Impact Entrepreneurial Networking Structural Dimensions and Growth of Small and Medium Enterprises in Kenya

Albert Njibwakale Wanambisi¹, Gregory Simiyu Namusonge², Henry Bwisa³

¹PhD, Lecturer Jomo Kenyatta University of Agriculture and Technology Email: *albertnjibwakale[at]gmail.com* +254720409713

²PhD, Professor of entrepreneurship Jomo Kenyatta University of Agriculture and Technology Email: gsnamusonge[at]yahoo.co.uk +254722896092

³PhD, Professor of entrepreneurship Jomo Kenyatta University of Agriculture and Technology Email: *bwihem[at]gmail.com*

Abstract: This study investigates the influence of entrepreneurial networking structural dimensions on the growth of small and medium enterprises SMEs in Kenya. The study employed a mixed research design. The findings of the study revealed that entrepreneurial networking structural dimensions include diversity, density and focal position significantly impact growth. The findings suggest that regulatory policies encouraging SME entrepreneurs to participate in entrepreneurial networking could mitigate growth challenges. The study also recommends that SME entrepreneurs should strategically configure their entrepreneurial networking to access resources and information that enhance growth. Key words: Entrepreneurial networking structural dimensions, Growth of Small and Medium Enterprises, SMEs in Kenya, Networking diversity, Networking density, Focal position, Entrepreneurial outcomes, Business growth.

1. Introduction

1.1 Background of the Study

Growth of small and medium enterprises increasing their ability to contribute towards economic growth and creation of employment to reduce an increasing unemployment. However, growth of SMEs of world over has been concern as indicated by limited growth and high failure rate (Lori, Rajshekhar & Robert, 2018). Mandakini and Goswami (2019) estimate that 40 percent of SMEs fail during their first two years of startups in various countries worldwide. Namusonge (2017) defines SMEs as enterprises having having 10 - 100 employees and turnover ranging between Ksh.500, 000 - 5, 000, 000. However, in Kenya the failure rate of SMEs is 60 percent which is generally higher than average world (KNBS, 2019; Linguli, Namusonge & Sakwa, 2015). These high failure rate and low growth rates have attracted many researchers and policy makers in order to identify measures that can intervene to enhance survival and growth of SMEs or firms in general.

Makwara (2019) observes that entrepreneurial networking structural dimensions place entrepreneurs in suitable position on networks to access resources and innovations to enhance entrepreneurial outcomes. Brand, Croonen and Leenders (2018) identify elements of networking structural dimensions consist of focal position, networking density, distance gaps between networking elements and networking diversity. Bwisa (2018) posits that networking structural dimensions determine where and how one can reach to execute enterprises functions. Leyden, Link and Siegel (2014) note that network configuration affects knowledge diffusion, processes and product development. Mueller, Bogner, Buchmann and Kudic (2017) note that networking density is characterised by frequency of communication and the number of connections between nodes within a networks. The authors further note that networking density present number of connections between nodes and affect communcation among nodes (entrepreneurs). However, effects of entrepreneurial networking structural dimension on growth of SMEs in Kenya is little known and no clear documentation. Thus, there is need of empirical study to examine of entrepreneurial networking structural dimension on growth of SMEs.

1.2. Purpose of the study

The purpose of this study is to empirically investigate the influence of entrepreneurial networking structural dimensions on the growth of small and medium enterprises in Kenya.

1.3 Statement of the Problem

Despite the importance of small and medium enterprises (SMEs) in economic growth and job creation in the world Kenya included they face high failure and low growth rate. Statistics indicate that many SMEs lack inadequate resources and face stiff competition (OECD, 2018; Karanja & Namusonge, 2017). There is need for the urgent measures to address these challenges facing SMEs in order to position them in better places to contribute to economic functions.

Brand et al. (2018) observed that entrepreneurial networking structural dimensions affect where and who a networking partner reached to execute enterprises' activities. The study further noted networking dimensions influenced method of

Volume 12 Issue 7, July 2023 www.ijsr.net

communication and dependency on others resources. However, there is no documentation whether SME operators utilise networking diversity, density or position in their networking. The current study attempted to examine effects of entrepreneurial networking structural dimensions on growth of SMEs in kenya. The study was imperative since considered SMEs in developing countries that experience different legislations and economic condition unlike developed countries. Thus, contributed to academic discourse of entrepreneurship.

1.4 Specific objective

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

1.5 hypothesis of the study

 H_0 : there is no statistically significant relationship between entrepreneurial networking structural dimensions and growth of SMEs.

1.6 Significance of the Study

This study is significant as it provides empirical evidence on the impact of entrepreneurial networking structural dimensions on SMEs growth in Kenya. The findings can inform policy - making and strategic decisions for SME entrepreneurs and contribute to the academic discourse on entrepreneurship.

1.7 Justification of the Study

It is imperative for the current study to examine effects of entrepreneurial networking structural dimensions on growth of SMEs. The previous studies never considered networking (diversity density and position) on growth of SMEs in one study. The study was among first to adopted integrated model of networking diversity, density and position on growth of SMEs. The findings of developed countries cannot be seamless applicable in Kenya.

1.8 Scope of the Study

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

1.9 Limitation of the Study

The study made certain methodological assumptions that arose from the survey design used in the study. The methodology relied on standardization of research collection tools forcing the researcher to develop general questions that were minimally appropriate to all respondents, possibly missing what was most appropriate to many respondents. Besides, survey is inflexible and requires initial design to remain unchanged throughout the data collection. To address the issues the researcher piloted the research data collection instruments for suitability in data collection.

2. Theoretical Framework

2.1 Entrepreneurial Networking Theory

Walker et al. (1997) hold that entrepreneurs are embedded in networks of social and business. According to Nair et al. (2016), entrepreneurial networking provide mechanism for dependency on others resources and subsequently create social capital to enhance entrepreneurial outcomes. Burt (2015) posits that entrepreneurial networking is a paradigm shift where an entrepreneur networks with other entrepreneurs and enterprises to access resources and information to enhance entrepreneurial outcomes. Stam et al. (2014) observe that networking dimensions determine where one can reach. Kim and Lee (2016) hold that networking structures determine flow, quality of resources and modal of sharing. The Entrepreneurial Networking theory is adequate to examine effects of networking structure on growth of SMEs.

2.2 Conceptual Framework

The conceptual framework model shows diagrammatically the relationships between independent and dependent variables in the study (Kothari, 2003). Entrepreneurial networking theory and entrepreneurship theory provided concepts and constructs to examine influence of entrepreneurial networking on growth of SMEs.

Independent variable	Dependent variable
Entrepreneurial networking structural dimensions • Density • Position • Diversity	Growth of SMEs Sales turnover Profitability Employees turnover

Figure 1: Conceptual framework

3. Literature Review

Entrepreneurial Networking Structural Dimensions

The literature review on networking structural dimension is arranged under three sub - heading: networking density, networking diversity

Networking density

Mueller, Bogner, Buchmann and Kudic (2017) examined effects of netwoking on innovation acquistion among SMEs. The study found that networking density represented number of connections between nodes within a networks. The further found that that networking density characterised with highy and more frequently communicated eased flow of resources and diffusion of innovations among members. Similar to Gnyawali and Madhavan (2001) found that number of networking characterised with members from different industries along chain distribution resulted into discoveries and generation of innovations improved products.

Basole et al. (2017) evaluated entrepreneurial networking density on growth of Small and Medium Enterprises in manufacturing sector. The study employed qualitative design and considered manufacturing SMEs, focal position and diversity of networks. The study found that networking density affected flow of innovations and improvement of new products. The study further established that high networking density was suitable for explorative innovation of acquisition of knowledge.

Abbas et al. (2019) evaluated effects of networking density on growth of Small and Medium Enterprises in United Kingdom and Pakistan. The study employed quantitative design and structured questionnaire to collect data from SME operators. The study found that low networking density generated innovations and investions that had positive significant effects on entrepreneurial outcomes. The current study attempted to fill conceptual gaps by employing integrated approach by considering networking diversity, density and postions on growth of SMEs in Kenya.

Nadini, Zino and Porfiri (2020) examined effects of density networking on diffusion of innovations. The findings of the study indicated that high networking density eased diffusion marketing information. The study further established that high networking density generated low innovations and exposed firm's competitiveness to competitors.

Burt (2015) examined effects of position of SMEs in entrepreneurial networking on growth of SMEs in China. The study employed qualitative design and descriptive survey. The target population were entire SMEs in China. The study found that that an entrepreneur occupying central position increased its prominence in the network by easy to access to network resources and controlling. Similar Tseng et al. (2016) found that an SME entrepreneur occupying central position in entrepreneurial networking influenced networking standards and contents to enhance their enterprises outcomes in Italy. This meant that position of an entrepreneur in entrepreneurial networking determined where and how one reached to other networking members to enhance entrepreneurial outcomes. The current study attempted examine nature of resources and analyze effects on entrepreneurial outcomes.

Das and Goswami (2019) examined effect of networking position on access to networking resources Assam District India. The study found that peripheral position allowed networking partner sever unprofitable relationships. However, Naude et al. (2014) found that entrepreneurs' peripheral contributed to diminishing prominence and miss of vital information from strategic networking partners. The current study attempted integrated both positions in networking (focal/ peripheral) and analyze benefits and limitation of each position.

Lai et al. (2016) evaluated effects of networking diversity on entrepreneurial outcomes in China. The study found that high networking diversity was characterized by partners from different industries or a long supply chain. The study further established networking diversity created entrepreneurial opportunities for enterprises growth. Imran et al. (2019) found that shortest distance between SME entrepreneurs increased frequent of interaction that ease sharing of information, finance and favorable terms of sales that increased sales of firms in India. Van der Eijk (2015) examined effects distance between networking partners on access to resources among German SMEs. The study found that long distances among networking members doesn't affect communication with advent of Information and Communication Technology. The study further established that long distance between networking members generated innovative resources that improved growth of SMEs. The current study attempted to consider virtual (electronic) networking on entrepreneurial outcomes in Kenya.

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

Kiprotich (2017) investigated effects of networking structural dimensions on growth of SMEs in Machakos, Kenya. The study found that great distance between networking hindered exchange of information among networking partners. The current study attempted to fill the gap by considering use of information and Communication Technology in networking. Maina et al. (2016) found that supply networking density generated ordinary innovation that yielded low entrepreneurial outcomes. Buyayi (2016) avers that supply chain networking free funds to expand entrepreneurial outcomes.

Mwangi and Namusonge (2016) examined effects of networking diversity on growth manufacturing SMEs in Kirinyaga Kenya. The study found that networking generated low entrepreneurial outcomes. Sifuna et al. (2017) found that diversity networking created control and coordination problems that hampered sharing of resources and information to perform enterprises activities in Kisumu County. The current study attempted to examine influence of diversified entrepreneurial networking on growth of SMEs in Kenya.

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

Volume 12 Issue 7, July 2023 <u>www.ijsr.net</u> Licensed Under Creative Commons Attribution CC BY

4. Research Methodology

4.1 Research design

The study was guided by the Positivism Philosophy, advocated by Auguste Comte in 1830, which emphasizes factual data collection and objective interpretation. The study adopted a mixed research design that included both quantitative and qualitative approaches. The mixed research is suitable where quantitative and qualitative approaches are effective for gathering descriptive information where the researcher wants to know about the attitude of people concerning one or more variable through direct query. According to Saunders, Lewis and Thornhill (2003), quantitative data is strongly linked to deductive testing of theories through hypothesis, while qualitative approach is concerned with inductive reasoning and formulation of theories. Kothari (2003) observe that qualitative research design is effective in helping researchers understand people and the social cultural contexts within which they live so that valid conclusion can be made on phenomena of interest. The study employed interview and focus groups to collect qualitative data gain deeper insights into the experiences and perspectives of SME operators. Additionally, the study benefit by going beyond quantitative data that answered what from a more detailed explanation of the data analysis methods used. The study adopted descriptive research design with intention of describing the nature of existing conditions without manipulation of some variables.

4.2 Target population

According to Mugenda and Mugenda (2003), target population is the entire group of individuals, events or objects having common observable characteristics that distinguishes it from other populations. The target population of study was all small and medium enterprises (SMEs) registered in Nairobi, Nakuru and Trans Nzoia Counties in the years (2018). The study adopted SMEs from three counties: Nairobi represented SMEs in Cities, Nakuru big municipalities and Trans Nzoia rural.

Table 1:	Target population
----------	-------------------

6	1 1
County	SMEs
Nairobi	1543
Nakuru	481
Trans Nzoia	330
Total	2354

Source: Nairobi, Nakuru and Trans Nzoia Business Directory (2018)

Sampling frame

The study determined sample size using Yemen formula. The calculation yielded 341 SME.

Y = N/(1+N(e)2) Where: N = number of SMEs (2354), e = error (0.05). the Yemen formula yielded 341. The study employed stratified sampling techniques to place SMEs in Nairobi, Nakuru and Trans Nzoia Counties. Simple

sampling technique was employed to select SMEs from each stratum. Previous empirical studies where similar sampling frames were used included Kariuki and Iravo (2016) and Katambo and Okatch (2016).

Sector	Target Population	Percent	Sample size
	Ν	%	Ν
Nairobi	1543	15	223
Nakuru	481	15	70
Trans Nzoia	330	15	48
Total	2354	15	341

Validity and Reliability Testing of Data Collection Instruments

Validity is the extent to which an instrument measures what it is supposed to measure. According to Bryman and Cramer (2005), validity concerns the accuracy and meaningfulness of inferences which are based on research results. This ensures that study variables measure concepts correctly and provide correct inferences to population parameters. Mugenda and Mugenda (2003) recommend that reviewing a large body of literature to carefully identify concepts, ideas, relationship and developing questionnaire questions from existing relating studies and pre - testing the questionnaire formally with academic experts to evaluate individual items.

Reliability of Data Collection Instruments ensure that tools give consistent results on every use. The study conducted pilot study among small and medium enterprise operators in Kisumu County Kenya. All the variables yielded Cronbach values above 0.7 an indication of meeting threshold.

5. Research Findings and Discussion

5.1 Response rate

The study distributed three hundred and seven - five questionnaires to the respondents out of which, 267 were completed and returned. Thus, achieving a response rate of 71.2 percent and this was considered adequate for the purpose of further analysis. According to Mugenda and Mugenda (2003), a response rate of 50 percent and above is adequate for social science and education. The response rate for the current study was above a recommended of above 50 percent for social and educational studies.

Influence of Networking Structural Dimensions on Growth of SMEs

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

Tuble 4.1. Influence of Birdetara Difficusions and Growar of Birdets								
Statement	SD	D	U %	Α	SA	Μ		
Central position influence access to networking market information	2.0	5.0	7.0	30	66.0	4.2		
Shortest path with other networking partners easy sharing of resources	5.0	24.0	2.0	32	37.0	4.0		
High Interconnections enhancing sharing of marketing information	3.0	6.0	3.0	12.0	70.0	4.1.		
Frequent interaction through meeting gatherings and telephone share marketing opportunities	4.0	6.0	6.0	11.0	73.0	3.8		
Supply chain reduce holding of more capital in stock.	2.0	7.0	10.0	45.0	36.0	3.9		
Diversity membership generated innovation improved products.	3.8	10.5	5.2	43.8	36.7	4.0		
Distant networking partners created innovative resources	6.0	6.0	9.0	25.0	57.0	4.0		
Overall Mean						4.0		

Table 4.1: Influence of Structural Dimensions and Growth of SMEs

The overall low means of 4.0 on a likert scale of 1 - 5 indicated strong agreement that entrepreneurial networking structural dimensions had influence on growth of SMEs. This meant networking dimensions had significant influence on where and at who the networking partner reached for assistance or resources. The finding of the study are supported by those of Brand et al. (2018) and Abbas et al. (2019) who found that entrepreneurial networking structural dimensions had influence on flow of resources, market opportunities and information to enhance growth of enterprises.

The central position on entrepreneurial networking had highest mean of 4.2 indication of agreement. This implied that central position had positive influence in creating networking partner prominence in the network. The finding of the are supported by Stam et al. (2014) who found that focal position in the network eased networking partner access to network resources and information enhanced entrepreneurial outcomes.

However frequent of interaction had the lowest mean of 3.8 on a likert scale of 1 - 5 though still an indication. The findings of the study are supported by Kiprotich et al. (2018) who found that the frequent position eased sharing of resources and information that had significant effect on entrepreneurial outcomes. Mwangi and Namusonge (2016) found that high frequent of interaction created non - competitive resources with low effect on entrepreneurial outcomes.

Qualitative Data on Networking Structural Dimensions

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

The study views were supported by Stam et al. (2014) who felt that high density networking increased diffusion of networking innovation. Mwangi and Namusonge (2016) felt that an entrepreneurial networking characterized by high frequency of contacts among networking members increased diffusion of information, knowledge, innovations and networking resources that enhanced growth of SMEs. Kiprotich (2014) felt that frequency of communication eased sharing of networking resources to mitigate resources deficiency that limited SMEs growth.

Table 4.2:	Qualitative	Networking	Structural	Dimensions
-------------------	-------------	------------	------------	------------

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

Testing Assumption of Linear Regression

a) Normality test of all variables

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

b) Multicollinearity

In bivariate relationship Multicollinearity is not an issue as there are one predictor variable on dependent variable. To test for Multicollinearity in this study, the Variance Inflation Factors were estimated and the study VIF values ranged between 1 - 10. According to Gujarati (2014), if VIF is 1 -10, then there is no Multicollinearity.

International Journal of Science and Research (IJSR) ISSN: 2319-7064 SJIF (2022): 7.942

Table 4.3: Multicollinearity Test using VIF

		Unstandar	dized Coefficients	Standardized Coefficients			Collinearity S	Statistics
Variables		В	Std. Error	Beta	Т	Sig.	Tolerance	VIF
1	(Constant)	6.178	2.510		2.461	.015		
	Networking Structural dimensions	.200	.045	.297	4.458	.000	.727	1.375
a. I	a. Dependent Variable: Growth of SMEs							

Regression

The study used regressions to determine the statistical influence of independent variables (entrepreneurial networking) on dependent variable (growth of SMEs) of the study. The simple linear regression analysis was used to determine (bivariate) relationship between single independent variable. The study tested two types of hypotheses null (H_0) and alternative (H_1).

Regression results of Networking Structural Dimension on SMEs Growth

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

a) Model summary of entrepreneurial networking structural dimension on growth

The model summary of entrepreneurial networking structural dimensions on growth of SMEs revealed that the coefficient of determination $r^2 = 0.64$, which showed that 64 percent of SMEs growth was explained by entrepreneurial

networking structural dimensions significantly (p value = 0.000). The adjusted $r^2 = 0.63.2$ or 63.2 percent meant growth of SMEs explained, the remaining growth of SMEs could be attributed to other factors not captured in the model. The r =0.80 revealed strong positive correlations between entrepreneurial networking structural dimensions and growth of SMEs. The results of the study are supported by those of Maina et al. (2016) who found that entrepreneurial networking structural dimensions had positive significant effects on utilization of networking resources to enhance growth of SMEs in Nairobi Kenya. Lagat (2016) found that networking diverity had significant effects on SME entrepreneurs' access to resources and information to enhance growth of enterprises. However, the findings of the study contradict those of Naude et al. (2014) who found that structural networking dimensions (position of an actor, number of actors and frequent of interactions) had insignificant effects on flow of resources and information to be adopted by members to enhance growth of their enterprises.

 Table 4.4: Model Summarynetworking dimensions and growth of SMEs

Model	R	r squared	Adjusted r squared	F	Sig.		
1	0.800^{a}	0.640	0.632	36.83	0.000		
a. Predictors: (Constant) entrepreneurial structural dimensions. b. Dependent variable growth of SMEs							

b) ANOVA of networking structural dimensions on growth of SMEs

The ANOVA of entrepreneurial networking structural dimensions on growth of SMEs revealed the F value of

36.83 and P value 0 < 0.05. The study revealed that entrepreneurial networking structural dimensions were valid predictor in entrepreneurial networking model determining growth of SMEs.

	Model	Sum of Squares	Df	Mean Square	F	Sig.		
	Regression	1.094	1	1.094	36.83	0		
1	Residual	4844.361	209	23.403				
	Total	4845.455	210					
a. Predictors: (Constant), entrepreneurial networking structural dimensions, b. Growth of SMEs								

 Table 4.35: ANOVA Networking Structural Dimensions and Growth of SMEs

c) Coefficient of regression of entrepreneurial networking structural dimensions

The Coefficient of regression of entrepreneurial networking structural dimensions revealed $\beta_0 = 24.979 \quad \beta_{1=} \ 0.211$, t = 11.226, p value < 0.05. This meant entrepreneurial

networking structural dimensions were significant. The Coefficient of regression of entrepreneurial networking structural dimensions fitted linear regression equation: Y = 24.979 + 0.211 X Where: X = Entrepreneurial

networking structural dimensions, Y = growth of SMEs.

Table 8: Coefficients of regression of structural dimensions and growth of SMEs

Model		Unstandardized Coefficients		Standardized Coefficients	т	Sia	Collinearity Statistics		
		В	Std. Error	Beta	1	Sig.	Tolerance	VIF	
1	(Constant)	24.979	1.355		18.437	0.087			
	Structural dimensions	0.211	0.347	0.216	11.226	.000 ^a	1	1	
	a. Dependent Variable: Growth of SMEs								

Testing Hypothesis Three

The study hypothesized that H_0 : There is no statistically significant relationship between entrepreneurial networking

structural dimensions and growth of Small and Medium Enterprises in Kenya (H_0 : β_0 = 0, H_1 : $\beta_1 \neq 0$). The results of survey revealed β_0 =24.979 $\beta_{3=}$ 0.211, t = 11.226, p value <

0.05. This meant entrepreneurial networking structural dimensions had significant influence on growth of SMEs in Kenya. The study adopted null hypothesis that H_1 : There is statistically significant relationship between entrepreneurial networking structural dimensions and growth of Small and Medium Enterprises in Kenya

The results of the study are supported by Burt (2019) who found that networking structural dimensions (density, range and centrality) had significant effects on who a member of network reached for resources and information in China. Hussein (2017) found that high networking diversity network yielded competitive resources. However, findings of the study contradict those of Lin et al. (2017) who found that networking structural dimensions had insignificant effects on growth of SMEs.

6. Summary, Conclusions and Recommendations

6.1 Summary of Study

Descriptive statistics revealed that entrepreneurial networking structural dimensions had high (mean) the indication of agreement. This meant that entrepreneurial networking structural dimensions had influence to where and whom SMEs reached for assistance to determine growth of SMEs.

6.2 Conclusion of Study

The study concludes that entrepreneurial networking structural dimensions had positive significant influence on growth of SMEs in Kenya. This meant that entrepreneurial networking structural dimensions (networking diversity, density and position) had significant influence on growth of SMEs. This meant that entrepreneurial networking structural dimensions were effective and efficient utilization of entrepreneurial networking resources, information and any other support to enhance growth of enterprises in Kenya.

6.3 Recommendation of study

The study recommends that entrepreneurs should configure valuable entrepreneurial networking to complement SMEs resources to enhance growth. The growth of SMEs increases performance of both social (job creation, reduction of poverty and redistribution of national wealth) and economic (contribution toward Gross Domestic Product, revenue to government through taxation and industrial base) functions. The study recommends that government to formulate legislations to enhancing SMEs networking to mitigating challenges inhibiting growth.

5.4 Areas for Further Research

Further studies ought to be done to examine influence of entrepreneurial networking structural dimensions on growth of SMEs in other countries.

References

- Abbas, J., Aman, j., Mohammad, N &Bano, S. (2020). Impact of Social Media on learning behaviour for sustainable education: evidence of students from selected Universities in Pakistan. *Journal Sustainability*, 11, 2 - 23.
- [2] Basole, R. C., Ghosh, S., & Hora, S. M. (2017). Suply network structure and firm performance: evidence from electronic industry. *IEEE Transaction on Engineering Management*, *1* (1), 1 - 14.
- [3] Brand, M. J., Croonen, E. P., & Leenders, R. T. (2018). Entrepreneurial networking: a blessing or curse? differential effects for low, medium and high performing franchees. *Journal of Small Business Economics*, 50, 783 - 805.
- [4] Burt, R. S. (2017). Social network and temporal discounting. *Network Science*, 5 (4), 411 440.
- [5] Burt, R. S. (2019). Network disadvantaged entrepreneurs: density, hierarchy and success in China and West. *Sage Journal*, *43* (1), 19 50.
- [6] Busayo, A. (2016). The impact of entrepreneurial orientation and networking capability on export performance of Nigerian agricutural SMEs. *Journal for entrepreneurship and Innovation in emerging Economies*, 2 (1), 1 23.
- [7] Bwisa, H. (2011). Entrepreneurship theory and practice: a Kenyan perspective. Nairobi: Jomo Kenyatta Foundation.
- [8] Cronbach, L. J. (1951). Coefficient alpha and internal structure of test. *Psychometrika.3* (16), 297 332.
- [9] Das, M., & Goswami, N. (2019). Effects of entrepreneurial networking on Small performance in Kimrup Ditrict in Assam. *Journal of Global Entrepreneurship Research*, 9 (7), 1 - 14.
- [10] Dollinger, M. J. (2007). *Entrepreneurship Strategic* and Resources. Lombard Illinois: Marsh Publication.
- [11] Gnyawali, D. R., & Madharavan, R. (2016). Comparative networks and cooperative Dynamics. *Academic management, 26,* 431 - 445.
- [12] GoK. (2005). Sessional Paper No.2 of 2005 Development of Micro and Small Enterprises for Wealth and Employment and Poverty Reduction. Nairobi: Kenya Government Printer.
- [13] GoK. (2012). *Micro and Small Enterprise Act, 2012*. Nairobi: Government Printer.
- [14] Greiner, L. E. (1998). Evolution and Revolutions as organisation grows. *Harvard Business Review*, 1 10.
- [15] Gujarati, D. (2014). Basic Econometrics 4th edition. . New York: MacMillan.
- [16] Kariuki, J. W., & Iravo, M. (2015). The perceived roles of Business networking on women owned enterprises in Kenya: A case study of Kenya Association of women Business owners. *Strategic Journal*, 2 (15), 268 - 290.
- [17] Katambo, H., & Okatch, B. (2016). Effects of networking on Small and Medium sized audited firms NairobI. Unpublished Masters dissertation. Nairobi: KCA University.
- [18] Kim, C., & Lee, J. (2018). Effects of network structure on performance in South Korea SMEs: moderation effects of absorptive capacity. *Sustainability Journal*, *10*, 1 - 14.

Volume 12 Issue 7, July 2023

<u>www.ijsr.net</u>

International Journal of Science and Research (IJSR) ISSN: 2319-7064 SJIF (2022): 7.942

- [19] Kinyua, P. M., & Namusonge, G. S. (2016). Entrepreneurial factors influencing the performance of youth enterprises development fund in Kirinyaga County Kenya. *Strategic journal*, 2 (106), 1595 - 1620.
- [20] Kirzner, L. M. (1973). Competition and entrepreneurship. Chicago: University of Chicago Press.
- [21] Kothari, C. R. (2004). *Research methodology: methods and techniques*. New Delhi: New Age International Publishers
- [22] Lai, H. C. (2016). When is betweeness centrality useful to the firm pursuing technological adversity? an internal resources review. *Technology Analysis and Strategic management*.28 (5), 507 523.
- [23] Leyden, D., Link, A. N., & Siegel, D. S. (2014). Atheortical analysis of the role of social networks in entrepreneurship. *Research Policy*, 1157 - 1163.
- [24] Linguli, G. M., & Namusonge, G. S. (2015). Entrepreneurial factors influencing performance of youth run agro - based enterprises in Ngoliba ward Kiambu Kenya. *Strategic Journal of Business and change Management*, 2 (2), 1458 - 1482.
- [25] Lori, R., Rajshekhar, G. J., & Robert, F. S. (2018). Intangible resources influencing the international performance of professional services SMEs in an emerging market: Evidence from India. *International Marketing Review*, 35 (1), 113 - 135.
- [26] Maina, J. N., Mwarwa, S. M., Waiguchu, M., & Riro, G. K. (2016). Network Relationships and firm performance: An Empirical Study of Kenyan manufacturing firms. *International Journal of Economics, Commerce and Management, 4* (3), 258 -272.
- [27] Makwara, T. (2019). Taking on Challenges: Mocro, Small and Medium Enterprises and Socioeconomic development in South Africa. *African Journal of Hospitality, Tourism and Leisure*, 8, 1 - 14.
- [28] Mugenda, O. M., & Mugenda, A. G. (2004). Research nethods: Qualitative and Quantitative approaches. Nairobi: Act Press.
- [29] Mwangi, S., & Namusonge, G. (2014). Influence of innovations on Small and Medium enterprises growth in Kenya. *International Journal for innovation Education and Research*, 3 (4), 102 - 112.
- [30] Myers, M. D. (2009). *Qualitative research in business and management*. London: Sage publications.
- [31] Nair, A., Yan, T., Oke, A., Chiles, T. H., & Lee, Y. S. (2016). How environmental innovation emerge and proliferate in supply network: Acomplex adaptive system perspective. *Journal Supply Chain Management*, 23 (2), 242 - 266.
- [32] Namusonge, G. S. (2017). Determinants of growth Orientated SMEs: A survey of Nairobi Province, Kenya. *Humanities and Social Science journal*, 238 -246.
- [33] Naude, P., Zaefarian, G., Tavani, N. Z., Neghabi, S., & Zaefarian, R. (2014). The influence of networking effects on SMEs performance. *Industrial marketing Management*, 43 (4), 630 641.
- [34] Nunnally, J. C., & Bernstein, I. H. (1994). *Psychometric Theory*. (3rd Ed.). New York:: McGraw -Hill.

- [35] OECD. (2019). OECD SMEs and Entrepreneurship outlook 2019. Paris: OECD Publishing.
- [36] Republic of Kenya (RoK). (2019). *National Economic* Survey 2018: Contribution of SMEs and Entrepreneurship. Nairobi: Government Printer.
- [37] Ruchkina, G., Melnichuk, M., Frumina, S., & Mentel, G. (2017). Small and Medium enterprises in regional development and innovations. *Journal for International studies*, 10 (4), 259 - 271.
- [38] Saunders, M., Lewis, P., & Thornhill, A. (2007). *Resaerch methods for business students*. Edinburg: Prentice Hall.
- [39] Schumpeter, J. (1943). *The theory of Economics Development*. New York: Harvard University Press.
- [40] Stam, W., Arzlanian, S., & Elfring, T. (2014). Social capital of entrepreneurs and small firms performance: a meta analysis of contextual and methodological moderators. *journal for business venturing*, 29 (1), 152 - 173.
- [41] Whipple, M. J., Wiedmer, R., & Boyer, K. K. (2015). A dyadic investigation of collaborative competence, socia capital and performance in buyer suppliers relationship. *Journal of supply chain management*, 15 (2), 2 - 21.

DOI: 10.21275/SR23630184717