

# Training Programmes and Performance of Micro and Small Enterprises in Western Kenya

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**Abstract:** While Micro and Small Enterprises (MSEs) are crucial to the growth of many national economies, there are various obstacles to their expansion. Past studies have noted that, in addition to financial difficulties, owners often lack the necessary skills to improve their abilities and capacities. When lending money to MSEs, Microfinance Institutions (MFIs) and other financial intermediaries are frequently recognized to incorporate capacity building as a support service. The goal of this study was to determine how much training programs in Kenya contribute to MSE performance. Trainings in the fields of finance, management, information technology, and marketing were included. A sample of 398 licensed MSEs were chosen from a study population of 65,698. Structured questionnaires were used in the study's descriptive survey approach to gather primary data. Descriptive and inferential statistics were used to present the data after it had been evaluated using statistical software (SPSS). The study's findings showed that training programs significantly explain the variance in MSE Performance since  $F_o = 9.809 > F(4, 397) = 2.37$ ;  $\alpha = .001$   $ac = .05$ . The study came to the conclusion that training programs help MSEs grow and develop. The study makes recommendations for intermediary agencies to strengthen MFIs' abilities to provide MSEs with quality training programs that are suited for their needs, as well as for MFIs to promote cost recovery on training activities to maintain their service support to MSEs. According to the report, future research should concentrate more on methods for establishing pertinent processes and content that should be used in training activities given to certain MSEs.

**Keywords:** Entrepreneurship, Training Programs, Microfinance, Micro and Small Enterprises.

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## 1. INTRODUCTION

Micro and small businesses (MSEs) have persisted in playing a crucial role in the growth of most countries, particularly nations with developing economies like Kenya. It is impossible to underestimate MSEs' importance in the world market. It is commonly regarded as the foundation of the private sector. MSEs are praised for their energetic role in promoting steady economic growth and equitable sustainable economic development on a global scale (Amoah & Mungai 2020).

According to the Micro and Small Enterprise Act 2012 (MSE Act 2012) Laws of Kenya, Micro Enterprises are those with an annual turnover of less than Ksh 500,000 and up to 10 employees, while Small Enterprises are those with an annual turnover of Ksh 0.5 million and Ksh 5 million and between 10 and 50 employees (Madara, Onyango & Nyagol, 2020b). The MSEs have earned recognition in Kenya for their contributions to the provision of goods and services, supporting innovation, fostering competition, creating jobs, and, ultimately, reducing poverty. In Kenya, MSMEs (micro, small, and medium-sized enterprises) employ 80% of the working population and are a key driver of economic and growth plans. Kenya can benefit from government efforts to increase MSEs' competitiveness on a national, regional, and international level. More jobs will be generated, sectors will be strengthened, and successful business models will be developed. This

will be done, in particular, by establishing policies and business reforms that include enhancing the trade support ecosystem and capacity building at the firm level (ITC, 2019).

Despite the fact that MSEs serve as a catalyst for economic growth and despite numerous government initiatives to create an environment that supports their operations, these businesses frequently face obstacles that prevent them from expanding smoothly and reaching their full potential. The owners of MSEs are frequently faced with difficult financial choices, which expose the businesses to a variety of financial management difficulties as well as the need for the proper mindsets, expertise, and abilities to advance their businesses (Agyapong & Attram 2019). Despite the fact that MSEs face a variety of problems that vary by area, internal variables that are primarily focused on enhancing the skills of the owner and staff remain training, education, experiences, and managerial skills (Yahya, Othman, and Shamsuri 2012).

### 1.1 Problem Statement

While it may be true that challenges related to non-financial support for MSEs, particularly trainings, have never been fully explored, as businesses grow, new skills and knowledge are required to run them, so owners occasionally find themselves being outgrown by the skills required to manage the growing enterprise. Despite the fact that MSEs face insurmountable challenges, the ones that come to mind first are financial in nature. Creating business training programs covering the topics required to stay up with the business venture's rapid expansion is one way. Since formal trainings and other non-financial services considerably improve small businesses' performance, microfinance institutions' business development programs have been seen to lower the failure rates of MSEs (Madara, 2020).

Despite the fact that training could be seen as a helpful catalyst to improve MSE performance, most business owners ignore it owing to the nature of training programs and the associated costs and time. These trainings have frequently been disregarded due to cost constraints and a lack of skilled instructors. It has been noted that despite the growing participation of training institutions and other government agencies providing training support to MSEs in the Kenyan informal sector, their programs have had little to no impact on the performance of the MSEs targeted (Madara et al., 2020). Entrepreneurship training and other non-financial support to MSEs are some of the most complicated issues of the MSEs support systems. Because of this, empirical research on how training programs affect MSE performance in Kenya is not only ambiguous but also has a narrow scope (Cherugong 2015). Therefore, the purpose of this study was to evaluate how training programs affected MSE performance, especially in Western Kenya.

**1.2 Main objective:** To assess the extent to which Training programs contributes to the performance of MSEs in Kenya.

#### Specific Objective:

1. To assess the extent to which Financial Training contributes to the performance of MSEs in Kenya.
2. To establish the effects of Management Training on performance of MSEs in Kenya.
3. To determine the effects of Information Communication Technology (ICT) Training on the Performance of MSEs in Kenya.
4. To assess the effects of Marketing Training on performance of MSEs in Kenya.

## 2. LITERATURE REVIEW

### 2.1 Theoretical Review

The study was based on Human Capital Theory, proposed by Theodore Schultz (1961) which says that; "human capital is formed by knowledge and skills of employees which is shaped by education".

#### 2.1.1 Human Capital Theory

Since Mincer (1958, 1962), Schultz (1960, 1961), Becker (1962), and Ben-Porath (1967) set the groundwork for the human capital theory, it has advanced quickly. Training involves expenses and rewards that can be evaluated using financial criteria like present value and internal rate of return because it is always viewed as an investment.

According to Dae-Bong (2009), the development of a scientific conception of human capital began with the advent of classical economics in 1776. Following the development of that idea into a theory, Schultz (1961) identified human capital

as one of the key drivers of national economic growth in the contemporary economy. The idea that education has a role in defining an individual and that human capital is produced by an employee's knowledge and skills was originally put out by Theodore W. Schultz in 1961 (Dar & Mishra, 2019).

The knowledge and experiences of small business owners and/or their staff are a focus of human capital theory. Human capital was named one of the key drivers of national economic growth in the modern economy by Schultz (1961). Many nations and companies are looking for innovative strategies to sustain competitive advantage in light of current concerns like globalization, a knowledge-based economy, and technological advancement (Dar & Mishra, 2019).

Human capital theory and organizational ecology, according to Bruderl, Preisdorfer, and Ziegler (1992), give a comprehensive collection of characteristics that affect the longevity of newly established business organizations. They go on to say that the founders' personal traits are recognized by the Human Capital Theory as crucial conditions for survival. The effects of human capital can be divided into three groups, according to Dae-Bong (2009): individual, organizational, and societal. In terms of the individual, it has to do with raising personal income as a result of personal production. It is connected to the organization's competitiveness and core competencies overall. While to the society, it might raise community members' levels of social consciousness.

In contrast to other types of capital, knowledge capital may be obtained through education and conserved by ongoing education, which can boost productivity, according to Bouchard's (2008) argument. Human capital is also a renewable resource. Human capital, however, cannot be divorced from its owner, and the value of that asset is solely based on that person's ability to use their knowledge in a financially successful venture. The Human Capital Theory is pertinent to the study since all non-financial services strive to empower people, improve MSE environments, and strengthen connections between MSEs and the communities in which they operate (Madara et al., 2020b).

## **2.2 Training and MSEs Performance**

Due to their nature as micro and small entities, MSEs frequently do not view training as adding value. According to Manna and Biswas (2018), training is the process of changing a trainee's behavior over time or in a semi-continuous manner. Training and development, according to Milhem, Abushamsieh, and Aróstegui (2014), is a process of acquiring or transferring the knowledge, skills, and abilities required to carry out a specific activity or functions; as a result, the advantages of training and development for both organizations and individuals are strategic in nature and thus much wider. They go on to say that training and development assume a wide range of learning actions, ranging from training individuals for their current tasks and furthermore, knowledge sharing to broaden the organizational horizon and enhance customer service, in order to meet the current and future challenges of organizations.

According to the ILO's (2002) theory, one efficient way to aid MSEs in expanding is by enhancing both their management and production abilities. For this reason, the majority of Governments and donors has been actively involved in the training sector, typically through public training institutes and publicly financed trainers. The influence of training on MSEs performance can be quantified in terms of people, work, and power even though the financial return from training is typically difficult to predict. According to Milhem et al. (2014), a thorough evaluation of training outcomes also considers learner reactions, its influence on the workplace, operational and financial results, and its perceived value in helping people make changes.

Although most academics believe that training helps MSEs expansion and improves profitability, productivity, and competitive advantage, MSEs don't appear to have been recognized training as a factor that increases their performance (Yahya, Othman & Shamsuri 2012). It is hypothesized that providing microloans along with business skill training will likely increase MSE owners' ability to manage their finances, which will have an impact on their company's success (Agyapong & Attram, 2019). Small and Micro Enterprises' business performance is probably going to be positively impacted by the entrepreneurship training's subject matter. In other words, according to Nganu and Hannah (2018), a multidisciplinary curriculum that emphasizes technical, management, and entrepreneurial abilities has a more favorable effect on business performance.

Absah, Muchtar, and Oimariah (2017), considers organizational performance to be a metric for determining how well a business has performed in accomplishing its goals, and that measuring organizational performance can be done in both quantitative and qualitative ways. Financial accomplishments (ROE, ROA, ROI), production [number of items sold,

operational cost ratio], marketing [number of customers], and efficiency are all examples of quantitative performance measures. They claim that discipline, the standard of goal achievement, leadership perceptions of organizational outcomes, individual behavior inside the organization, and effectiveness are all examples of metrics of qualitative performance.

MSEs performance is also measured by the increase or improvement in firms' profits, increase in firms' sales, increase in firms' assets or stock, and increase in firms' number of employees (Madara, Onyango & Nyagol, 2020)a. Bamfo, & Kraa (2019) also define organization performance as the capability of firm to accomplish its goals and objectives with the help of talented administration, good governance, and have a constant rededication to accomplish business objectives.

### **2.3 Financial Training and MSEs Performance**

Financial literacy is the body of knowledge and abilities that enables a person to use all of their financial resources to make wise and productive decisions. For those whose activities will have long-term financial effects, making sensible financial judgments is essential (Cherugong, 2015). Financial literacy is the capacity to manage one's personal finances, make sound long-term financial projections, and understand fundamental financial ideas. Owner-managers of MSEs can use this to recognize, evaluate, and make informed financial decisions about their own needs (Agyapong & Attram, 2019).

Financial management is a difficulty for MSE owner-managers in accounting and tracking for revenues and expenses, but outsourcing such services is typically out of their price range. As a result, financial training is crucial in assisting MSE owner-managers in staying on top of their financial flows. Financial training, according to Amoah & Mungai, (2020), offers a number of immediate advantages to company innovators and staff while supporting medium-term plans that will ensure the integration of the informal economy with the formal economy. It was demonstrated that financial attitudes and competence had an impact on MSE performance. In order to encourage financial literacy and practice, it was suggested, among other things, that training programs on budgeting and planning, debt management, record keeping, and saving and retirement plans be offered in schools and other organizations.

They continued by saying that such a person also has a supportive attitude toward the efficient and accountable handling of financial matters. This includes the capacity to recognize financial options, talk money and financial matters without feeling awkward, and read, analyze, manage, and express personal financial conditions that have an impact on wellbeing. According to studies on the effect of financial literacy on the performance of MSEs in terms of profitability and growth (Niwaha, Schmidt, & Tumuramy, 2016), a lack of financial literacy among people around the world has contributed to business failures. Numerous researches on financial literacy have just examined personal finance, failing to connect it to corporate management. They frequently consider things like ratio analysis on personal and household finances, banking services literacy, and bookkeeping literacy (Esiebugie, Agwa, & Asenge, 2018).

The analysis showed that the incorporating a wide range of financial management approaches and the self-evaluation of management ability were both greatly improved by the financial literacy training package. Planning, budgeting, and cost control are all impacted by financial management training (Denson & Severina, 2018).

### **2.4 Management Training and MSEs Performance**

The majority of MSEs lack the abilities to put management best practices into action, which has a detrimental effect on how well they are run, particularly in developing nations. According to studies, the size of the company affects the skills levels of its management and leadership, with larger companies having higher skill levels than smaller companies (UK office for National Statistics). Unfortunately, in MSEs, the burden of obligation to do things and make changes frequently falls on the shoulder of one person who is the owner-manager. Management training can be a significant approach to modify how things are done inside an MSE, so that the practice may be to do things in a better way. The smooth expansion of the businesses is hampered by poorly managed MSEs, which also slows the expansion of the entire economy.

Poor management and leadership, according to the Chartered Management Institute (2015), is the main cause of company failures. The evidence demonstrates that applying business and management education significantly increases small firm productivity and survivability. Enhancing management and leadership would boost MSE growth and lower the number of failed businesses. For expanding MSEs, improving management has been ranked as the most crucial factor. Peer networks enable MSEs management to pick up knowledge from people with related experiences. The information that is currently

available points to managerial practices as a crucial connection in the development of leadership, management, and performance abilities in MSEs.

According to the Department for Business, Innovation and Skills (DBIS), (2015), the development of organizational competencies in organizational control, continuous improvement, innovation, and market development is essential for the performance and success of businesses. The decision to invest in building these competencies is driven and shaped by the management team's strengths. Better business management abilities are crucial for driving MSEs' growth performance and ability to innovate and even go global (OECD, 2018). We discovered that SMEs avoid investing in leadership and management training for a number of reasons. Many SMEs are either unaware that they have a problem that needs to be solved or are not aware of the resources and support that are available. This is due to the fact that many SMEs lack the internal capacity to recognize and communicate their management and leadership requirements, (Training in Business Management).

## 2.5 ICT Training and MSEs Performance

Information and communication Studies have demonstrated that ICT increases MSEs' sales and makes it easier for some MSEs to enter foreign markets, therefore technology trainings offer electronic skills that have a direct impact on MSEs' productivity, particularly in e-commerce. Alderete (2018) contends that the potential for value creation in developing countries is what is stoking researchers' increased interest in the topic, despite the fact that there aren't many MSEs engaging in e-commerce compared to the rest of the globe. Businesses should align their ICT investments with their internal resources and operational processes in order to get the best benefits.

Since ICT includes both gear and software, the majority of MSEs are not only unable to afford both, but also unable to obtain the skills necessary to operate both. However, it has been discovered that ICT utilization significantly raises MSEs' performance levels. Therefore, in order to understand the applications and opportunities that ICT bring to contemporary e-commerce, MSEs owner-manager and staff must participate in ICT training relevant to their operations (Paul, Opal, Vanesa & Karlene, 2008).

The ineffective adoption of ICTs in MSEs is attributed to a number of problems, including bureaucratic process complexity and a lack of training in core business principles, claim Busaidi, Bhuiyan, and Zulkifli (2019). These issues include, among others, restricted access to financial resources and markets, ignorance of global markets, an unfavorable business climate, poor managerial abilities, and a lack of modern technology.

Maghanga (2017) highlights the advantages, cost savings, and localization that MSEs may achieve by utilizing ICT, stating that other significant challenges facing MSEs in Kenya include a lack of funds and expenses for purchasing hardware and software, inadequate training, a lack of an ICT policy, and weak ICT security.

## 2.6 Marketing training and MSEs Performance

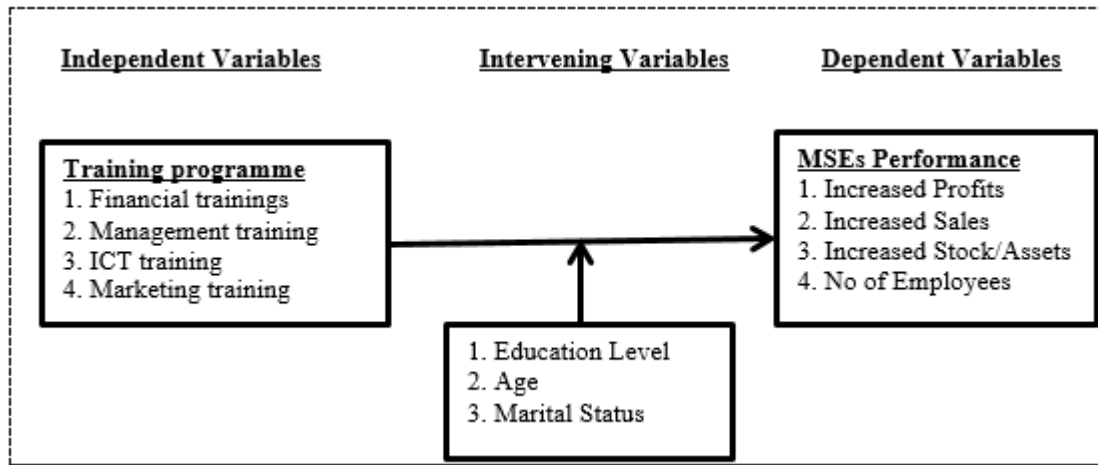
It's no secret that marketing is crucial to business success. Marketing products, services, and brands is important for small businesses to reach clients, sell things and services, and generally stay alive. Although, like with any discipline, marketing is more successfully accomplished when you have knowledge and skills regarding the most effective means of advertising, promotion, and public relations. For this reason, marketing training may be extremely helpful for many SMEs who are unfamiliar with marketing. (Baetu,2017).

According to Denson & Severina (2018), a company's entire strategy for managing its marketing mix in the marketplace is referred to as marketing management. Therefore, developing effective marketing management skills is essential for the long-term success of a company. The training had an impact on the owner/manager's and employees' marketing functions, including pricing, promotion, distribution, and product-related decisions, customer service, and business growth since the marketing skills they learned during training help them resolve customer complaints.

Production is never finished until the final customer receives the product on schedule and in good shape. The bulk of literature that was reviewed in this study revealed that SMEs faced greater difficulties in marketing their goods, but that they improved when given assistance in the form of simple access to foreign markets, professional marketing staff training, and participation in trade shows. The firm's marketing capabilities are thought to be greatly improved through marketing training (Osei, Shao, Forkuoh & Osei, 2016).

**2.7 Conceptual Framework**

The conceptual framework was created using the studied literature, with the performance of MSEs serving as the dependent variable and training programmes acting as the independent variable. Therefore, the link between the independent and dependent variables will be represented by the conceptual framework in Figure 1.



Source: Researcher

Figure 1: Study Conceptual Framework

**3. METHODOLOGY**

In this study, a descriptive survey research design was used. The finest research design is considered to be descriptive research because it follows the scientific method, which is observing, describing, recording, analyzing, and reporting situations that already exist without change. It also involves characterizing occurrences or features that are specific to a subject population. Descriptive surveys, according to Kothari (2004), give accurate and useful information about the present occurrences and, when appropriate, allow for the drawing of reliable general inferences from the facts found.

**3.1 Target Population**

The 65,698 licensed Micro, Small and Medium Enterprises (MSMEs) in the counties of Kisumu, Siaya, and Vihiga were the focus of the study. According to the Kenya National Bureau of Statistics (2016), MSMEs survey, there are 531,698 MSMEs overall in the three Counties, including MSMEs that do not have a license. Population is defined by Mugenda & Mugenda (2003) as the total group of people, events, or things that share a particular observable trait.

**3.2 Sample size and Sampling Technique**

The sample size was 398 calculated using Yamane (1967) model to determine the appropriate sample size.

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

Where: *n* Is the desired Sample size, *N* is the Population size and, *e* is the level of Precision

Therefore:

$$n = \frac{65,698}{1 + 65,698(0.05)(0.05)} \quad n \text{ is therefore } \mathbf{398}$$

This was reinforced by stratified selection of licensed MSMSEs from Counties of Kisumu, Siaya and Vihiga as shown in table I.

**Table I: Distribution of Sample size to the Counties MSMEs**

County	Total	%	Sample
Kisumu	40,199	0.606	244
Siaya	14,199	0.606	86
Vihiga	11,300	0.606	68
<b>Total</b>	<b>65,698</b>	<b>0.606</b>	<b>398</b>

Adapted from KNBS, (2016)

### 3.3 Data Collection Instrument

To ensure coverage and make it simple to get a large amount of data quickly, data was collected using questionnaires. According to Sajjad-Kabir (2016), questionnaires offer a methodical way to allow one to respond to specified research questions, test hypotheses, and assess results.

### 3.4 Data Reliability Analysis

According to Malhotra (2010), as stated in Dubihlela (2012), reliability is the degree to which a scale yields consistent findings when measurements are repeated. The dependability of a multiple-item variable is evaluated by computing the coefficient alpha, also known as Cronbach's alpha. As a result, reliability analysis was conducted using Cronbach's Alpha as the benchmark. A dependability co-efficient of 0.7 was deemed to be sufficient. For each objective that made up a scale, Cronbach Alpha was established. According to the study's goal, the Cronbach alpha is displayed in the table II.

**Table II: Reliability Statistics**

Scale/Study objective	Cronbach's Alpha	No of Items
<b>Objective1:</b> Extent to which Financial Training contributes to the performance of MSEs in Kenya.	.820	4
<b>Objective2:</b> Effects of Management Training on performance of MSEs in Kenya.	.932	4
<b>Objective3:</b> Effects of ICT Training on the Performance of MSEs in Kenya.	.850	3
<b>Objective4:</b> Effects of Marketing Training on performance of MSEs in Kenya.	.881	4

Source: Field Survey Data, 2023.

Table 3.2 shows that the four objectives scales of measurement passed reliability test of cronbach alpha as all of them had  $\alpha > .7$ . Objective 1, 2, 3 and 4 had ( $\alpha=0.820$ ), ( $\alpha=0.932$ ), ( $\alpha=0.850$ ), ( $\alpha=0.881$ ), respectively, signifying high internal consistency for the likert scales used.

### 3.5 Data Analysis and Presentation

Computer supported software SPSS was used to analyze quantitative data which was presented in descriptive and inferential statistics. The multiple linear models used for quantitative analysis is provided below.

$Y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4 + \epsilon$ , Where:  $Y$  = MSEs Performance;  $X_1$ = Financial Training,  $X_2$ =Management training;  $X_3$  = ICT training,  $X_4$  = Marketing training and  $\epsilon$  = Error term; While the  $\beta_0, \beta_1, \dots, \beta_i$  represent regression coefficients, and independent variables were represented by  $X_1, \dots, X_i$  and  $\epsilon$  provided for the random variation in  $Y$  that  $X$  variable was not able to explain.

## 4. FINDINGS AND DISCUSSIONS

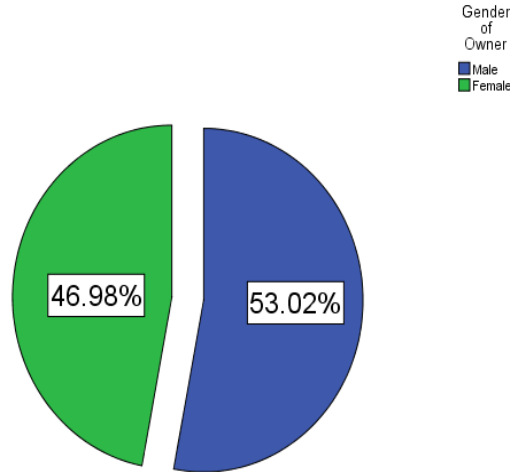
### 4.1 Response Rate

Four hundred ten (410) of the questionnaires were distributed in total. The study had extras in case any questions were deemed invalid. Twelve (12) of the questionnaires were discovered to be invalid during data cleaning and coding. The researcher inserted the precise sample size into the SPSS tool for analysis because the remaining were valid. The response

rate was 97% based on the total number of questionnaires distributed, which was good and related to the face-to-face survey method used, showing that the replies collectively exceeded the threshold of representativeness.

4.2 Demographic Information

4.2.1 Gender of Respondents

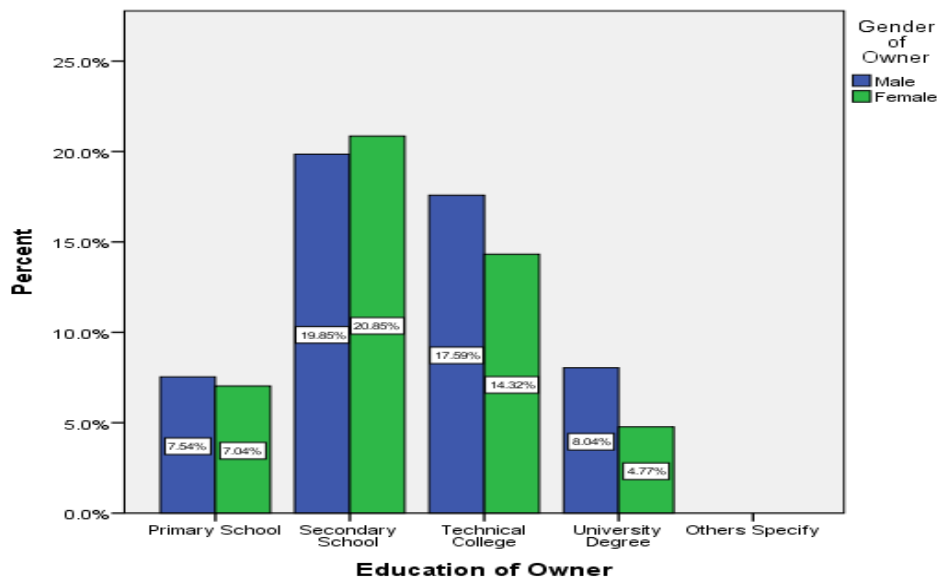


Source: Field Survey Data 2023,

Figure 2: Gender of Respondents

Figure 2, reveals that 187 responders (46.9%) were female and 211 (53%), men. Since the MSEs surveyed were licensed and more formal, this is consistent with findings from a 2016 survey by the Kenya National Bureau of Statistics of MSMEs, which found that more men than women owned licensed MSEs and that more women owned unlicensed MSEs. Additionally, APEC (2016) claims that women are more likely than men to work in the informal sector, with 85.1% of women-owned MSEs in Asia being informal compared to 76.7% of men-owned MSEs.

4.2.2 Education Level of Respondents



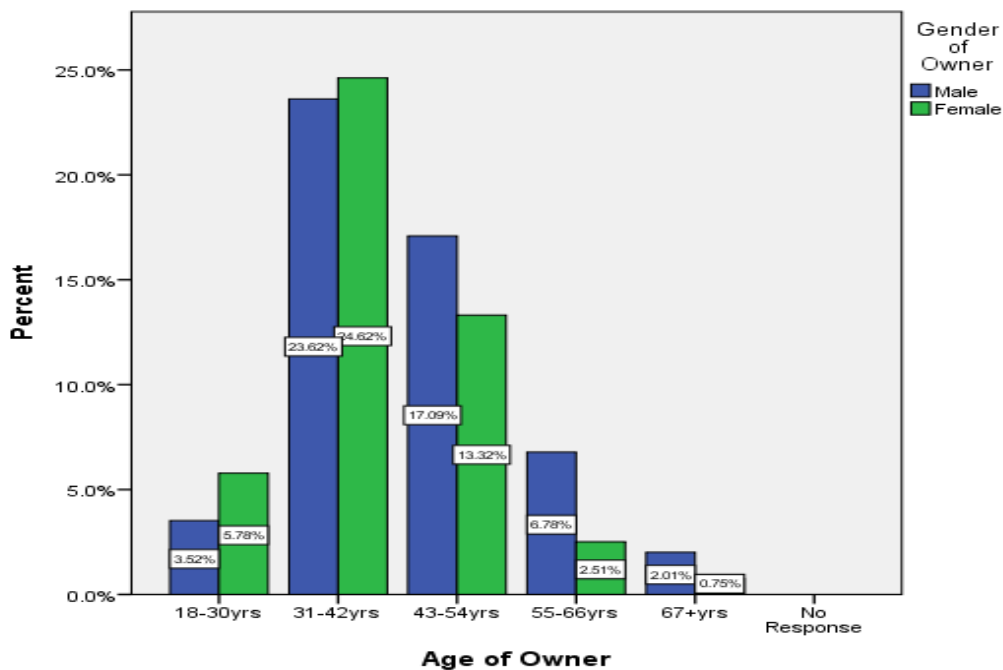
Source: Field Survey Data 2023

Figure 3: Education levels of Respondents by Gender.



In terms of the educational levels attained by respondents as shown in figure 3, 30 (14.2%) of males and 28 (15%) of females had completed primary education, 79 (37.4%) of males and 83 (44.4%) of females had completed secondary education, 70 (33.2%) of males and 57 (30.5%) of females had completed technical training, and 32 (15.2%) of males and 19 (10.2%) of females had completed university education. According to the data, the majority of respondents (40.7%) had a secondary education, followed by technical college education (31.9%), primary education (14.6%), and university education (12.8%), respectively. The results of the Gachuhi (2016) study show a significant positive correlation between social characteristics, such as education levels, and MSE growth. According to Leitao & Franco (2011), MSE owners with high levels of education have a beneficial impact on their companies' performance. According to Hisrich et al. (2008), formal education is not required to launch a new firm, but it is significant for the entrepreneur's upbringing and can give them a solid foundation, particularly if it relates to the venture's industry. According to a World Bank (2016) study of Kenyan informal businesses, increase was observed in those whose owners had a secondary education (32 percent of firms) as opposed to those whose owners had only a primary school (16.6 percent of firms).

4.2.3 Age of Respondents

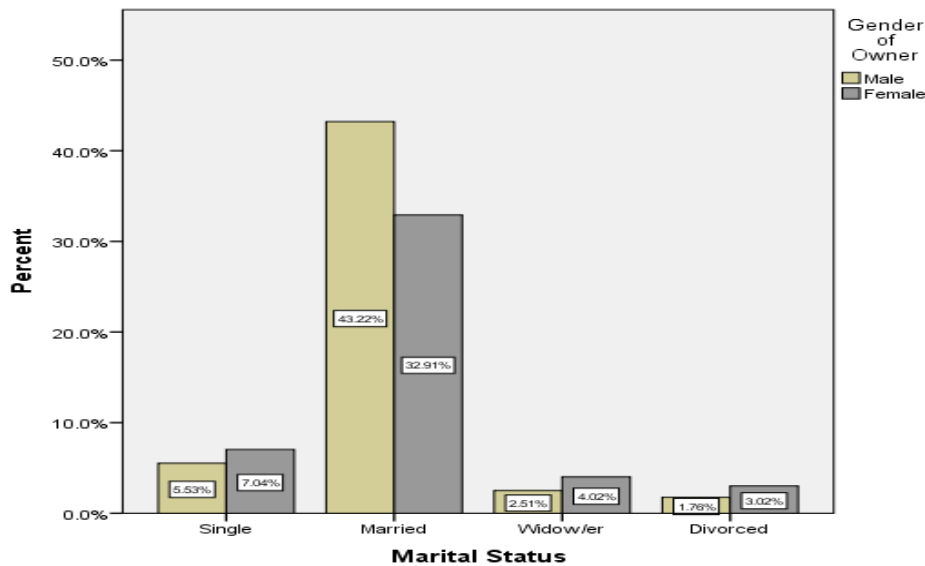


Source: Field Survey Data 2023

Figure 4: Age of Respondents by Gender

14 (6.6%) of male entrepreneurs are 30 years of age or younger, compared to 23 (12.3%) of female entrepreneurs in the same age range according to figure 4. In the age range of 31 to 42, 94 (44.5%) males and 98 (52.4%) females are present. 53 (28.3%) of females and 68 (32.2%) of males in the 43 to 54 year old age range are in this category. Between the ages of 55 and 66, there are 10 (5.3%) females and 27 (12.8%) males. There are just 3 (1.6%) girls and 8 (3.8%) males in the 67 and older age group, respectively. There is a higher concentration of people between the ages of 31 and 54, indicating that productive people fall into this age range on average. According to a study by Nabutola (2015), there are more business owners between the ages of 31 and 42. She argues that this is because younger owner/managers have the necessary drive, vigor, and dedication to their jobs and are more willing to take risks and be entrepreneurially active, which leads to better performance from MSEs. Age was discovered to have a big impact on getting a bank loan. So, according to Ogubazghi and Muturi (2014), policymakers, banks, and other development partners should support youthful owner/managers. A significant predictor of entrepreneurial success was also shown to be age (Wambua & Munyithya, 2015). According to Hisrich et al. (2008), the majority of entrepreneurs start their businesses between the ages of 22 and 45. He argues that, as long as the entrepreneur has the required skills and financial support, a profession can be started before or after these ages.

4.2.4 Marital Status of Respondents



Source: Field Survey Data 2020

Figure 5: Marital Status of Respondents by Gender

According to figure 5, 22 of the male respondents (10.4%) and 28 of the female respondents (13%) are single. 172 men (81.5%) and 131 women (70.1%) are married. 10 men (4.7%) and 16 women (8.6%) are widowed. Finally, 12 (6.4%) of women and 7 (3.3%) of men are divorced. At 76.1%, it demonstrates that there are more married respondents. The study's findings concur with those of Wambua and Munyithya (2015), who showed that marital status was a significant predictor of entrepreneurial success. According to Mutoko and Kapunda's (2017) research, married people are favored because the rate at which they are granted loans for their enterprises decreases as the number of married people applying for loans rises. Contrarily, it was discovered by Byrne, Tounés, Giacomini & Fattoum (2016) that entrepreneurs who are single had stronger development goals than those who are married or in a partnership.

4.3 Regression Analysis

The regression analysis of the model determined the influence of the independent variables of the training programmes, which were financial trainings, Management training, ICT training, and Marketing training, on the dependent variable MSEs Performance as regards Increased Profits, Increased Sales, Increased Stock/Assets, and Number of Employees.

Table III: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.301 <sup>a</sup>	.091	.082	.846

a. Predictors: (Constant), Marketing Training, Financial Training, ICT Training and Management Training

Source: Author's computation from study Sample Data 2023

The results demonstrate that Training programs of the MFIs have a good link with MSEs Performance with a moderate correlation value of (R =.301a), as shown in Table: III., where R is the relationship between the dependent and independent variables. According to the positive correlation value, when training programs as independent variables improve, MSE performance also improves. Conversely, when training programs deteriorate, MSE performance also declines. The dependent variable's ability to be impacted or explained by the independent variables is indicated by the R<sup>2</sup> coefficient of determination. 9.10% of the variance in MSE performance can be predicted from training program variables, according to the R<sup>2</sup> value of.091.

**Table IV: Coefficients<sup>a</sup>**

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	2.940	.197		14.894	.000
1 Financial Training	-.083	.039	-.105	-2.159	.031
Management Training	.130	.026	.250	4.906	.000
ICT Training	.071	.027	.132	2.666	.008
Marketing Training	-.034	.030	-.057	-1.137	.256

a. Dependent Variable: MSEs performance

Source: Author’s computation from study Sample Data 2023

The regression coefficient with a constant is shown in Table IV, (B = 2.940, P-value = 0.000). Without taking training programs into account, the constant of 2.940 shows that other factors have an impact on MSE performance. The results demonstrated that financial training had significant coefficients based on (B= -.083, p<0.031). This demonstrates that for every additional unit of financial training, MSEs performance increased by up to 8.3%. The study's findings are consistent with those of Cherugong (2015), who found that financial literacy had a significant positive impact on MSE performance and that successful MSEs had owners who were financially literate and understood key financial concepts like risk management, debt management, record keeping, and budgetary skills. Financial literacy training has a considerable and favorable link with the financial performance of MSEs, according to Amoah and Mungai (2020).

The results also demonstrated that management training had significant coefficients of (B=.130, p<0.001), which were found. This shows that for every additional unit of management training, MSE performance increased by up to 13%. According to Mayuran (2016), access to management training improves the performance of small businesses, particularly in terms of profitability, revenues, and scale.

ICT training's coefficient had a significant value of (B=.071, p=0.008). This shows that the performance of MSEs increases by 13.7% for every additional unit of ICT training. This might be explained by the fact that ICT has emerged as the hub of innovation for MSEs to endure in the cutthroat market. Maghanga (2017) discovered that while ICT training and use by SMEs is encouraged, problems such insufficient funding, training requirements, inadequate ICT security, and a lack of ICT policy have a negative impact. ICT literacy is one of the key elements influencing how effectively ICT is used to improve business information strategy and performance of women-owned SME, (Omiunu, 2019). According to Alderete's (2018) research, ICT use directly affects MSE performance.

While it was statistically insignificant for marketing trainings at (B= -.034, p = 0.256), where P value is more than.05. This suggests that the performance of MSEs decreases by 3.4% for every unit increase in marketing training. The outcome demonstrates that the Marketing Training will be excluded from the linear regression model since it is statistically insignificant. Mbuui & Severina (2018) found that marketing training does, to some level, increase performance, but further research is needed to determine how it affects marketing research.

Therefore from the coefficients Table: 4.2, the general form of the linear regression model equation that was established was as follows;  $Y = 2.94 - 0.083X1 + 0.130X2 + 0.071X3 + \epsilon$ , Where Y=MSEs Performance, X1= Financial Training, X2 = Management Training, X3 = ICT Training and  $\epsilon$  = Random Variation.

**Table V: ANOVA<sup>a</sup>**

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	28.084	4	7.021	9.809	.000 <sup>b</sup>
Residual	281.315	393	.716		
Total	309.399	397			

a. Dependent Variable: MSEs performance

b. Predictors: (Constant), Marketing Training, Financial Training, ICT Training and Management Training

Source: Author’s computation from study Sample Data 2023

The dependent variable and the predictors' variables have a correlation, as shown in Table V. Since  $F_o = 9.809 > F(4, 397) = 2.37$ ;  $\alpha_o = .001 < \alpha_c = .05$ ., the ANOVA and coefficient of correlation demonstrate that Training Programs significantly explain the variance in MSE Performance. Thus, it was determined that MSE performance in the three selected counties of Kisumu, Siaya, and Vihiga in Western Kenya was significantly influenced by MFI training programs.

**Table VI: Correlations**

		MSEs performance	Financial Training	Management Training	ICT Training	Marketing Training
MSEs performance	Pearson Correlation	1				
	Sig. (2-tailed)					
	N	398				
Financial Training	Pearson Correlation	-.070	1			
	Sig. (2-tailed)	.164				
	N	398	398			
Management Training	Pearson Correlation	.249**	.121*	1		
	Sig. (2-tailed)	.000	.016			
	N	398	398	398		
ICT Training	Pearson Correlation	.167**	.089	.206**	1	
	Sig. (2-tailed)	.001	.075	.000		
	N	398	398	398	398	
Marketing Training	Pearson Correlation	.015	.117*	.273**	.120*	1
	Sig. (2-tailed)	.770	.020	.000	.016	
	N	398	398	398	398	398

\*\* . Correlation is significant at the 0.01 level (2-tailed).

\* . Correlation is significant at the 0.05 level (2-tailed).

**Source: Author’s computation from study Sample Data 2023**

The utilization of training programs correlates to MSE performance, but only for a specific training service, according to the correlation data in Table VI. Financial training and MSE performance have a negative connection that is statistically insignificant at two tail ( $r = -.070$ ,  $n = 398$ ,  $p = .164$ ). The performance of MSEs and management training were significantly and favorably related. At ( $r = .249$ ,  $n = 398$ ,  $p = .001$ ) two tail, the correlation between MSEs Performance and Management Training was determined to be statistically significant.

The performance of MSEs and ICT Training were shown to be positively correlated, and the connection was determined to be statistically significant at ( $r = .167$ ,  $n = 398$ ,  $p = .001$ ) two tail. The study's findings also indicate a favorable correlation between MSEs' performance and marketing trainings, even though this relationship was statistically insignificant at the two tail ( $r = .015$ ,  $n = 398$ ,  $p = .770$ ). The study's findings indicate a medium relationship between MSE performance and some training program components provided by Kenyan microfinance institutions.

**5. SUMMARY OF RESEARCH FINDINGS, CONCLUSION AND RECOMMENDATIONS**

**5.1 Summary of Findings**

The study's findings on the effects of microfinance institutions' training programs on MSE performance show that, with the exception of the marketing training component, which did not directly affect MSE performance, financial training, management training, and ICT training are significant in influencing MSE performance in Kenya. Marketing Training component less influence may be due to cost-related expenses and dynamism, as well as a lesser emphasis on marketing innovations since these may be carried out by the manufacturers.

Since  $F_o = 9.809 > F(4, 397) = 2.37$ ;  $\alpha_o = .001$   $\alpha_c = .05$ ., the ANOVA and coefficient of correlation demonstrate that Training Programs significantly explain the variance in MSE Performance. According to the results of this study, training programs are crucial for building the skills of MSE owners and employees in the areas of finance, management, ICT, and marketing.

This will have an impact on their performance in terms of increased profitability, increased sales, asset and stock accumulation, and the hiring of additional labor.

## 5.2 Conclusion

According to the study's findings, there is a strong correlation between MSE performance and the training programs offered by microfinance institutions. The performance of MSEs has improved generally as a result of MFIs' support for trainings, microcredit, and savings mobilization.

Trainings in finance, management, ICT, and, to a lesser extent, marketing, have a direct impact on how well MSEs function, which facilitated an improvement in business earnings, assets, including stocks, sales, and employment. However, despite the fact that microfinance institutions provide training programs to MSEs, some of them do not have the technical or financial resources to do so appropriately.

## 5.3 Recommendation

Given the inadequacies in MFIs' capacity to deliver appropriately packaged training programs, the study suggests that intermediary Agencies like Government institutions (such as the Micro and Small Enterprises Authority of Kenya), Donors, and other development Agencies enhance both technical and financial capacity of MFIs. This will enable MFIs to deliver appropriate training programs to the MSEs.

When offering training programs, MFIs should also take cost recovery into account because doing so will help them maintain their operations and, in turn, continue to offer services to MSEs.

## 5.4 Suggestion for Further Research

A research could be conducted to determine whether the training activities' processes and content are based on the needs of MSEs. This study concentrated on the licensed MSEs' access to microfinance in the counties of Kisumu, Siaya, and Vihiga. A similar study might be carried out in additional Kenyan counties.

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