# INFLUENCE OF ENTREPRENEURIAL ECONOMIC ORIENTATION ON PERFORMANCE OF SMALL AND MEDIUM WOMEN LED ENTERPRISES IN KENYA

**ANNE USAGI KADENGE.**
Ph.D Student, Jomo Kenyatta University of Agriculture and Technology, Kenya.
**PROFESSOR GREGORY SIMIYU NAMUSONGE.**
Lecturer, Jomo Kenyatta University of Agriculture and Technology, Kenya.
**DR. ELIZABETH NAMBUSWA MAKOKHA.**
Lecturer, Jomo Kenyatta University of Agriculture and Technology, Kenya.

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## ABSTRACT

This study is designed to explore the influence of entrepreneurial economic orientation on performance of small and medium women led enterprises in Kenya. The Sociological theory of entrepreneurship theory was used. Mixed methods research was employed. The study target 880 SMEs owned by women entrepreneurs in Western region of Kenya who are registered by Ministry of Public Service, Youth & Gender Affairs in the region and licenced to operate businesses. A sample size of 275 women entrepreneurs was selected. Stratified random sampling was employed and data gathered by use of Questionnaires. Validity and Reliability of the instruments was tested using the test-retest methods. With the aid of Statistical Package for Social Science version 26, both descriptive statistics such as the means, standard deviation, and inferential statistics (linear regression) were used in the analysis of data. The study confirmed that entrepreneurial economic orientation significantly influences the performance of women-led SMEs, with a strong regression coefficient ($\beta = 0.762$, $p < 0.000$) and an explanatory power of 49.7% ($R^2 = 0.497$). Even after introducing the legal regulation framework, the effect remained statistically significant ($\beta = 0.175$, $p = 0.042$), indicating that economic orientation sustains its predictive strength. However, the interaction term was not significant ($\beta = -0.050$, $p = 0.225$; $\beta = -0.156$, $p = 0.110$), affirming that regulatory conditions do not moderate this relationship, and that entrepreneurial economic orientation independently drives SME performance. The study recommends that policymakers should strengthen entrepreneurial economic orientation through targeted training, market access, and innovation support. Simplifying regulatory procedures and improving institutional responsiveness can foster a more enabling business environment. Expanding digital infrastructure and inclusive financing will further empower women-led SMEs to grow sustainably.

Key words; **Entrepreneurial, Economic Orientation, Performance, Small and Medium, Women led Enterprises, Women Enterprise Fund.**

## INTRODUCTION

Across the globe, women-led small and medium enterprises (SMEs) are increasingly recognized as engines of inclusive economic growth and social transformation (Agol et al., 2023). Women entrepreneurs contribute significantly to employment creation, poverty reduction, and community resilience, yet they remain underfunded and underserved by mainstream financial systems (Women's World Banking, 2020). In Sub-Saharan Africa, over 20% of working-age women are entrepreneurs, but access to finance and business support remains a major constraint (Agol et al., 2023). These challenges are compounded by gendered norms, limited collateral, and exclusion from formal networks. Understanding the entrepreneurial determinants that shape the performance of funded women-led SMEs is essential for designing inclusive policies and financial products that unlock their full potential (IFC, 2021).

Entrepreneurial Economic Orientation (EEO), characterized by innovativeness, proactiveness, and risk-taking, is a strategic posture that enhances SME performance across diverse contexts (Semrau & Ambos, 2025). Firms that embrace EEO are better positioned to adapt to market volatility and seize emerging opportunities. A study involving 1,248 SMEs across seven countries found that performance-based cultures significantly strengthen the EO performance link (Semrau & Ambos, 2025). Moreover, government support initiatives have been shown to amplify the impact of EEO on international market performance (Jalali, 2025). These findings suggest that EEO is not only a predictor of success but also a lever for strategic competitiveness, especially when embedded within supportive institutional frameworks.

Women entrepreneurs are increasingly shaping the SME landscape, yet their businesses often underperform due to structural and cultural barriers (GEM, 2024). Globally, women own 31% of SMEs but face a $1.5 trillion credit gap that limits growth and innovation (IFC, 2020). Despite these constraints, women-led enterprises demonstrate resilience and social impact orientation, especially in service sectors (ZipDo, 2025). However, performance disparities persist due to limited access to networks, mentorship, and strategic training. Addressing these gaps through inclusive finance, capacity building, and policy support is essential for unlocking the full potential of women-led SMEs and enhancing their contribution to economic development.

Globally, women's participation in entrepreneurship is rising, yet regional disparities remain stark. In high-income countries, women benefit from better institutional support, while in emerging markets, they face systemic constraints (World Bank, 2025). The Global Entrepreneurship Monitor reports that women's startup activity rose to 10.4% across 30 countries between 2021 and 2023 (GEM, 2024). However, only 33.3% of firms worldwide have female ownership, with lower rates in low-income economies (World Bank Gender Portal, 2025). These statistics highlight the need for targeted interventions to improve access to finance, digital tools, and leadership training. Bridging these gaps is vital for achieving gender equity and sustainable development.

In Africa, women-led SMEs are vital to economic resilience but face country-specific challenges. In Nigeria, 40% of MSMEs are owned by women, yet access to finance remains a major barrier (World Bank, 2024). South African women entrepreneurs struggle with digital adoption and supply chain integration despite supportive policies (SEDA, 2023). Rwanda presents a more progressive model, with government-backed initiatives like the Women Entrepreneurship Development Fund improving access to capital and training (MINICOM, 2022). These cases illustrate that while entrepreneurial orientation enhances performance, institutional support and policy coherence are critical enablers. Strengthening regional ecosystems can unlock the full potential of women-led SMEs.

In Kenya, women-led SMEs account for 31.4% of formal enterprises and dominate the informal sector, yet they face growth constraints due to limited access to finance and strategic training (Oxfam Kenya, 2022). A 2024 survey revealed that most women-owned SMEs operate in retail and agribusiness, with lower profitability compared to male-led firms (Viffa Consult, 2024). Climate vulnerability and gendered responsibilities further hinder performance, especially in rural areas (LSE, 2023). Entrepreneurial Economic Orientation particularly proactiveness and innovation, has been shown to improve competitiveness among female entrepreneurs. Enhancing institutional support and entrepreneurial capacity is key to unlocking the growth potential of women-led SMEs in Kenya.

## Statement of the problem

Women-led enterprises continue to face multifaceted challenges in establishing and sustaining entrepreneurial ventures. According to the OECD (2023), women entrepreneurs are significantly less engaged in international trade, with structural barriers such as limited access to networks and finance contributing to this disparity. A 2023 European Commission report further highlights that women in the EU report lower entrepreneurial confidence and skill levels, with 38% citing inadequate preparedness compared to 59% of men (European Commission, 2023). In Kenya, profitability among women-owned SMEs has shown signs of stagnation, with 67% of surveyed women entrepreneurs reporting that their businesses either broke even or operated at a loss in 2023 (Viffa Consult, 2024). Additionally, only 18% accessed formal credit, citing collateral demands and limited financial literacy as major barriers. FSD Kenya MSME Outlook Report (2024) revealed that sales volumes in some sectors contracted sharply, from KES 128 million in 2020 to KES 9.1 million in 2023, driven by inflationary pressures and supply chain instability.

Although several studies have examined the relationship between entrepreneurial orientation and the performance of small and medium-sized enterprises, there remains a critical gap in understanding how economic dimensions of entrepreneurial behavior influence outcomes specifically within women-led enterprises. Kivuitu and Karugu (2020) explored general entrepreneurial traits among SMEs in Nairobi City County but did not focus on gender-specific enterprise characteristics or economic strategic behavior. Kariuki and Mungai (2024) similarly assessed entrepreneurial orientation and performance but treated SMEs as a homogeneous group, overlooking the distinct operational realities of women-led firms. Musimbi, Mukulu, and Senelwa (2025) concentrated on manufacturing SMEs, offering valuable insights into performance drivers, yet their scope excluded gendered enterprise dynamics. Sigey, Omwenga, and Sije (2023) acknowledged the role of entrepreneurial orientation in SME success but did not examine how economic orientation manifests in women-led ventures. These limitations point to the need for a focused study that investigates how entrepreneurial economic orientation shapes performance outcomes in women-led SMEs operating within Nairobi's evolving business landscape.

## Objectives of the study

The objectives of this study were to

i. To investigate influence of entrepreneurial economic orientation on performance of women-led SMEs funded by WEF in Kenya.

## Theoretical Review

The Resource-Based View (RBV) theory, introduced by Wernerfelt (1984), conceptualizes firms as collections of tangible and intangible resources that shape strategic potential and performance. Barney (1991) refined this framework by proposing the VRIN criteria resources must be Valuable, Rare, Inimitable, and Non-substitutable to yield sustainable competitive advantage (Meekaewkunchorn et al., 2021). RBV prioritizes internal capabilities over external market conditions, asserting that firms succeed by leveraging unique resource configurations. This perspective is particularly relevant to SMEs, which often lack scale advantages and must rely on internal strengths such as human capital, technological infrastructure, and organizational agility (Ofori-Baafi & Opoku, 2024). RBV thus offers a strategic lens through which SMEs can navigate resource constraints and pursue growth through capability development, innovation, and strategic orientation (Dionysus & Arifin, 2020).

RBV provides a robust framework for understanding firm performance through internal resource optimization. Zhou et al. (2007) identified strategic orientation as a key intangible asset that enhances performance. Ferraresi et al. (2012) expanded this by linking entrepreneurial, market, and innovation orientations to RBV principles (Dionysus & Arifin, 2020). Meekaewkunchorn et al. (2021) demonstrated that learning orientation mediates the relationship between entrepreneurial traits and firm outcomes, reinforcing RBV's relevance. However, critics argue that RBV lacks operational mechanisms. Makadok (2001) noted its failure to address internal management systems essential for resource deployment. Cruz and Nordqvist (2012) questioned the assumption that first-mover advantages guarantee success. Cahill (1996) added that proactiveness alone does not ensure performance, emphasizing the need for effective implementation strategies (Meekaewkunchorn et al., 2021).

RBV has been instrumental in linking entrepreneurial orientation (EO) to SME growth. EO, comprising innovativeness, proactiveness, and risk-taking, is viewed as a strategic resource aligned with RBV's emphasis on internal capabilities (Dionysus & Arifin, 2020). These traits, supported by learning orientation and strategic resource deployment, enhance SME performance (Meekaewkunchorn et al., 2021). Ofori-Baafi & Opoku (2024) identified human capital and organizational capabilities as core RBV variables driving competitiveness. In women-led SMEs, EO often manifests through resilience, creativity, and proactive market engagement. Learning orientation enhances EO effectiveness, especially in navigating gendered market challenges (Meekaewkunchorn et al., 2021). Strategic orientation also mitigates agency costs in women-owned firms, where ownership and management roles converge (Dionysus & Arifin, 2020). Thus, RBV offers a structured basis for understanding how entrepreneurial economic orientation influences performance of SMEs.

## Empirical Literature Review

Galadanchi and Alkali (2023) conducted a comprehensive investigation to examine the resilience and performance of women-owned small and medium-sized enterprises (SMEs) in Kebbi State, Nigeria, particularly in the context of banditry and security challenges. The study focused on the role of entrepreneurial orientations in influencing business outcomes amidst these adversities. Employing a cross-sectional survey design, the researchers utilized a cluster sampling technique to randomly select a sample of 234 women entrepreneurs, for whom questionnaires served as the primary data collection instrument. The hypotheses were rigorously tested using Partial Least Squares Structural Equation Modeling (PLS-SEM). Findings indicated that risk-taking, competitive aggressiveness, and independence are vital entrepreneurial traits contributing positively to SME success in the region. Interestingly, contrary to conventional expectations, innovation was found to have a negative impact on business performance among women entrepreneurs. The research concluded that fostering risk propensity, autonomy, and assertiveness is beneficial for SME growth, while overemphasizing innovation may be counterproductive. The study offers valuable insights for owner-managers, policymakers, and scholars, emphasizing the importance of promoting specific entrepreneurial orientations to enhance business resilience and performance, especially in challenging environments.

Arshad, Kamaruddin, Buyong, and Osman (2020) conducted an empirical investigation examining the relationship between entrepreneurial orientation and the business performance of women-owned small and medium enterprises (SMEs) in Sabah. The current research aims to employ a quantitative methodology, utilizing structured survey questionnaires to gather data from women entrepreneurs. The sampling technique will be simple random sampling, based on a comprehensive list of registered SMEs provided by the SME Corporation. The primary respondents will be either the top management personnel or the business owners, as they possess comprehensive knowledge regarding the strategic direction and operational aspects of their enterprises. The findings from this study are expected to contribute valuable insights both practically, by informing entrepreneurial practices, and theoretically, by enriching the existing body of knowledge in the field of entrepreneurship studies

Aliyu, Mahmoud, and Dikko (2025) investigated the influence of entrepreneurial orientation on the performance of women-owned enterprises in Nigeria's North-West region. Using a cross-sectional design, data were collected from 234 women entrepreneurs through questionnaires distributed and collected via personal administration, employing convenient and simple random sampling techniques based on the Krejcie and Morgan formula. The researchers analyzed the data using Partial Least Squares Structural Equation Modeling (PLS-SEM) to test their hypotheses. Results revealed that risk-taking, competitive aggressiveness, and autonomy significantly impact business success, while innovation unexpectedly showed a negative effect. The study, grounded in liberal feminist theory, highlighted entrepreneurial orientation as a critical factor for enterprise survival. Findings offer valuable insights for researchers and practitioners, with suggestions for future research exploring microfinance's role in supporting women-owned businesses.

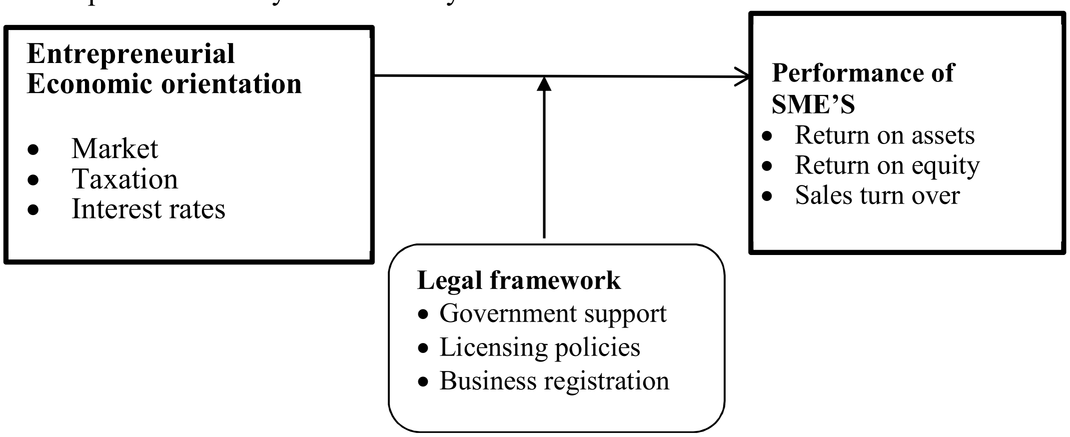
Umar, Isa, and Anyaesha (2019) conducted a comprehensive study to examine the influence of entrepreneurial orientation and financial resources on the performance of women-owned enterprises in Northern Nigeria. The researchers determined the appropriate sample size using Israel's (1992) formula, ensuring the study's statistical validity. The analysis of the hypothesized relationships between variables was carried out using Partial Least Squares Structural Equation Modeling (PLS-SEM), a robust statistical technique suitable for complex models. The results demonstrated that both entrepreneurial orientation and financial resources have significant positive effects on the performance of women-owned businesses in the region. These findings suggest that women entrepreneurs should adopt management styles that foster innovation and proactive decision-making to enhance their business success. Furthermore, the study emphasizes the importance of women intensifying their efforts to access adequate funding from internal and external sources to sustain and grow their enterprises effectively. The insights provided can guide policymakers and entrepreneurs in strengthening women-led businesses in Northern Nigeria.

Nuong (2022) conducted a comprehensive study to examine how entrepreneurial orientation (EO) influences the performance of women-owned small and medium-sized enterprises (SMEs) in Thanh Hoa, Vietnam. The research employed a structured questionnaire to assess various dimensions of entrepreneurial orientation and their relationship with business performance. To ensure representative sampling, a stratified random sampling method was used. A total of 345 questionnaires were collected, out of which all were deemed valid and included in the analysis. The data analysis was carried out using SPSS 20.0 software, utilizing exploratory factor analysis (EFA) and multiple regression techniques. The findings revealed that proactiveness and innovation positively and significantly affect business performance, whereas risk-taking behavior has a negative impact. The study offers practical management insights aimed at enhancing the performance of women-led enterprises in the local context.

Kivuitu and Karugu (2020) conducted a study to examine the relationship between entrepreneurial orientation and the performance of small and medium-sized enterprises (SMEs) in Nairobi City County, Kenya. The research employed a cross-sectional descriptive design, focusing on a population of 2,300 registered small-scale businesses operating within Nairobi. A sample of 230 participants, representing approximately 10% of the target population, was selected through proportional sampling. Data collection was carried out using semi-structured questionnaires, and the analysis involved both descriptive and inferential statistical methods. The results were presented using various graphs, tables, and figures. The study concluded that entrepreneurial orientation serves as a significant indicator of business success, with all dimensions, such as innovation, proactiveness, and risk-taking showing positive correlations with SME performance. These findings suggest that applying these strategic aspects can promote economic growth for SMEs in Kenya and assist business owners in making informed decisions and optimal resource allocation. Based on these results, the researchers recommend that SMEs should adopt and strengthen entrepreneurial orientation dimensions to enhance their overall performance.

## Conceptual framework

The framework depicts the relationship between dependent variable and independent variables as summarized in Figure 1. The conceptual framework for this study established the relationship between entrepreneurial economic orientation and performance of the small and medium women led enterprises funded by WEF in Kenya.




## RESEARCH METHODOLOGY

The study adopted a mixed research design that integrated both descriptive and explanatory approaches to comprehensively address the research objectives. This research design was appropriate for this research study since it extensively tested the analysis of the relationships between variables. The study targeted 880 SMEs owned by women entrepreneurs and funded by WEF within Western region of Kenya who are registered by Ministry of Public Service, Youth and Gender Affairs in the region and licensed to operate businesses. The sampling frame consisted of the small enterprises in the services, production, agriculture, trade and manufacturing sectors in the western region of Kenya that were funded by WEF.

Yamane (1967) formula was used to determine the sample size of 275 respondents who were proportionately drawn from the counties namely, Bungoma, Busia, Vihiga and Kakamega. The number of respondents were identified from a particular stratum picked using proportional allocation. The actual respondents for the study were identified using systematic random sampling. Questionnaires were used to collect primary data because they are less costly and are not time-consuming.

A pilot study of 27 respondents was done in Nyanza region, comprising of seven sub-counties, namely: Kisumu Central, Kisumu East, Muhoroni, Seme, Nyakach, Kisumu West and Nyando. This study conducted reliability tests considering Cronbach's alpha test statistic for internal consistency and scale reliability. A reliability co-efficient of $\alpha \geq 0.7$ was considered adequate. Content validity was adopted for this study. Content validity was assessed by testing and/or asking the opinion of expert judges in the field or asking several questions about the instrument (Olanipekun, Ahmed, Opoku & Sutrisna, 2022).

Statistical Package for Social Sciences (SPSS) version 26.0 was used to code, enter and analyze data. Data was analyzed using descriptive and inferential analysis. Descriptive analysis involves the calculations of frequency distributions, percentages, mean, mode and standard deviation. Linear regression models were employed in the study to test the relationship between the independent variables and dependent variables.

## RESEARCH RESULTS

The respondents were asked to indicate their level of agreement regarding entrepreneurial economic orientation using a five-point Likert scale. Descriptive statistics, including means and standard deviations, were used to summarize the study findings, as shown in Table 1.

***Table 1 Entrepreneurial Economic Orientation on Performance of Women Led enterprises funded by Women Enterprise Fund***

| Economic elements | Mean | STDev |
|---|---|---|
| Have access to loans and finance | 3.44 | 0.72 |
| Have access to markets | 3.42 | 0.72 |
| Tax levied on goods and services is fair | 3.43 | 0.74 |
| My firm has helped solve problems of unemployment | 3.25 | 0.65 |
| Interest rate charged by banks is reasonable | 3.41 | 0.74 |
| I can take a loan without title deeds as collateral | 3.40 | 0.73 |
| Available infrastructure is adequate | 3.40 | 0.74 |
| I easily access necessary inputs | 3.24 | 0.65 |
| Income from business is affected by competition | 3.24 | 0.65 |
| I have my own premises | 3.25 | 0.66 |
| **Overall mean** | **3.348** | **0.70** |

Based on the descriptive statistics provided, the study examined the influence of entrepreneurial economic orientation on the performance of small and medium women-led enterprises funded by the Women Enterprise Fund (WEF) in Kenya. The analysis utilized a 5-point Likert scale, where mean scores between 3.41 and 4.20 indicate agreement, and standard deviation values above 0.5 reflect homogeneity in responses. Respondents agreed that they had access to loans and finance, as reflected by a mean score of 3.44 and a standard deviation of 0.72. This suggests that most women-led enterprises were able to secure financial support, although the moderate standard deviation indicates some variation in access levels across respondents.

Perceptions regarding the fairness of tax levied on goods and services were similarly positive, with a mean score of 3.43 and a standard deviation of 0.74. This reflects agreement among respondents that the tax environment was generally equitable, though responses varied slightly. Access to markets was also affirmed, with a mean score of 3.42 and a standard deviation of 0.72. This indicates that respondents generally agreed they could reach their target customers, although some experienced limitations in market penetration. The reasonableness of interest rates charged by banks was rated with a mean score of 3.41 and a standard deviation of 0.74. While this falls within the agreement range, the relatively high standard deviation suggests differing experiences with bank lending terms.

Respondents agreed that they could take loans without title deeds as collateral, with a mean score of 3.40 and a standard deviation of 0.73. This reflects growing flexibility in lending practices, though not uniformly experienced across all enterprises. Similarly, the adequacy of available infrastructure was rated at a mean of 3.40 and a standard deviation of 0.74, indicating general agreement but with notable variation in infrastructure quality. The role of the enterprise in solving unemployment was moderately agreed upon, with a mean score of 3.25 and a standard deviation of 0.65. This suggests that while many respondents recognized their contribution to job creation, the impact varied across businesses.

Access to necessary inputs and the effect of competition on income both recorded mean scores of 3.24 and standard deviations of 0.65. These results indicate moderate agreement, with respondents acknowledging challenges in sourcing inputs and navigating competitive pressures. Ownership of business premises was also moderately agreed upon, with a mean score of 3.25 and a standard deviation of 0.66. This suggests that while some respondents operated from owned premises, others may have relied on rented or shared spaces.

The overall mean score across all variables was 3.35, indicating moderate agreement that entrepreneurial economic orientation influences the performance of women-led SMEs. The overall standard deviation of 3.348 appears to be a typographical error, as standard deviation values typically range below 1.0 in Likert-based analyses. Nonetheless, the individual standard deviations suggest a generally homogeneous response pattern, reflecting shared experiences among respondents with some variability in specific areas. These findings underscore the importance of financial access, market connectivity, and supportive infrastructure in enhancing the performance of WEF-funded women-led enterprises in Kenya

## Performance of small and medium women led enterprises

The respondents were requested to indicate their level of agreement on performance of small and medium women led enterprises in a five-point Likert scale. The descriptive analysis such mean, standard deviation, frequencies and percentage were used to summarize the study findings as shown in Table 2.

*Table 2 Performance of small and medium women led enterprises*

| | Mean | Std. Dev |
|---|---|---|
| My ROE has increased for the last 3 years | 2.89 | 1.17 |
| My average pre-tax profits have increased for the last 3 years | 2.75 | 1.17 |
| My return on assets have increased for the last 3 years | 2.92 | 1.32 |
| The number of employees in our business have increased for the last 3 years | 2.50 | 1.40 |
| The sales turnover of our business has increased for the last 3 years | 2.98 | 1.48 |
| The use of ICT has increased the pre-tax profits significantly for the last 3 years | 1.69 | 1.34 |
| The use of ICT has increased the ROA of our business significantly for the last 3 years | 1.61 | 1.25 |
| The use of ICT has increased the ROE of our business significantly for the last 3 years | 1.62 | 1.27 |
| **Overall mean** | **2.37** | **0.81** |

The study examined the performance of small and medium women-owned enterprises funded by the Women Enterprise Fund (WEF) in Kenya through descriptive statistics, focusing on mean scores and standard deviations. Using a 5-point Likert scale, the analysis interpreted responses where a mean score between 2.6–3.40 indicates moderate agreement, and a score between 1.81–2.60 reflects disagreement. A standard deviation above 0.5 signifies homogeneity in responses, indicating that respondents had a shared understanding of the issue. Respondents moderately agreed that their business sales turnover had increased over the last three years, as reflected by the highest mean score of 2.98 and a standard deviation of 1.48. This suggests that while some enterprises experienced growth in sales, the wide dispersion in responses indicates varied performance across the sample.

Return on assets (ROA) also showed moderate improvement, with a mean score of 2.92 and a standard deviation of 1.32. This implies that asset utilization has improved in some businesses, although the high standard deviation points to inconsistent experiences among respondents. Return on equity (ROE) was similarly rated, with a mean score of 2.89 and a standard deviation of 1.17. This indicates moderate agreement that equity returns have improved, though not uniformly across all enterprises.

Average pre-tax profits recorded a mean score of 2.75 and a standard deviation of 1.17, suggesting moderate growth in profitability. However, the variation in responses reflects differing financial outcomes among the women-led SMEs. The number of employees in the businesses was rated with a mean score of 2.5 and a standard deviation of 1.4, indicating disagreement. This suggests that most enterprises did not significantly expand their workforce, and the high standard deviation reveals substantial differences in employment trends.

The use of ICT in enhancing financial performance was rated lowest across all indicators. Specifically, the use of ICT to increase sales turnover had a mean score of 1.69 and a standard deviation of 1.34, indicating strong disagreement and high variability. Similarly, the use of ICT to improve ROE and ROA recorded mean scores of 1.62 and 1.61 respectively, with standard deviations of 1.27 and 1.25 respectively. These results suggest that respondents did not perceive ICT as a significant contributor to financial performance, and experiences varied widely.

The overall mean score across all variables was 2.37, falling within the “disagree” range. This indicates that, on average, respondents did not perceive substantial performance improvements in their enterprises over the last three years. The overall standard deviation of 1.30 confirms homogeneity in responses, suggesting that most respondents shared similar views regarding the limited growth and impact of ICT on their business performance. These findings highlight the need for targeted interventions to enhance profitability, asset efficiency, and digital integration among WEF-funded women-led enterprises in Kenya.

## Regression analysis

Based on the regression model and table 3, the coefficient of determination (R squared) of 0.497 showing that 49.7% of performance small and medium women led enterprises funded by women enterprise fund in Kenya was explained by entrepreneurial economic orientation. The R shows the correlation coefficient of the combined influences of entrepreneurial economic orientation, an R =0.705 shows that there is a strong positive influence of entrepreneurialeconomic orientation and performance small and medium women led enterprises.

***Table 3. Model summary***

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate |
|---|---|---|---|---|
| 1 | .705[a] | .497 | .494 | .57618 |

a. Predictors: (Constant), Entrepreneurial economic orientation

The regression model with Entrepreneurial economic orientation as a predictor was significant. (F=213, p value =0.00) showing that there is a significant relationship between entrepreneurial economic orientation and performance small and medium women led enterprises and at least the slope (β coefficient) is not zero as shown in table 4.

***Table 4. ANOVA Results***

| Model | | Sum of Squares | df | Mean Square | F | Sig. |
|---|---|---|---|---|---|---|
| 1 | Regression | 70.741 | 1 | 70.741 | 213.083 | .000[b] |
| | Residual | 71.709 | 216 | .332 | | |
| | Total | 142.450 | 217 | | | |

a. Dependent Variable: Performance of women led enterprises

b. Predictors: (Constant), Entrepreneurial economic orientation

The study findings depicted that there was a positive significant relationship between Entrepreneurial Economic orientation and performance of small and medium women led enterprises ($\beta_2$=0.762 and p value=0.000) table 5. Therefore, a unit increase in entrepreneurial economic orientation led to an increase in performance of small and medium women led enterprises by 0.762. Since $p < 0.05$, the null hypothesis was rejected.

***Table 5. Coefficients***

| Model | | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. |
|---|---|---|---|---|---|---|
| | | β | Std. Error | Beta | | |
| 1 | (Constant) | .568 | .130 | | 4.384 | .000 |
| | Entrepreneurial economic orientation | .762 | .052 | .705 | 14.597 | .000 |

a. Dependent Variable: Performance of women led enterprises

b. Predictors: (Constant): Entrepreneurial Economic orientation

The study findings depicted that there was a positive significant relationship between entrepreneurial economic orientation and performance of small and medium women led enterprises. This finding aligns with several empirical studies that highlight the strategic value of entrepreneurial orientation in enhancing business performance. For instance, Galadanchi and Alkali (2023) and Aliyu et al. (2025) found that entrepreneurial orientations significantly contribute to SME performance, particularly in volatile environments. Umar et al. (2019) emphasized the synergistic role of entrepreneurial orientation and financial resources in driving performance among women-owned businesses. Kivuitu and Karugu (2020) confirmed that entrepreneurial orientations positively correlate with SME performance in Nairobi, reinforcing the relevance of entrepreneurial orientation in the Kenyan context. Thus, this study contributes to this body of knowledge by quantifying the influence of entrepreneurial economic orientation and validating its significance in enhancing performance among women-led SMEs.

### Moderating role of legal framework on entrepreneurial economic orientations and performance of women led enterprises

When the legal regulation framework was introduced, the coefficient for entrepreneurial economic orientation decreased to $\beta = 0.175$ but remained statistically significant ($p = 0.042$). This indicates that economic orientation continues to influence performance even when regulatory factors are considered. In Model 3, the interaction term between entrepreneurial economic orientation and the legal regulation framework (LRFEEF) was tested to assess moderation. The interaction yielded a coefficient of $\beta = -0.050$ with a p-value = 0.225, which is not statistically significant. This led to the failure to reject hypothesis H05a, confirming that the legal regulation framework does not significantly moderate the relationship between economic orientation and performance.

In the full interaction, the coefficient for entrepreneurial economic orientation was $\beta = 0.646$, with a p-value = 0.033, reaffirming its direct and significant contribution to performance of SMEs. However, the interaction term (LRFEEF) remained statistically insignificant ($\beta = -0.156$, $p = 0.110$), reinforcing the conclusion that the legal regulation framework does not alter the strength or direction of the relationship between entrepreneurial economic orientation and performance of SMEs. These findings suggest that while entrepreneurial economic orientation is a robust predictor of SME success, its effectiveness is not contingent upon the regulatory environment, highlighting its intrinsic strategic value.

## Conclusion

The study established a strong, positive, and statistically significant relationship between entrepreneurial economic orientation and performance of women-led SMEs ($\beta = 0.762$, $p < 0.000$), with 49.7% of performance variance explained ($R^2 = 0.497$). Descriptive results showed moderate agreement on access to finance (mean = 3.44) and markets (mean = 3.42). The regression model was significant ($F = 213.08$, $p < 0.000$), confirming that entrepreneurial economic orientation is a key performance driver. When the legal framework was introduced, the coefficient slightly reduced to $\beta = 0.175$ ($p = 0.042$), but remained significant, indicating sustained influence. However, the interaction term between entrepreneurial orientation and legal framework was not significant ($\beta = -0.050$, $p = 0.225$), and in the full model, it remained insignificant ($\beta = -0.156$, $p = 0.110$). This confirms that while entrepreneurial economic orientation independently enhances SME performance, the legal framework does not moderate this relationship. Therefore, economic orientation remains a robust predictor of performance, unaffected by regulatory conditions.

## Recommendation

To enhance the performance of women-led small and medium enterprises funded by the Women Enterprise Fund, it is recommended that strategic support be extended in areas that foster business growth and resilience. This includes expanding access to affordable digital tools and training to improve technological adoption and operational efficiency. Capacity-building programmes should be tailored to strengthen financial management, market competitiveness, and innovation. Efforts to improve infrastructure and streamline access to production inputs can further support enterprise productivity. Additionally, promoting inclusive financing models that accommodate diverse collateral options will help broaden credit accessibility. Policymakers and stakeholders should also consider simplifying regulatory procedures to reduce administrative burdens and encourage formalization. Collaborative platforms that connect women entrepreneurs to mentorship, peer learning, and market linkages can accelerate enterprise development. Overall, a multi-sectoral approach that integrates economic empowerment, digital readiness, and supportive policy environments will be essential in unlocking the full potential of women-led SMEs and sustaining their contribution to national development.

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