination, lack of management skills, lack of financing, fear of failure, inadequate training, and work-family conflict were the main hindrances to the growth of female SMEs in Bangladesh	The study focused on businesses in Bangladesh, a country while this research examines women-owned SMEs in Kenya.

2.5 Conceptual Framework

The conceptual framework serves as a visual representation that illustrates the relationship between the independent and dependent variables of the research. The provided conceptual framework depicts the interplay between socio-cultural status, economic status, demographic status, and the performance of women-owned small and medium enterprises (SMEs). This proposed relationship is effectively captured by the conceptual framework presented below.

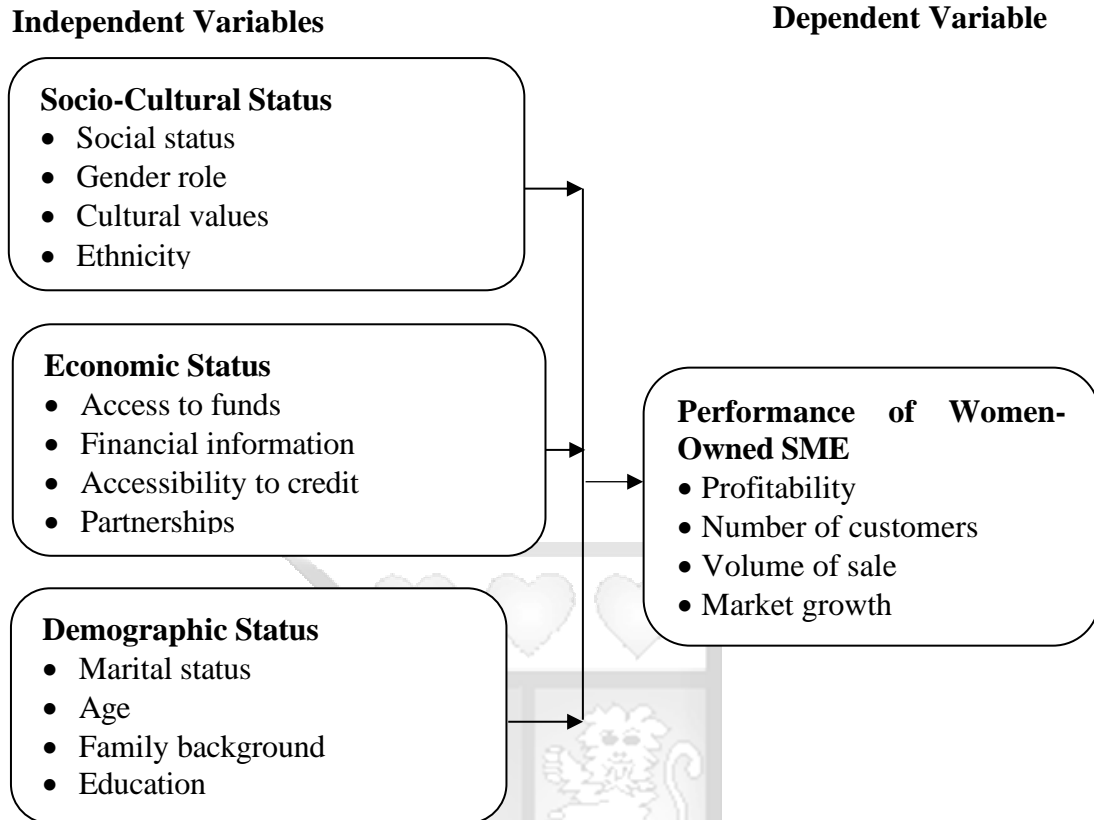


Figure 2.1 Conceptual Framework

Source: Researcher (2023)

2.6 Operationalization of Study Variables

Operationalization serves as a crucial tool in the transformation of abstract concepts into measurable attributes, enabling their evaluation through the use of indicators. To assess both the dependent and independent variables, a rating scale ranging from 1 (strongly disagree) to 5 (strongly agree) will be utilized. The specific indicators employed in this study are concisely presented in Table 2.2.

Table 2.2 Operationalization of Variables

Variable	Indicators	Measurement	Supporting Literature
Performance of SME	<ul style="list-style-type: none"> • Profitability • Number of customers • Volume of sale • Market growth 	Five-point Likert scale 1-Strongly Disagree 2-Disagree 3- Neutral 4-Agree 5-Strongly Agree	Githinji & Rugami, (2017); Wube (2010).
Socio-cultural status	<ul style="list-style-type: none"> • Social status • Gender roles • Cultural values • Ethnicity 	Five-point Likert scale 1-Strongly Disagree 2-Disagree 3- Neutral 4-Agree 5-Strongly Agree	Hosseinia & Ramezani (2016); Felicia, George, Owoyemi, & Adegboye (2013)
Economic status	<ul style="list-style-type: none"> • Access to funds • Financial information • Accessibility to credit • Partnerships 	Five-point Likert scale 1-Strongly Disagree 2-Disagree 3- Neutral 4-Agree 5-Strongly Agree	Githinji & Rugami, 2017); Muthathai (2017); Cantwell (2014)
Demographic status	<ul style="list-style-type: none"> • Marital status • Age of business owner • Family background • Education 	Five-point Likert scale 1-Strongly Disagree 2-Disagree 3- Neutral 4-Agree 5-Strongly Agree	Githinji & Rugami, (2017); Kinyanjui, (2014); Muthathai (2017);

2.7 Chapter Summary

The current chapter delves into the theories that form the basis of the study, along with the empirical studies conducted by scholars on the subject of socioeconomic status and the performance of women-owned SMEs. Furthermore, it provides a concise summary of the research gaps identified in previous studies. The conceptual framework is established by elucidating the interrelationships between variables, and the operationalization table offers a detailed description of the variables and their respective measures.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter addresses the key components of the methodological approaches employed to tackle the research problem. In particular, it emphasizes the underlying philosophy and design that shaped the study, as well as the target population. Additionally, this chapter encompasses the sampling design, data collection procedures, pilot testing, and the subsequent analysis of the gathered research data, all in a sequential manner. Lastly, the ethical principles to be upheld throughout the study are also incorporated within this chapter.

3.2 Research Philosophy

According to Stokes (2013), it is proposed that social behavior studies should be approached using the same techniques employed in natural sciences research. In this study, positivist paradigm was adopted. This approach allows for the measurement and quantification of variables such as socio-cultural status, economic status and demographic status which are crucial in understanding the effect of socio-economic status on SMEs performance. Statistical analysis is essential for researchers to identify patterns, correlations, and causal relationships in their studies. The positivist paradigm ensures research reliability and validity by employing rigorous scientific methods to minimize bias. This is particularly important when studying women-owned SMEs to avoid gender stereotypes. The positivist approach allows for the collection of objective data that can be replicated and verified by other researchers, enhancing the credibility and generalizability of the study's findings.

3.3 Research Design

Blumberg, Cooper, and Schindler (2014) elucidate that research design encompasses the structure for data collection and analysis. The study adopted a descriptive and exploratory design. A descriptive research design determines and reports the way things are (Mugenda & Mugenda, 2003). Maxwell (2013) observes that a descriptive research design is used when data is collected to describe persons, organizations, settings, or phenomena.

Descriptive design uses a pre-planned design for analysis (Schwandt, Lincoln, & Guba, 2007). In this study, inferential statistics and measures of central tendency, dispersion, and distribution will be applied. Because the area under study has limited research references, an exploratory research design will be used. According to Creswell (2015), this is a flexible design that allows the researcher to consider many different aspects of a problem. Creswell (2015) further argues that it is a method of collecting information by administering a questionnaire to a sample of individuals with particular information on a specific area of study.

3.4 Target Population

Stokes (2013) defined population as all elements a researcher seeks to draw inferences from. Study population, in contrast, is a distinct group of entities like individuals or organizations from which data is collected for analysis. This distinction is crucial for research design and data interpretation. (Blumberg, Cooper, & Schindler, 2014). In this specific study, the population comprised of 14,232 women-owned small and medium enterprises (SMEs) that were registered and operational in the 17 constituencies of Nairobi City County by June 2023 (NCC, 2023). The decision to focus on women-owned SMEs was motivated by their susceptibility to social and economic status, given the competition they face from larger firms and male-dominated businesses in the market.

Table 3.1 Distribution of Target Population

Sector	Frequency	Percentage
Financial services	1281	9
Agriculture	1423	10
Construction	1566	11
Energy	1423	10
Education	1708	12
E-commerce	854	6
Transport	996	7
Telecommunications	996	7
Insurance	854	6
Healthcare	1139	8
Food and Beverage	1992	14
Total	14232	100

Source: Nairobi County, Digital Economy and Startups Unit (2023)

3.5 Sampling Design and Sample Size

Sampling design is a method used to identify a specific population by employing a procedure that researchers use to select items for the study's sample (Blumberg, Cooper & Schindler, 2014). In this research, a stratified sampling approach was utilized to ensure that only women-owned SMEs were included. By using this sampling technique, researchers were able to minimize the amount of data needed, particularly when focusing on a subgroup rather than collecting data from the entire population (Patten & Newhart, 2017). The sample respondents for this research were determined using the Yamane formula.

where; n is the sample size, N is the total population, and e is the level of precision.

Thus; $n =$

$$n = \frac{N}{1 + N(e)^2}$$

$$= \frac{14,232}{1 + 14,232(.05 \times .05)}$$

$$= 14,232 / [1 + (14,232 \times 0.05 \times 0.05)]$$

$$= 389$$

The sample size was created based on the strata or categories that the SMEs were referencing the population. The frequency for each strata was based on the percentage of SMEs within that category. The sample size is distributed as shown in table 3.2.

Table 3.2 Distribution of Sample Size

Sector	Frequency	Percentage
Financial services	35	9
Agriculture	39	10
Construction	43	11
Energy	39	10
Education	47	12
E-commerce	23	6
Transport	27	7
Telecommunications	27	7
Insurance	23	6
Healthcare	31	8
Food and Beverage	54	14
Total	389	100

The unit of observation of this study was the owner or manager of SMEs. The choice of these respondents is based on the fact that they possess information that this study sought as they are involved in the daily activity and operation of the targeted SMEs.

3.6 Data Collection Instruments

In order to collect data for this study, primary data was gathered through the administration of a questionnaire. The questionnaire was designed to capture the thoughts, motives, behaviors, achievements, and experiences of the individuals involved (Mellenbergh, 2008). Closed-ended questions were utilized in the questionnaire. Its purpose was to gather information pertaining to the objectives of the study, while also ensuring that the participants were not subjected to any form of manipulation (Franker, 2006). The decision to employ questionnaires was based on their cost-effectiveness and time efficiency, as emphasized by Franker (2006). The questionnaire was divided into two distinct parts: the first part concentrated on acquiring demographic particulars, whereas the second part delved into the primary goals and purpose of the research. To assess responses, a Likert scale format was implemented, encompassing questions that ranged from 1 to 5 on a 5-point scale (Kiess & Bloomquist, 2008).

3.7 Data Collection Procedures

The drop-off and pick-up survey method was employed to distribute the research questionnaires. This involved the researcher personally delivering the questionnaire to the respondent's designated location and collecting it once it had been successfully completed. Scholars have suggested this method as an effective alternative to using postal mail or telephone surveys (Ghauri, Ronhaug, & Strange, 2020). During the data collection process, three research assistants were trained on the purpose of the study and the ethical considerations that needed to be taken into account. These research assistants then assisted in circulating the questionnaires to the targeted respondents. To maintain a diverse representation of the constituency, an average of 23 respondents were chosen from various locations within each of the 17 sub-counties. Additionally, a strategic approach was adopted where an average of two questionnaires were distributed to 10 sub-sectors, except the food and beverage sub-sector where 3 questionnaires were distributed since it has the highest number of SMEs. This was done across all 17 sub-counties in order to mitigate any

bias towards specific sub-sectors. This distribution method ensured that every sub-sector was adequately represented in the study. This approach also helped the researcher to capture a comprehensive understanding of the diverse sub-sectors and ensure that the total number of sample size is attained. In cases where a respondent was delayed in filling out the questionnaire, follow-up phone calls were made to remind them to do so. If any clarification was required, either the researcher or the research assistants provided the necessary information to the respondents.

3.8 Pilot Testing of Research Instrument

The inclusion of pilot testing for the research instrument is of utmost importance during the research process as it ensures that the selected research instrument is capable of fulfilling the study's objectives (Stokes, 2017). To evaluate the validity and reliability of the study instrument, a pilot test was conducted on a subset of the study's participants, representing 20% of the total sample size. This methodology was deemed ideal for effectively assessing the study instrument's performance.

3.8.1 Reliability Test of Research Instrument

Reliability pertains to the consistency of a measurement and involves evaluating the degree to which a measurement is free from random or unstable errors (Blumberg, Cooper, & Schindler, 2014). It signifies the degree to which a measure is unbiased and ensures the consistency of the measuring instrument (Punch & Oancea, 2014). In order to gauge the reliability of the research instrument in this study, the Cronbach Alpha scoring technique was employed. This method guarantees that the internal consistency of the research items is evaluated against a standardized scale system. According to Golafshani (2003), the following guideline can be followed: a score above 0.9 is considered excellent, above 0.8 is good, above 0.7 is acceptable, above 0.6 is questionable, and above 0.5 is unacceptable. Hence, for this particular study, an alpha score exceeding 0.7 would be deemed acceptable.

3.8.2 Validity Test of Research Instrument

According to Punch and Oancea (2014), the concept of validity pertains to the accuracy of information obtained through the data collection method. To maximize the level of validity, it is essential to utilize the most precise research instrument available. Moreover, the

research supervisor played a crucial role in ensuring content validity by providing guidance throughout the development of the research instrument, ensuring that all objectives were adequately addressed.

3.9 Data Analysis and Presentation

The data collected was analyzed with the aid of the Statistical Package for Social Sciences (SPSS) Version 24 software. Data analysis was both descriptive and inferential. Descriptive analysis constituted finding the percentages, means and standard deviations of the scores on items in the study variables in order to obtain the basic trends of the data. On the other hand, inferential analysis was in form of both Spearman rank correlation coefficient and multiple regression analysis (Kothari 2004). The correlation analysis facilitated the researcher to establish the strength and significance of relationships between the independent variables and the dependent variable. Spearman correlation is a non-parametric test to measure the degree of association between two variables. It makes no assumptions about the distribution of data and is appropriate when the variables are measured on a scale that is least ordinal. The regression equation used in the analysis is as follows:

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \epsilon$$

Where:

Y is the dependent variable performance of SMEs owned by women

α is the model intercept

β_{1-3} is the coefficient of independent variables

X is the independent variable

X_1 – socio-cultural status,

X_2 – economic status,

X_3 – demographic status,

ϵ represents the error term in the model

3.10 Ethical Considerations

When engaging in social research with human participants, it is essential to follow

prescribed research guidelines. In this respect, the study took measures to ensure that all participants were provided with a consent form prior to their involvement in the research. In addition, the research ensured that all the collected data was solely used for the specified academic purposes. The researcher obtained approval from the Ethics Review Committee before conducting the primary survey. Finally, in adherence to the institution's guidelines, the researcher obtained a research license from NACOSTI.



CHAPTER FOUR

DATA ANALYSIS AND FINDINGS

4.1 Introduction

This chapter discusses data analysis, interpretation, and presentation of the findings. The purpose of the study was to analyze the effect of socioeconomic status on performance of women owned small and medium enterprises in Nairobi County. The findings aimed to answer the study's research questions. The collected data was collated, and reports were produced in the form of tables and figures for better comprehension.

4.2 Questionnaire Response Rate

The research focused on 389 women participants who owned small and medium-sized enterprises (SMEs) in Nairobi County. However, only 301 questionnaires were completed and returned, resulting in a response rate of 77%. This response rate was considered satisfactory for the analysis and conclusion of the study, as it is consistent with Kothari's (2004) perspective. According to Kothari (2004), a response rate of 50% is sufficient for analysis and reporting, while a rate of 60% is deemed good, and 70% or higher is exceptional and suitable for the study. Therefore, the achieved response rate of 77% indicates a high level of participation and establishes a solid groundwork for the research findings.

Table 4.1 Response Rate

	Frequency	Percentage
Filled Questionnaires	301	77
Unfilled Questionnaires	88	23
Total	389	100.0

Source: Researcher (2024)

4.3 Demographic Respondent Profile

The section provides an overview of the respondents' demographic characteristics, focusing on various aspects such as the number of employees within their respective businesses, the age of the business owner, the educational background of the business owner, their marital status, the extent of family involvement in the business, and their

religious affiliation. These factors were examined to gain a comprehensive understanding of the respondents' profiles.

4.3.1 Number of Employees

The size of a business can be gauged by the number of individuals it employs, as evidenced in this particular study that focuses on small and medium-sized enterprises (SMEs). This data serves to enhance comprehension of the workforce's magnitude and its implications on various aspects within the SME sector. The study's findings reveal that 32% of the SMEs had less than 10 employees, while 31% had between 11 and 20 employees. Furthermore, 12% of the SMEs had 21 to 30 employees, 15% had 31 to 40 employees, and 5% had between 41 and 50 employees. The study affirms that all the respondents who participated in this research met the criteria, as the majority of businesses had between 10 and 49 employees.

Table 4.2 Number of Employees

	Frequency	Percent
Less than 10	97	32
11-20	94	31
21-30	51	17
31-40	54	15
41-50	15	5
Total	301	100

4.3.2 Religion of the Respondents

Religion, as a deeply ingrained belief system, can influence various aspects of an individual's life, including their entrepreneurial endeavors. Various religious beliefs, values, and practices can shape an individual's entrepreneurial aspirations, decision-making processes, and business practices. The study findings indicated that a substantial majority of the respondents, comprising 73% (219 individuals), self-identified as followers of the Christian faith. On the other hand, 27% (82 individuals) of the respondents identified as Muslims. These statistics highlight a notable disparity in the religious affiliations of the women surveyed. The findings shed light on the religious composition of the sample population, indicating a clear dominance of Christianity among the respondents. Furthermore, it suggests that Christian women may have a greater inclination towards

engaging in business ventures compared to women belonging to the Muslim faith.

Table 4.3 Religion of the Respondents

	Frequency	Percentage
Christian	219	73
Muslim	82	27
Total	301	100

4.3.3 Age Category of the Respondents

Understanding the age distribution within SMEs is crucial since it provides insights into the generational composition of the workforce, which can influence the dynamics and culture within the organization. The largest proportion of owners, comprising 34%, belonged to the age group of 29-39 years. This finding suggests that individuals in their late twenties to late thirties are actively involved in establishing and managing SMEs. The second-largest age category was 40-49 years, accounting for 32% of the owners. This indicates that individuals in their forties also play a significant role in the SME sector. The study revealed that a considerable number of SME owners, 18% were within the age range of 50-59 years. This suggests that individuals in their fifties are also engaged in entrepreneurship and are willing to take risks in establishing and managing their own businesses. On the other end of the age spectrum, the study found that 6% of SME owners were aged between over 60 years and between 24-28 years. This finding highlights the entrepreneurial spirit and ambition of individuals in their mid-twenties, who are willing to take on the challenges of starting and running their own businesses. While those aged above 60 years are leaving embarking to other activities that are not demanding most of their time and presence. Moreover, the study found that 4% of SME owners were between the ages of 18-23 years, indicating that even younger individuals are actively participating in the SME sector.

Table 4.4 Age Category of the Respondents

	Frequency	Percentage
18-23	12	4
24-28	18	6
29-39	102	34
40-49	96	32
50-59	54	18
Over 60 years	18	6
Total	301	100

4.3.4 Level of Education

The educational background of managers and business owners has a significant impact on the performance of small and medium-sized enterprises (SMEs). The study also aimed to determine the educational attainment of small and medium-sized enterprise (SME) owners. The findings revealed that out of the total sample size, 29% (88) possessed a secondary certificate as their highest educational qualification. Additionally, 24% (71) held a college diploma, while 22% (67) had only completed primary school. Surprisingly, 15% (44) had obtained a postgraduate degree, indicating a significant level of higher education among SME owners. However, it is concerning that 31% (10) had no formal education qualifications, suggesting that they had dropped out of school before completing primary education. These results shed light on the diverse educational backgrounds of SME owners and highlight the need for targeted support and resources to enhance their business skills and knowledge.

Table 4.5 Level of Education

	Frequency	Percentage
No education at all	31	10
Primary Certificate	67	22
Secondary certificate	88	29
College Diploma	71	24
Post graduate degree	44	15
Total	301	100

4.3.5 Marital Status of the Respondents

The findings from the survey indicate that a significant majority of the SME owners, accounting for 52% (157) were married. This suggests that a substantial portion of these individuals have chosen to embark on their entrepreneurial journey with the support and stability provided by a marital partnership. Being married may offer advantages such as shared responsibilities, emotional support, and potentially access to additional financial resources, helping in the prosperity and robustness of their organizations. Additionally, the data reveals that a considerable proportion of SME owners, comprising 31% (96) respondents, were either separated or divorced. The challenges associated with separation or divorce may have implications for their businesses, as they may face additional personal and financial pressures that can impact their ability to focus on and effectively manage their enterprises. Interestingly, the survey also indicates that a smaller percentage of SME owners, 9% (30) respondents were single. This suggests that a minority of entrepreneurs have chosen to pursue their business ventures without the support of a marital partner. Being single may offer certain advantages, such as greater flexibility and independence in decision-making, but it may also mean that these individuals bear the sole responsibility for managing both their personal and professional lives. This can require a higher level of dedication and self-reliance, as they may not have the same level of emotional and financial support as their married counterparts. While and 8% were widow, showing that they run their business with any support.

Table 4.6 Marital Status of the Respondents

	Frequency	Percent
Single	25	9
Widow	23	8
Married	157	52
Separated/divorce	96	31
Total	301	100

4.3.6 Family Involvement in Business

Understanding the prior history of the owner's family involvement in business provides valuable insights into the entrepreneurial mindset, experience, and expertise that may have been passed down through generations. According to the results obtained, it was found that

a significant majority of the respondents, 70% (210) of the respondents reported having a family background in business. On the other hand, the remaining 30% (91 individuals) stated that their family members have not previously been involved in any business ventures. The data reveals that a substantial number of respondents have a lineage that is closely associated with business endeavors. This could suggest that these individuals may have inherited a certain level of entrepreneurial skills, knowledge, or resources from their family members. It is worth noting that having a family history in business can potentially influence an individual's inclination towards pursuing entrepreneurial ventures themselves. The presence of such a background may provide a supportive environment, where experiences, advice, and guidance from family members who have already been involved in business can be shared. Conversely, the findings also indicate that a significant minority of respondents do not have any familial ties to business. This suggests that these individuals may not have been exposed to the world of entrepreneurship through their family members. However, it is important to acknowledge that this does not necessarily imply a lack of interest or potential in pursuing business activities. These individuals may have developed their entrepreneurial aspirations through other means, such as personal experiences, education, or external influences.

Table 4. 7 Family Involvement in Business

	Frequency	Percent
Yes	210	70
Widow	91	30
Total	301	100

4.4 Descriptive Statistics

The study variables were examined in this section through an analysis of descriptive statistics, focusing on the mean and standard deviation. The mean was obtained by adding the score of each parameter (question) and then dividing by the number of respondents to that particular parameter. In this study, a Likert scale of 1–5 was adopted, where a mean of 1.00–1.80 was considered to be strongly disagree, 1.81–2.60 was considered to be disagree, 2.6–3.40 was considered to be moderate, 3.41–4.20 was considered to be agree, and 4.21–5.00 was considered to be strongly agree. Conversely, a standard deviation value greater than 0.5 signifies homogeneity, indicating that the respondents had a similar understanding of the issue and provided similar responses. On the other hand, a standard deviation below 0.5 demonstrates heterogeneity, suggesting a range of outcomes within the sample. Nevertheless, if the data is homogeneous, it indicates that the respondents had a comparable comprehension of the subject and delivered identical replies.

4.4.1 Socio-Cultural Status and Performance of Women Owned SMEs

The study aimed to establish the extent to which socio-cultural status affect the performance of women owned small and medium enterprises in Nairobi County. The results obtained were as displayed in Table 4.3 below.

Table 4.8 Socio-Cultural Status and Performance of Women Owned SMEs

	Mean	STDev
Women running businesses face biases and stereotypes based on their social status limiting their credibility in business prospects.	4.42	0.546
I face difficulties in balancing family responsibilities that require most of my time and energy with less time dedicate to my businesses	4.41	0.492
Cultural values that are deep rooted in patriarchal societies that we live in hinders my business performance	4.48	0.575
Ethnicity play a key role in the performance of SMEs in this area	4.44	0.566
Average	4.44	0.545

The study presented respondents with four statements that examined the impact of socio-cultural status on the performance of women-owned small and medium enterprises (SMEs)

in Nairobi County. The findings revealed that deeply ingrained cultural values in patriarchal societies significantly hinder the business performance of women, as indicated by a mean score of 4.48. Moreover, ethnicity was found to play a crucial role in the performance of SMEs in Nairobi County, with a mean score of 4.44. The study also highlighted that women entrepreneurs face biases and stereotypes based on their social status, which limit their credibility in business opportunities. Additionally, they encounter difficulties in balancing family responsibilities, which demand a significant amount of their time and energy, resulting in less time dedicated to their businesses, as illustrated by mean scores of 4.42 and 4.41, respectively. The overall average mean score obtained was 4.44, with a standard deviation of 0.545. This indicates a strong consensus among the respondents regarding the impact of socio-cultural status on the performance of women-owned SMEs in Nairobi County. The mean scores obtained in the study ranged from 4.48 to 4.41, suggesting a robust relationship between the variables examined. This illustrates that socio-cultural status consistently has a significant impact on the performance of small and medium-sized enterprises (SMEs) owned by women in the region. Additionally, the standard deviation values ranged from 0.492 to 0.575, with an average standard deviation of 0.545. This indicates that the data collected for the study is relatively homogeneous, implying a consistent pattern in the responses provided by the participants. The findings of this study provide valuable insights into the challenges faced by women entrepreneurs in Nairobi County and emphasize the importance of addressing socio-cultural status to foster the growth and success of women-owned SMEs.

4.4.2 Economic Status and Performance of Women Owned SMEs

The study aimed to establish the extent to which economic status influence performance of women owned small and medium enterprises in Nairobi County. The results obtained were as shown in Table 4.4 below.

Table 4. 9 Economic Status and Performance of Women Owned SMEs

	Mean	STDev
Limited access to funds hinders growth of women owned SMEs ability to invest in necessary resources such as technology, equipment, and skilled labor.	4.50	0.545
Access to accurate and timely financial information help me to make an informed decisions regarding investment, expansion, and risk management.	4.32	0.530
Credit accessibility provides women entrepreneurs with the financial resources needed to innovate and adopt new technologies that can lead to increased efficiency.	4.57	0.552
I face challenge to get partnership that can lead to increased market reach and customer base through shared networks and distribution channels	4.09	0.642
Average	4.35	0.567

This study involved respondents who were asked to consider various statements aimed at gauging the influence of economic status on the functioning of women-led small and medium enterprises (SMEs). The research findings highlighted the pivotal role of credit accessibility in empowering women entrepreneurs, as it equips them with essential financial resources to drive innovation and embrace new technologies, ultimately resulting in improved operational efficiency. This assertion was supported by a mean score of 4.57, indicating a strong agreement among the respondents. Conversely, the study also highlighted the significant hindrance that limited access to funds poses to the growth of women-owned SMEs. This limitation prevents them from investing in essential resources such as technology, equipment, and skilled labor, as indicated by a mean score of 4.50. The lack of financial resources restricts their ability to expand and compete effectively in the market. Furthermore, the research demonstrated that access to accurate and timely financial information greatly assists women entrepreneurs in making informed decisions regarding investment, expansion, and risk management. This finding was supported by a mean score of 4.32, indicating a consensus among the respondents. By having access to reliable

financial information, women-owned SMEs can navigate the complexities of the business environment more effectively and make strategic choices that contribute to their success. The study revealed that women-owned SMEs in Nairobi County face challenges in establishing partnerships that could enhance their market reach and customer base through shared networks and distribution channels. This difficulty was illustrated by a mean score of 4.09, suggesting that there is room for improvement in this aspect. By forming strategic alliances and collaborations, women entrepreneurs can leverage the resources and expertise of other businesses to expand their market presence and increase their competitiveness. With an average mean score of 4.35 and a standard deviation of 0.567, it is evident that economic disparities play a significant role in influencing the performance of women-owned SMEs in Nairobi County. The mean scores varying from 4.09 to 4.57 indicate a strong association between the economic inequality metrics utilized. Furthermore, the standard deviation ranging between 0.530 and 0.642, surpassing 0.5, suggests consistency in the study data, providing additional support for the findings' reliability.

4.4.3 Performance of Women owned SMEs

The study aimed to establish the extent to socioeconomic status influence performance of women owned small and medium enterprises in Nairobi County. The results obtained were as displayed in Table 4.6 below.

Table 4.10 Performance of Women owned SMEs

	Mean	STDev
Socioeconomic status affects my business market growth	4.23	0.676
Socioeconomic status affect the number of customers within my business.	4.07	0.910
Socioeconomic status affects the volume of sales of my business	4.23	0.859
I have a limited profit margin due to socioeconomic status that I experience in running my business	4.21	0.749
Average	4.19	0.799

Respondents were further presented with four statements on performance of women owned small and medium enterprises in Nairobi County. According to the findings, it was

established that socioeconomic status affects women business market growth and volume of sales of the business as illustrated by mean score of 4.23 in this case. The study also established that women businesses have a limited profit margin due to socioeconomic status that women experience in running their business as shown by mean score of 4.21. Finally, the study established that socioeconomic status affect the number of customers served by women owned SMEs as shown by mean score of 4.07. The results obtained from the participants in Nairobi County demonstrate a consensus on the issues of socioeconomic disparities and the effectiveness of women-owned small and medium enterprises. This consensus is substantiated by the mean score of 4.19 and a standard deviation of 0.799. The mean score falls within a narrow range of 4.07 to 4.23, indicating a strong correlation between the variables employed to assess the performance of these enterprises. Furthermore, the standard deviation ranges from 0.676 to 0.910, surpassing the threshold of 0.5, which indicates the uniformity of the data collected in the study.

4.5 Inferential Statistics

Mugenda and Mugenda (2010) describe inferential statistics as the statistical field that is concerned with making generalizations, estimates, and approximations using sample data. This method is applied to inform decisions related to populations by analyzing data obtained from a specific target group. In the study, correlation analysis was utilized to establish statistical significance and the nature of the relationship between the dependent variable and independent variables. Additionally, a regression model was used to investigate the impact of socioeconomic status on the performance of women-owned small and medium enterprises in Nairobi County. The study's independent variables were demographic status, socio cultural status and economic status while SMEs performance was the dependent variable.

4.5.1 Spearman Correlation

Spearman rank correlation was utilized in the study to examine the linear relationship between the variables. This coefficient is a powerful tool for quantifying the statistical connection between independent and dependent variables. Saunders, Lewis, and Thornhill (2009) evaluated the correlation and provided a comprehensive interpretation of the results. According to their findings, a correlation coefficient (r) of 1 indicates a strong relationship,

while a value between 0.9 and 1 suggests a perfect linear correlation. A positive strong correlation is indicated by a value between 0.9 and 0.7, while a positive moderate correlation falls between 0.7 and 0.5. A positive low correlation is represented by a value between 0 and 0.5, and a correlation coefficient of 0 indicates a weak correlation. On the other hand, a correlation coefficient of -1 indicates a negative correlation relationship. The study's results, including the correlation coefficients, can be found in Table 4.8.

Table 4.11 Spearman Correlation

		Performance of women owned SMEs	Demographic status	Socio-cultural status	Economic status
Performance of women owned SMEs	Pearson Correlation	1			
	Sig. (2-tailed)				
Demographic status	Pearson Correlation	0.558	1		
	Sig. (2-tailed)	0.000			
Socio-cultural status	Pearson Correlation	0.539	0.229	1	
	Sig. (2-tailed)	0.000	0.000		
Economic status	Pearson Correlation	0.563	0.159	0.146	1
	Sig. (2-tailed)	0.000	0.000	0.002	

Source: Researcher (2024)

It was established that there was a significant and positive relationship between demographic status, socio-cultural status, and economic status, as shown by Spearman correlation values of 0.558, 0.539, and 0.563 in that order. These findings imply that the success of SMEs owned by women is impacted by the three dimensions of socioeconomic status covered in this study.

4.5.2 Multiple Regression Analysis

Regression equation for each of the study variable as well as their respective model equation for the multiple regression model based on the findings of the simple regression were tested. The multiple regression analysis was utilized to investigate the relationship between dependent variable (performance of SMEs owned by women) and independent variables (socio-cultural status, economic status and demographic status)

To attain this, the R-Squared statistic was utilized to in order to establish how well the model fits the data. Coefficient of determination (R-squared) is a statistical measure that determines how closely the regression line matches the actual data in the process of regression analysis. It determines what percentage of the variance in the dependent variable, which in this case is performance of women owned small and medium enterprises, can be attributed to the factors that are classified as independent variables. R squared has been modified to account for the fact that there are now more predictors in the model. This new statistic is referred to as adjusted R squared. The value of the adjusted R-Squared will only go up if the addition of the new predictor results in a significant (i.e., statistically significant) improvement to the model. The standard error of the estimate is a measure of the accuracy of predictions, and it lowers when a predictor improves the model by less than what would be anticipated by chance. However, it increases when a predictor improves the model by more than what would be expected by chance. Additionally, the standard error (or errors) of the regression offers an absolute measurement of the typical distance that the data points deviate from the regression line.

Model Summary

The correlation of determination was utilized by the researcher in order to establish the strength of the relationship between the dependent variable (performance of women owned small and medium enterprises in Nairobi County) and the independent variables (demographic status, socio cultural status and economic status).

Table 4.12 Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
	0.755	0.570	0.561	0.261

An Analysis of Variance –ANOVA

ANOVA analysis was conducted to determine the significance of the model in explaining the association between the dependent and independent variables in the study. The results from the table indicate that the p-value is less than 0.05 (0.000), providing sufficient evidence to support the usefulness of the model in explaining the impact of socioeconomic status on the performance of women-owned small and medium enterprises in Nairobi County. Additionally, the calculated F-value (65.407) surpasses the mean square value (4.441), suggesting that the model holds statistical significance in predicting the effect of socioeconomic status on the performance of women-owned small and medium enterprises in Nairobi County.

Table 4.13 ANOVA

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	13.323	3	4.441	65.407	0.000
Residual	10.049	297	0.034		
Total	23.372	300			

Coefficients

Three independent variables were found to have significant regression weights. The decision to include unstandardized coefficients in the regression model was based on their ease of perception and comprehension, as well as their preferred use in calculations and analyses (Siegel et al., 2016). The coefficient for demographic status was 0.641, with a p value less than 0.05. Similarly, socio-cultural status had a coefficient of 0.630 and a p value less than 0.05, while economic status had a coefficient of 0.538 and a p value less than 0.05. Notably, all p-values were less than 0.05, indicating that demographic status, socio-cultural status, and economic status significantly influence the performance of women-

owned small and medium enterprises in Nairobi County (Siegel et al., 2016).

Table 4.14 Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients		
	B	Std. Error	Beta	t	Sig.
(Constant)	1.392	0.535		31.350	0.000
Demographic status	0.641	0.389	0.911	27.177	0.000
Socio-cultural status	0.630	0.371	0.917	28.283	0.000
Economic status	0.538	0.529	0.753	14.031	0.000

Therefore, the regression equation is;

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \epsilon$$

Where:

Y is the dependent variable – Organizational Performance,

B0 is the regression coefficient/constant/Y-intercept,

β1, β2, β3, and **β4** are the slopes of the regression equation,

X1 is the demographic status,

X2 is the socio-cultural status,

X3 is the economic status,

ε is an error term

Therefore, the regression equation was;

$$Y = 1.392 + 0.641X_1 + 0.630X_2 + 0.538X_3$$

4.6 Chapter Summary

The chapter presented the findings derived from the collected data, which included descriptive statistics, multiple regression analysis, and correlation. Additionally, the means and standard deviations of each variable were incorporated. The research findings were expounded upon in the chapter, wherein tables were utilized to present the results along with comprehensive explanations accompanying each table.

CHAPTER FIVE

DISCUSSION OF FINDINGS, CONCLUSION, AND RECOMMENDATIONS

5.1 Introduction

This chapter provided a detailed discussion of each and every research objective. In addition, the chapter provided a detailed conclusion and recommendations drawn thereafter in regards to the effect of socioeconomic status on performance of women owned small and medium enterprises in Nairobi County.

5.2 Summary of the Findings

The findings suggest that small and medium-sized enterprises (SMEs) are prevalent and important in Nairobi County's economy. There is a difference in entrepreneurial activity between Christian and Muslim women, highlighting the need for further research to understand the underlying reasons. Most of the people who are actively engaged in entrepreneurship ranged between 29-50 years. Additionally, while formal education plays a role in equipping women with business skills, other factors such as experience and creativity also contribute to entrepreneurial success. The study highlights that socio-cultural disparities, deeply rooted cultural values, biases, stereotypes, and familial obligations significantly impede the success of women-owned SMEs in Nairobi County. These barriers underscore the challenges faced by female entrepreneurs in patriarchal societies, affecting their overall performance and access to business opportunities. The study also concludes that economic status, particularly limited access to credit and financial resources, hinder the performance and growth of women-owned SMEs. Access to credit and reliable financial information is crucial for empowering female entrepreneurs and enabling them to make informed decisions that contribute to their overall success.

5.3 Discussion of Findings

This section provided a detailed discussion of each and every study variable in terms of the effect of demographic status, socio cultural status and economic status on the performance of women owned SMEs in Nairobi County.

5.3.1 Demographic Status and Performance of Women Owned SMEs

The study sought to examine the effect of demographic status on the performance of women owned small and medium enterprises within Nairobi County. Four key statements were presented to the study respondents. The study shows that many businesses surveyed are small and medium-sized enterprises (SMEs), with most having 10 to 49 employees. This highlights the prevalence of SMEs at this scale and emphasizes their importance in the economy. There is a difference in entrepreneurial activity between Christian and Muslim women, with Christian women being more engaged. This may be due to cultural, religious, and societal factors, as well as access to resources. Further research is needed to understand the reasons behind this disparity. Individuals younger than fifties are actively involved in entrepreneurship and are willing to take risks. This challenges the notion that entrepreneurship is mainly pursued by the younger generation. Age should be considered when studying entrepreneurial behavior. The study also reveals that many women who own businesses have a secondary certificate as their highest educational qualification, followed by a college diploma. This suggests that formal education plays a role in equipping women with the skills and knowledge needed for business success. However, other factors such as experience and creativity also contribute to entrepreneurial success.

Inferential statistics results indicated that demographic status has a positive and statistically significant effect on the performance of women-owned SMEs in Nairobi County. The R-Squared value obtained was an indication that 82.9% of performance of women-owned SMEs within Nairobi County is determined by demographic status. ANOVA results indicated that the model is statistically significant in predicting the effect that demographic status has on performance of women-owned SMEs in Nairobi County.

The findings of this study conform to those of Han, Jin, Wood and Yang (2019), they pointed that demographic status play a significant role in shaping the distribution of resources, opportunities, and outcomes within a society, often leading to disparities and overall quality of life. Bayala, Djika and Sako (2023) that demographic status can have significant implications for the success and growth of SMEs, as they can affect access to resources, opportunities, and networks. Han, Jin, Wood, and Yang (2019) asserted that female-owned small and medium enterprises (SMEs) frequently encounter more

significant obstacles when it comes to obtaining capital in comparison to their male counterparts. This disparity can be attributed to a multitude of factors, including gender biases prevalent in lending practices, restricted networks, and lower levels of financial literacy.

5.3.2 Socio-Cultural Status and Performance of Women Owned SMEs

The study aimed to examine the influence of socio-cultural disparities on the performance of women-owned small and medium enterprises (SMEs) in Nairobi County. The results revealed that the success of female entrepreneurs is significantly hampered by deeply rooted cultural values that are commonly observed in patriarchal societies. These values create obstacles for women entrepreneurs, as they face biases and stereotypes based on their social status, which in turn diminishes their credibility in accessing business opportunities. Additionally, the study shed light on the pivotal role played by ethnicity in shaping the performance of small and medium-sized enterprises (SMEs), accentuating its implications for the triumph or collapse of these ventures. The study identified that women encounter difficulties in managing their time and energy due to the substantial demands of their familial obligations. Consequently, this results in a reduced amount of time and attention that can be dedicated to their businesses, ultimately affecting their overall performance. These findings underscore the multifaceted nature of the barriers faced by women in patriarchal societies, encompassing cultural values, biases, stereotypes, and familial responsibilities, all of which contribute to hindering their business success.

Inferential statistics results indicated that socio-cultural status had positive and statistically significant effect on the performance of women-owned SMEs in Nairobi County. The R-Squared value obtained was an indication that 84% of performance of women-owned SMEs within Nairobi County is determined by socio-cultural status. ANOVA results indicated that the model was statistically significant in its ability to predict the effect that socio-cultural status has on performance of women-owned SMEs in Nairobi County.

The study findings conform Ogbuabor, Onu and Nwibo (2020) socio-cultural status highlight the unequal distribution of social and cultural resources among different groups within a society. These statuses are deeply rooted in historical, political, and economic

structures, perpetuating social hierarchies and marginalizing certain communities. Petro, Anastazia and Mashenene (2018) argued that most societies often assign a lower social status to women as compared to men resulting to restricted access to resources, networks, and opportunities. This inequality hinder the growth and success of women owned SMEs they are facing challenges in securing funding, establishing business connections, and gaining recognition in the market. In their study, Adisa, Egbetokun, and Siyanbola (2019) ascertained that women encounter discriminatory practices when seeking financial assistance, leading to adverse effects their business growth and performance.

5.3.3 Economic Status and Performance of Women Owned SMEs

The study aimed to establish the extent to which economic status influence performance of women owned SMEs within Nairobi County. The study found that availability of credit is a vital factor in empowering female entrepreneurs as it equips them with the necessary financial means to innovate and embrace new technologies, ultimately resulting in improved efficiency. The limited access to funds poses a significant obstacle to the growth of small and medium-sized enterprises (SMEs) owned by women, hindering their ability to invest in crucial resources such as technology, equipment, and skilled labor. By having access to accurate and timely financial information, women entrepreneurs are better equipped to make informed decisions regarding investment, expansion, and risk management. This access to reliable financial information enables women-owned SMEs to navigate the complexities of the business environment more effectively and make strategic choices that contribute to their overall success.

Inferential statistics results indicated that economic status had positive and statistically significant effect on the performance of women-owned SMEs in Nairobi County. The R-Squared value obtained was an indication that 56.8% of performance of women-owned SMEs within Nairobi County is determined by economic status. ANOVA results indicated that the model was statistically significant in its ability to predict the effect that economic status has on o performance of women-owned SMEs in Nairobi County.

The findings agree with Khan, Salamzadeh, Shah and Hussain (2021) pointed out that women entrepreneurs often face challenges in securing adequate funding for their

businesses. This can be attributed to various factors such as limited collateral, lack of financial literacy, and gender biases in the financial sector. Chit (2019) added that access to accurate and up-to-date financial information is crucial for making informed business decisions and developing effective financial strategies. Finally, Muhumuza (2018) argued that women entrepreneurs often encounter difficulties in obtaining loans from financial institutions due to various reasons, including gender biases, lack of collateral, and limited credit history.

5.4 Conclusion

The study conducted in Nairobi County revealed that demographic status plays a crucial role in influencing the performance of women-owned small and medium enterprises (SMEs). Factors such as age, education, and religious affiliation were identified as key influencers of entrepreneurial activity among women. The disparity between Christian and Muslim women, as well as the impact of age on entrepreneurial behavior, were highlighted as areas requiring further investigation. While formal education is essential in providing women with the necessary skills for business success, experience and creativity were also noted as contributing factors. The study emphasized that socio-cultural disparities, including cultural values, biases, stereotypes, and familial responsibilities, significantly impede the performance of women-owned SMEs in Nairobi County. These factors result in reduced time and attention that can be devoted to business activities, ultimately affecting overall performance. Economic status, particularly limited access to credit and funds, were found to hinder the growth and investment capabilities of women-owned SMEs. However, access to accurate financial information was identified as a key factor in enabling women entrepreneurs to make informed decisions and navigate the business environment successfully, ultimately leading to their overall success.

5.5 Recommendations

The study recommends that policymakers and stakeholders should focus on addressing demographic status, cultural and religious factors, and access to resources in order to support and promote the performance of women-owned small and medium enterprises. Additionally, age and educational qualifications should be taken into consideration when designing programs and initiatives to support entrepreneurial behavior among women.

Additionally, efforts should be made to address socio-cultural disparities and patriarchal values that hinder the success of women-owned SMEs, as well as the need to provide support for women entrepreneurs in managing their familial obligations to improve their overall performance. The study also recommends that improving access to credit and providing accurate financial information can empower women-owned SMEs, enabling them to innovate, embrace new technologies, and make informed decisions that contribute to their overall success.

5.6 Implications of Research

The findings of this study had significant implications for various parties, including the management of SMEs in Kenya, concerned sectoral policymakers, and academicians and scholars.

5.5.1 Contribution to SMEs management

The study of socioeconomic status and its impact on the performance of women-owned small and medium enterprises (SMEs) in Nairobi County holds significant benefits for the management of the Small and Medium Enterprises Association of Kenya (SMEAS). Through the study of socioeconomic status, the SMEAS management can gain a comprehensive understanding of the unique circumstances and barriers faced by women-owned SMEs in Nairobi County. This knowledge can enable the development of tailored programs and initiatives to address these challenges effectively. For instance, by identifying the specific areas where women entrepreneurs face the most significant disparities, such as access to education, training, and mentorship opportunities, the SMEAS management can design capacity-building programs to enhance the skills and knowledge of women entrepreneurs. Additionally, by recognizing the impact of cultural and societal norms on women's participation in entrepreneurship, the SMEAS management can advocate for policy changes and create a supportive environment that encourages women's economic empowerment.

5.5.2 Contribution to Policy Makers

The study of socioeconomic status and its impact on the performance of women-owned small and medium enterprises (SMEs) in Nairobi County holds significant importance in informing policy makers. By examining the various factors that contribute to the success or challenges faced by women entrepreneurs, policy makers can gain valuable insights into the specific needs and barriers faced by this demographic. This knowledge can then be utilized to develop targeted policies and interventions that promote gender equality, economic growth, and sustainable development. Furthermore, the study of socioeconomic status on the performance of women-owned SMEs can contribute to evidence-based policymaking. By conducting rigorous research and collecting empirical data, policy makers can rely on solid evidence to support their policy decisions. This ensures that policies are not based on assumptions or stereotypes but are grounded in a thorough understanding of the challenges and opportunities faced by women entrepreneurs. Policymakers can use the findings of the study to advocate for gender-responsive policies, secure funding for targeted interventions, and collaborate with relevant stakeholders to implement effective measures that promote the growth and sustainability of women-owned SMEs.

5.5.3 Contribution to Knowledge

The study of socioeconomic status and their impact on women-owned small and medium enterprises in Nairobi County contributes to the existing body of knowledge in several ways. Firstly, it provides empirical evidence and data that highlight the extent of these status and their implications for the performance and growth of women-owned businesses. Secondly, it helps identify the specific factors that contribute to these status, such as limited access to capital, gender biases, and societal norms. Lastly, it offers insights into the potential solutions and interventions that can be implemented to address these statuses and promote the economic empowerment of women entrepreneurs. By generating this knowledge, researchers and policymakers can work towards creating a more equitable and inclusive business environment that benefits not only women entrepreneurs but also the overall economy of Nairobi County.

5.7 Limitations of the Study

The study on the impact of socioeconomic status on women-owned small and medium enterprises (SMEs) in Nairobi County provides valuable insights. However, there are limitations to consider. The findings may not be generalizable to other regions or countries since the research focused solely on Nairobi County. The study relied on self-reported data, which may introduce bias and inaccuracies. Alternative data collection methods, such as interviews or observations, should be considered for future studies. The study also neglected other potential factors that may influence the success of women-owned SMEs, such as access to finance, networking opportunities, and government policies. Some of the respondents were reluctant to respond to the study feeling that the data obtained from them maybe used by competitors to ruin their business image. Likewise, some of the respondents took more time to respond and even after making follow up they did not show positive response.

5.8 Suggestions for Further studies

To further contribute to the existing literature, it is recommended to conduct comparative studies across different counties or regions within Kenya to identify regional variations and tailor interventions accordingly. Future research should also explore the specific mechanisms through which socioeconomic status affect women-owned SMEs, including the role of education, social networks, and cultural norms. Longitudinal studies tracking the performance of women-owned SMEs over time would be beneficial to assess the long-term effects of socioeconomic status and evaluate the effectiveness of support programs and policies aimed at reducing status and promoting growth. The study suggests that there is a need to carry out a study to establish the other 43% discovered in the study that contribute to the performance of women-owned SMEs other than socioeconomic disparities covered in this study.

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5. Has your family been involved in business?

Yes [] No []

6. Does your family have any known chain of business?

Yes [] No []

7. What is your religion?

Christian [] Muslim []

Others (specify).....

Part B: Socioeconomic Status

8. Kindly indicate the extent to which socio-cultural status influence performance of your business. Use a scale of 1-5 where; 1= *Not at all*, 2= *To little extent*, 3 = *To a moderate extent*, 4= *To a great extent* and 5 = *To a very great extent*.

Socio-Cultural Status	1	2	3	4	5
Women running businesses face biases and stereotypes based on their social status limiting their credibility in business prospects.					
I face difficulties in balancing family responsibilities that require most of my time and energy with less time dedicate to my businesses					
Cultural values that are deep rooted in patriarchal societies that we live in hinders my business performance					
Ethnicity play a key role in the performance of SMEs in this area					

9. What would you recommend to be done to ensure socio-cultural status faced by SMEs run by women perform well as those owned by men?

.....

10. Please indicate the extent to which socio-cultural status influence performance of your business. Use a scale of 1-5 where; 1= *Not at all*, 2= *To little extent*, 3 = *To a moderate extent*, 4= *To a great extent* and 5 = *To a very great extent*.

Economic Status	1	2	3	4	5

Limited access to funds hinders growth of women owned SMEs ability to invest in necessary resources such as technology, equipment, and skilled labor.					
Access to accurate and timely financial information help me to make an informed decisions regarding investment, expansion, and risk management.					
Credit accessibility provides women entrepreneurs with the financial resources needed to innovate and adopt new technologies that can lead to increased efficiency.					
I face challenge to get partnership that can lead to increased market reach and customer base through shared networks and distribution channels					

11. What would you recommend to be done to ensure economic status faced by SMEs run by women perform well as those owned by men?

.....

Part C: Performance of Women Businesses

12.The questions in this sub-section are on the evaluation of performance of the women owned SMEs in your area. Use a scale of 1-5, where (1-strongly disagree, 2-disagree, 3-neutral, 4-agree and 5- strongly agree) tick one.

Statement	1	2	3	4	5
Socioeconomic status affects my business market growth					
Socioeconomic status affects the number of customers within my business.					
Socioeconomic status affects the volume of sales of my business					
I have a limited profit margin due to socioeconomic status that I experience in running my business					

13.What would you recommend to enhance your business performance in relation to the Socioeconomic status you experience?

.....

Thank you for your Participation.

Appendix II: SU-ISERC



17th May 2024

Ms Njenga Loise
loise30@gmail.com

Dear Ms Njenga,

RE: Effect of Socioeconomic Inequalities on Performance of Women Owned Small and Medium Enterprises in Nairobi County

This is to inform you that SU-ISERC has reviewed and approved your above SU-masters proposal. Your application reference number is SU-ISERC1969/24. The approval period is from 17th May 2024 to 16th May 2025.

This approval is subject to compliance with the following requirements:

- i. Only approved documents including (informed consents, study instruments, MTA) will be used.
- ii. All changes including (amendments, deviations, and violations) are submitted for review and approval by SU-ISERC.
- iii. Death and life-threatening problems and serious adverse events or unexpected adverse events whether related or unrelated to the study must be reported to SU-ISERC within 72 hours of notification.
- iv. Any changes anticipated or otherwise that may increase the risks or affected safety or welfare of study participants and others or affect the integrity of the research must be reported to SU-ISERC within 72 hours.
- v. Clearance for the export of biological specimens must be obtained from relevant institutions.
- vi. Submission of a request for renewal of approval at least 60 days prior to the expiry of the approval period. Attach a comprehensive progress report to support the renewal.
- vii. Submission of an executive summary report within 90 days of completion of the study to SU-ISERC.

Before commencing your study, you will be expected to obtain a research license from National Commission for Science, Technology, and Innovation (NACOSTI) <https://research-portal.nacosti.go.ke/> and obtain other clearances needed.

Yours sincerely,

Mr Ambrose Rachier,
Chairperson; SU-ISERC

Appendix III: NACOSTI Approval


REPUBLIC OF KENYA


**NATIONAL COMMISSION FOR
SCIENCE, TECHNOLOGY & INNOVATION**

Ref No: **352503** Date of Issue: **23/May/2024**

RESEARCH LICENSE



This is to Certify that Miss.. Loise Wanjiru Njenga of Strathmore University, has been licensed to conduct research as per the provision of the Science, Technology and Innovation Act, 2013 (Rev.2014) in Nairobi on the topic: Effect of Socioeconomic Inequalities on Performance of Women Owned Small and Medium Enterprises in Nairobi County for the period ending : 23/May/2025.

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Appendix IV: SIMILARITY INDEX

Final Project LOISE NJENGA- MAY 2024.docx

ORIGINALITY REPORT

1 %	1 %	0 %	0 %
SIMILARITY INDEX	INTERNET SOURCES	PUBLICATIONS	STUDENT PAPERS

PRIMARY SOURCES

1	su-plus.strathmore.edu Internet Source	<1 %
2	erepository.uonbi.ac.ke Internet Source	<1 %
3	ir.jkuat.ac.ke Internet Source	<1 %
4	www.researchpublish.com Internet Source	<1 %
5	www.journals.eanso.org Internet Source	<1 %
6	www.ijsrp.org Internet Source	<1 %
7	insight.cumbria.ac.uk Internet Source	<1 %
8	www.uok.ac.in Internet Source	<1 %