

Gender Analysis Of Small And Medium Enterprises: Implications For The Promotions Of Education In Homa- Bay County, Kenya

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Abstract

Purpose: The purpose of the study was to analyze the performance of Small and Medium Enterprises (SMEs) among the gender and its implications on the promotion of education in Homa Bay County, Kenya. SMEs make important contributions to education, economic and social development of any country. The study was guided by three objectives; to explore the extent of gender influence on performance of SMEs after accessing credit from micro-finance institutions; to find out the challenges affecting performance of SMEs funded by micro-finance institutions; to identify the factors contributing to gender gap in SMEs performance and to establish entrepreneurship's characteristics that influence access to credit from micro-credit institutions.

Methodology: The research adapted a descriptive survey design. The researcher created the state of affairs in the field for this study, and no variable was altered, leading to the use the research design. Purposive sampling was utilized to interview management officials while random sampling was used in group interview. The study involved 44 households and the target population was 1000 SMEs operators in Homa Bay County. Structured questionnaires for business owners and interview guides for in-depth information from microcredit employees served as the primary data gathering instruments for this study.

Findings: The survey findings established that most of the SME were started in the last five years, between 2006 and 2021. This was attributed to such factors in the Kenya economy as structural adjustment programs (SAPs). The major source of capital was savings from the farming and micro-credit institutions. The study established the performance of SME had enormous challenges. However, it had created a great impact in improving the economic base of the people making it possible for people to build the education sector.

Study Contribution: The study recommended that the government should come up with a policy that require micro-finance institution and NGOs in individual capacities or in collaboration with the government to have a human resource or manpower development to train the target population before accessing credit or loans. The study further recommended that the government and NGOs should ensure that finances are made available to both men and women in business to promote SMEs. This could be done through awareness campaign on the existence of such financial institutions with the help of the government. This was envisaged to improve capital base and create more business opportunities hence assisting in reducing unemployment which is the main purpose of the informal sector. The outcome has a positive implication for growth of the education sector.

Keywords: SMEs, education, and Gender.

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I. Introduction

The business having fewer employees than a predefined threshold is considered small and medium enterprises (SMEs). Sometimes, in a particular national economy, SMEs exceed large firms by a wide margin and employ a disproportionately higher number of workers (Fischer, 2020). The SME sector is significant in the majority of developing nations and has expanded quickly in recent years in response to expanding urbanization and the formal sector's limited capacity to address the problem of rising unemployment. Small and medium-sized businesses are more prevalent in developing nations. In many economic sectors, SME's are the ones driving innovation and competitiveness. Despite producing more new jobs than large businesses, they experience the majority of job loss and contraction (Petrasis, 2012).

SME's operate outside the formal economy, whereas all activities in the informal sector are extra-legal in the regulatory sense rather than criminally. Macro-enterprises are seen as a part of the informal sector, which is made up of entrepreneurs who produce legal goods and products, some of which do not have the necessary permits or legal standing. This is because these entrepreneurs lack the resources and/or the motivation to adhere to the onerous and excessive rules and regulations required to join the formal economy. Because of this, they function outside of the formal economy; actions in the informal sector are extra-legal in a regulatory rather than a criminal sense. Since their needs for capital, technology, management, and even utilities are less onerous than those of major firms, SME's can be easily founded all over the world. The SME sector is significant in the majority of developing nations and has expanded quickly in recent years in response to expanding urbanization and the formal sector's limited capacity to address the problem of rising unemployment. SME's act as a dynamic force for economic development and a welfare safety net in the fight against poverty. The MSEs are the backbones of wealth development and employment; they efficiently train large numbers of individuals outside of the conventional educational and vocational systems and help them acquire skills to combat poverty. Small businesses redistribute welfare by drawing a sizable proportion of the poor who are looking for ways to meet their fundamental requirements. The MSE sector also serves as a cornerstone for the growth of local entrepreneurship and self-sufficient indigenous industrial development (Mullei, 2003).

At the individual employee level, Petrakis and Kostis (2012) investigated the impact of interpersonal trust and knowledge on SME penetration. They come to the conclusion that knowledge has a beneficial impact on small business numbers, which has a positive impact on interpersonal trust. Depending on how they are defined, SME performance varies geographically. Nevertheless, SMEs contribute significantly to the global economy. According to estimates from the Association of Chartered Certified Accountants (ACCA), SMEs account for 67% of employment and 52% of worldwide private sector production (ACCA 2010). They are thought to be the main driver of new job creation among Organization for Economic Cooperation and Development (OECD) nations, accounting for 30% of exports and 10% of foreign investment (OECD, 2004). Importantly, people believe that SMEs will operate in accordance with universal principles more than huge enterprises, national governments, or international organizations because of their efficiency and effectiveness (World Economic Forum, 2010).

Medium and Small businesses are crucial to the European economy because they make up 99.8% of non-financial enterprises in the EU and employ two-thirds of its workers, according to the European Union Commission (Anonymous,2016). Over 100 million people are employed by small and medium-sized businesses (SMEs), which make up the bulk of businesses in Europe. Micro enterprise employment in Africa absorbs 61% of the urban labor force and is predicted to provide more than 90% of all additional jobs in the continent. In Ghana, where they are engaged in various initiatives to improve the lot of beneficiaries who are generally deemed to be deprived in the country, there are 25,613 registered micro-enterprises, with the number growing every year (USAID, 2009).

A total of 97% of Egyptian businesses employ fewer than 10 employees, according to census data released by the government-run statistics agency CAPMAS. Medium-sized firms with 10 to 50 employees make up 2.7% of all businesses. However, only 0.4% of all enterprises in the nation are huge corporations with more than 50 employees. Egypt has a serious shortage of medium-sized businesses, according to the findings of the European Investment Bank's Banking in Africa survey for the anticipated change in loan demand from SMEs in East Africa in 2021. 70% of the 24 million businesses in the nation only have one or two employees. Only 784 businesses, or less than 0.1% of all companies, employ between 45 and 49 people. (In 2021 in Southern Africa) (European Investment Bank. 2021-12-06. Retrieved).

Small and Medium Enterprises (SMEs), which make up 90% of all businesses worldwide, play a crucial role in generating employment, producing goods and services for consumers' final consumption, and providing raw materials for additional production, all of which contribute to economic growth. In Kenya, SMEs contribute 40% of the country's GDP. Additionally, SMEs account for 98% of all firms in the nation and create 30% of all new jobs each year (Jubril, Olubiyi, Sojinu & Ngari, 2022). The gender breakdown of SMEs in Kenya indicate that 31.4 percent are owned by women, 48 percent by men, and 17% by men and women jointly.

Insignificant 6.4% of unlicensed SMEs are owned by men, compared to women's 61%, suggesting that males may be finding it difficult to comply with the regulations that may not be in their best interests (Junnuan & Rojanapanich, 2022). Due to banks' and other financial institutions' lax collateral requirements, women-led SMEs in Kenya also struggle to raise beginning financing. Furthermore, they might not have the necessary entrepreneurial abilities to properly manage the SMEs. The effects of the COVID-19 pandemic may have exacerbated gender gaps among SMEs and weakened the slow progress toward gender equality in SME performance in the country, despite numerous interventions by the government and non-governmental organizations to address the issues facing women-led SMEs in the country.

The Kenyan SME sector is a mix of tiny self-employment attempts and active firms that span a wide range of activities, primarily in urban regions but also in rural Kenya. The firms have the potential to generate a

wide range of job possibilities, raise earnings for many Kenyan households, and hence generate widespread economic benefits. According to the 1999 National MSE Baseline Survey, approximately 6% of the 1.3 million enterprises in 1999 were located in rural areas. At the same time, women owned 48% of the 1.3 million firms in 1999, with 64.3% of MSEs in commerce, 14.8% in services, and 1.4% in manufacturing, while 7.7% were active in other activities. Micro-enterprises have a minimum of up to ten employees. Small businesses have between 10 and 50 employees, while larger businesses have between 50 and 100. (Mullei, 2003).

Women's difficulties and sustainable development through the informal sector (micro and small businesses) are key concerns in Africa today. Concerns about research and policy increasingly center on the responsibilities that women play as environmental change agents (World Bank 2008). The contributions of microbusiness and women to the management of sustainable resources are diverse. Unfortunately, women's central and important roles are frequently ignored and undervalued, which makes them invisible and significantly reduces their contribution as producers and active agents in the development of microenterprises. In most African countries, gender inequality and inadequate access to credit for women have caused a variety of obstacles for rural small and micro-enterprises. Women in Kenya have various barriers to acquiring funding for small businesses, especially due to issues with credit without collateral and access to the official sector. Women control over half of all micro, small, and medium-sized businesses (MSMEs) and manage 40% of smallholder farms, however they have access to less than 10% of accessible credit and less than 1% of agricultural finance, according to the World Bank. According to the 2004 Investment Climate Survey, 86% of loans require collateral, which most women do not have, in order for them to receive financial support to pursue their activities in business management on their own.

As it was observed that certain areas of SMEs are dominated by men, while others are controlled by women. Kenya Sessional Paper No. 2, 1992, government policy worked to harmonize small scale Jua-Kali companies (SSJKE) with appropriate ministries for job creation. Kenya sessional paper no. 3 of 1996 on industrial transformation to the year 2020 emphasized the promotion of the informal sector through links that lead to the nation's industrialization.

The evidence indicates that Kericho Sub-County, despite being agriculturally productive, is controlled by men due to women's difficulty to obtain credit, retrogressive traditions like as FGM, lack of ownership of property/collateral, and low level of education. Government and non-governmental (NGOs) initiatives haven't done much to close the gender performance gap in SMEs. Gender-based violence and violence against women are other manifestations of gender inequality. Men and women can now access financing thanks to a number of microfinance groups, including FAULU-Kenya, Care Kenya, Pride, Kenya Rural Enterprise Programme, and Kenya Women Finance Trust.

Statement Of The Problem

The Kenyan economy relies heavily on small, and medium-sized enterprises (SMEs) to support livelihoods and provide jobs. Over 15 million people are reportedly employed in the sector, which also adds about 30% to the country's value-added. Despite this, SMEs across the country still face many obstacles that hinder their growth, one factor among many being the limited access to finance for both genders.

Small scale enterprises are related to issues of poverty alleviation program. The government of Kenya had tried giving equal opportunities for women and men entrepreneurs through informal sector initiatives, and amending the constitution with regard to ownership and control of poverty by both women and men. However, a study gap exists that focuses on the analysis showing gender differential in performance of enterprises in Homa Bay County. More so, how this differential influence the promotion of education in the county.

Small and Medium Enterprises run by women are further hurt by their accustomed lack of launch and operating capital. Their social and cultural context, as well as the types of enterprises that the majority of them run, also place restrictions on them (Siwadi & Mhangami, 2011). Prior studies have primarily focused on the difficulties that SMEs face, but very little has been done to determine the strategic success characteristics of the SME sector's top performers (Douglas, Douglas, Muturi, & Ochieng, 2017) and how this is a factor in the promotion of education. However, the current study aimed to determine the relationship between gender analysis of small and medium enterprises and its implication in the promotion of education in Homa Bay County, Kenya.

Objectives

This study specific objectives were;

- i. To determine the extent of gender influence on performance of SMEs after accessing credit in Homa Bay County, Kenya.
- ii. To find out the challenges affecting performance of SMEs funded by Micro-credit finance institutions in Homa Bay County, Kenya.
- iii. To identify the factors contributing to gender gap in SME performance in Homa Bay County, Kenya.

- iv. To establish entrepreneurship's characteristics that influence access to credit from the micro-credit institutions in Homa Bay, Kenya.
- v. To establish the extent gender ownership of SMEs has contributed to the promotion of education in Homa Bay County, Kenya

II. Literature Review

Gender Influence on SMEs Performance

Numerous gender-related aspects have been found to have an impact on business success, either favorably or unfavorably. Cultural considerations, an owner's hours of work, male and female domestic and child care duties, and tasks carried out in the workplace by both sexes are a few examples of these concerns. In absolute terms, female-owned firms are less numerous than those held by men (Eikhof *et al.*, 2013). Additionally, it has been perceived that women generally have less experience, less abilities, and less understanding when it comes to entering the world of business (Naud'e, 2013).

On the other hand, there hasn't been much of a change in the traditional social expectations for men. In other words, societies still view men as the family's primary provider, while women are expected to take care of the home and, more importantly, the family. Therefore, female SME owners who manage their own enterprises are more likely than their male counterparts to have less incentive to perform effectively since they must balance work and family responsibilities (Hundley, 2001). This is damaging to women's efforts to start their own businesses and, more significantly, to their ability to get the business-related experience required for increased company success (Klapper & Parker, 2011).

In terms time allocated to SMEs, a study by Hundley (2001) showed that firms owned primarily by men had an average weekly working time of 49 hours, compared to 43 hours for enterprises managed purely by women. The stark contrast between the two is most likely a result of the different responsibilities that men and women have in terms of caring for their families and performing domestic duties (Hundley, 2001). Studies further reveal that women who own small businesses face greater time and energy constraints due to domestic duties and shorter workweeks than their male counterparts (Gottschalk & Niefert, 2012). However, Eikhof *et al.* (2013) discovered that women who run micro-enterprises out of their backyards put in the same amount of overtime as men. This shows that the differences in working hours between men and women relate to the industry, kind of company, and place of operation (Elizabeth & Baines, 1998; Eikhof, 2012).

Married couples are more likely to play roles that conform to typical gender-related roles or patterns when they engage in commercial activities together. As a result, a small proportion of small business owners who are married share professional and management responsibilities. According to Billson (2011), women in South Africa are responsible for their companies' failure and poor growth because they are less proactive and daring than men. As a result, women are increasingly involved in secretarial work and less visible in decision-making (Vadnjaj & Zupan, 2009). Administrative professions, according to Boden (1996), provide women with work experience that is insufficient for the demands of entrepreneurship if they wish to change careers in the future.

Inputs from owners obtained prior to business ownership, according to Powell, Kimberly, and Eddleston (2008), have a major impact on the firm's performance. This idea was backed by Menzies, Diochon, and Gasse (2004), who noted that research shows that both men and women contribute to SMEs. Married women who own a business with their spouses habitually perform errands that call for prior training because they typically have little experience, according to Elizabeth and Baines (1998). On the other hand, male business owners frequently work in fields for which they have the required education and experience.

Nonetheless, it ought to be featured that gender divisions of work are regularly influenced by custom or culture, whether or not wedded men or ladies take an interest together as representatives or neglected defenseless members (Goffee and Scasse, 1985; Botha, 2009). However, there are a number of advantages to looking for family support in enterprises run by both men and women. For instance, it is clear that having family support could boost one's chances of surviving despite difficult economic circumstances. Moreover, both male and female SME proprietors who focus on development have the decision of depending or not relying upon their accomplices or other relatives who are probably going to invest some parcel of extra energy to make and keep up with more extensive organizations that could create data, thoughts, and abilities.

Challenges Affecting SMEs Performance

About 98% of all businesses in Kenya are SMEs. The overall GDP growth for Kenya in 2017 is anticipated to be 6.4%, with SMEs contributing 3%. According to the Central Bank of Kenya's (CBK) most recent National Economic Survey, SMEs generate 30% of all new jobs each year. According to the 2014 report, SMEs accounted for the majority of the 800,000 new employment created in the year, or 80% of them (Mwangi, 2017). Kenya's SMEs, despite their significant economic contribution, are confronted by numerous difficulties.

Mwangi (2017) notes that SMEs are hampered by a lack of finance, restricted market access, insufficient infrastructure, inadequate knowledge and skills, and rapid technological development, according to a research by

Deloitte Kenya Economic Outlook 2016. The World Bank highlighted that the number of entrepreneurs who launch enterprises, creating jobs and increasing government revenue, is influenced by complex registration process and costs.

Education, networking, and managerial experience are all essential to business operations. Due to their lack of IT literacy, financial literacy, and management skills, women are unable to engage knowledge-intensive or technologically complex organizations or industries, which frequently enjoy higher margins because they tend to bring more value to the economy. According to studies, women typically lack the relevant abilities needed to launch a business, such as commercial awareness. For instance, a poll conducted by ANZ revealed that women had lower levels of financial literacy and numeracy than men, as a result of their decreased exposure to financial goods and use of financial education resources.

In most nations, it was also discovered that a greater percentage of male survey participants scored higher on financial awareness than female participants (Atkinson, 2012). Critical barriers to SME internalization include a lack of managerial expertise and scarce resources. These restrictions seem to be most common in micro and smaller businesses, which are primarily run by women. Women have greater barriers to obtaining training in business-related topics. Female entrepreneurs are at a disadvantage due to a lack of essential skills, restricted access to training opportunities, and the underrepresentation of women in business ownership and managerial positions. The inexperience of these women SME owners may also limit their willingness to take risks in growing their companies (OECD, 2009).

Networks are crucial for the growth of SMEs because they offer knowledge, expertise, and experience for navigating both home and foreign markets. Numerous studies have found that women are more disadvantaged by having less professional ties and mentorships since they are less likely than men to know other entrepreneurs when they start their enterprises. There are fewer social networks, which means less possible commercial opportunities. In order to identify value chains and strengthen linkages with bigger companies, networks play a crucial role in promoting SME internationalization (<http://asiafoundation.org>, 2013).

The lack of appropriate access to capital is typically one of the barriers limiting women-owned businesses from expanding given the smaller size of women-owned SMEs generally. On average, women tend to borrow less from financial institutions and have less collateral assets and a weaker credit history (Wignaraja and Jinjara, 2015). According to a number of studies, female business owners are more likely to use their own funds or the money of friends, family, or neighborhood organizations to establish their businesses. Women-owned SMEs use non-bank financial institutions (NBI) to raise money. Overall, women had more trouble than men getting into traditional financial institutions (Asia Foundation, 2013).

Laws that forbid women from working in particular sectors, such as mining and construction, also make it difficult for women-owned SMEs to engage in such sectors or provide services related to them. Numerous regulatory barriers that prevent female SME owners from formalizing their companies have been found in prior studies. For instance, operating a legally registered company may come with greater entrance expenses, more procedures that must be followed, and more challenging tax issues to handle. These restrictions are likely to have an impact on female SME owners because women typically run smaller SMEs and have fewer resources to deal with formal procedures (Wignaraja *et al.*, 2015).

Factors that Contribute to Gender Gaps in SMEs Performance

An individual's experience is significantly correlated with it, especially in managerial endeavors (Dyke *et al.* 1992). Experience was emphasized as a factor in Shava and Rungani's (2014) study on human capital. Headd (2003) asserts that having prior experience as a business owner is required since lessons learned frequently convert into skillful decision-making. Robb and Watson (2012) discovered that women are more likely than men to have had little prior experience owning a business. According to empirical data, factors related to human capital may, theoretically, have an impact on a company's performance (Robb & Watson 2012). Notwithstanding, Robb and Watson (2012) expressed that human resources characteristics and other segment factors ought to be recorded at a similar level (controlled) across gender while investigating pioneering results, like firm execution. As per the review, there was no distinction in gender in firm execution subsequent to revising for the business, earlier business possession experience, and hours worked.

Amin and Kushnir (2002) supported their assertion that managerial experience is crucial for entrepreneurs because it can help them comprehend how to prioritize and put into effect policies that will have a beneficial impact on their business by providing evidence from 71 emerging economies. As per Amin and Kushnir's (2012) research, women were found to have more administrative experience than men in 13 out of 71 arising economies. Berger, Kirk, and Schaeck (2012) found that groups with additional female chiefs would in general settle on more hazardous choices that could jeopardize the organization's drawn out presence in an investigation of German banks. The exact concentrate likewise shows that this outcome is impacted by the way that female chiefs have less administrative experience than male leaders.

A proprietor's previous involvement with the business where the flow business works is unequivocally and well connected with execution, as per research by Dyke et al. (1992). Bosma et al. (2004) examined the relationship between business success and domain expertise. The study used growth, survival, and profitability as its performance metrics. The findings showed that sustainable business practices enhanced firm performance. Technology-based firms were the subject of an analysis by Keeley and Roure in 1990, and an educational software company was the subject of an analysis by Van De Ven, Hudson, and Schroeder in 1994. According to the studies mentioned above, there is no real connection between business performance and industry experience. Fairlie and Robb (2009), reflecting on the differences in prior work experiences, noted that these impacts are significant and may help to partially explain the gender gap in business performance. De Tienne and Chandler (2007) examined how industry expertise impacted both male and female entrepreneurs' ability to identify opportunities. They discovered that prior work and industry positively influenced the number of possibilities discovered for women and accounted for 20% of the variance, compared to 5% for males. According to De Tienne and Chandler's research, male industrial experience at higher levels is associated with better entrepreneurial achievements. According to a substantial number of empirical research, female SME owners have less business-related experience than male SME owners.

Entrepreneurship Characteristics Influencing Access to Credit Facilities

Fundamentally affecting how a business is run. The qualities of the proprietor are challenging to recognize from those of the organization with regards to SMEs (Kung'u, 2011). Owner's affiliation is portrayed as commitment in and participation in any friendly or expert gathering with equivalent qualities and monetary necessities (Kumah, 2011; Pandula, 2011). Andula (2011) asserts that networks make it easier for SMEs to obtain finance since bankers can become acquainted with SME operators through membership in social or professional organizations. Several studies show that joining an association enhances SMEs' access to financing (Pandula, 2011). Financial institutions, especially microfinance organizations, value group responsibility because it lessens the issues of moral hazard and adverse selection that cause the lending market to collapse (McKenzie, 2009). Since individuals have an impetus to vet and direct their kindred gathering individuals to make sure they are putting away their cash capably, bunch loaning helps an organization's admittance to credit (McKenzie, 2009). Organizations can be utilized as a method for settling the issues of admittance to scant assets and commercial centers (Atieno, 2009).

Additionally, networks are said to assist in supplying small businesses with finance, knowledge, and guidance. Applying this concept to the banking industry, one could contend that membership in clubs, societies, or other professional, trade, or social organizations may increase one's chances of getting a bank loan. Political relationships enable SMEs to access information that their rivals cannot. Such data is essential when making strategic decisions and choices. Politicians make it easier for businesses to secure investment, which is advantageous for marketers. However, because most SMEs are family-owned businesses, involving politicians in a company's operations has an adverse effect on the way the business is structured (De Kok, 2016).

Political associations, as per Zhou (2011), are the main variable for SME areas in created and non-industrial countries. This disclosure makes sense of how and why political binds impact their collaborations with SMEs in outstanding nations to get subsidizing. SMEs and the financial system are connected by investments, according to Xu and Xu's (2010) analysis of 600 SMEs in China between 2001 and 2008. Prior studies showed a correlation between higher educational attainment and business growth (Kozan *et al.*, 2006). Motivation of entrepreneurs is impacted by education (Smallbone &Wyer, 2000). Education also helps to increase communication abilities, forethought, and exploratory capabilities. These improved skills have a direct correlation to convincing a banker during the client interview by making a convincing argument for a loan while submitting a loan proposal.

Kumar and Francisco (2005) found a huge job for training in Brazil's access to monetary administrations. Moreover, they found that graduates had the simplest time getting bank funding. Researchers claim that highly educated entrepreneurs are better able to establish a positive relationship with financial institutions and offer strong business plans and financial data than less educated entrepreneurs. Education gives managers and business owners the ability to handle the company's various departments, including finance, marketing, and human resources. This performance enables those companies to obtain financing without any difficulty.

Because highly educated SME owners and managers are more effective workers and because funders place greater trust in individuals with more significant levels of training than those with lower levels of instruction, having more schooling likewise improves the probability that SMEs will actually want to get finance (Berger and Udell, 2006). Instructed chiefs and proprietors know about the advance application process, can give positive monetary information, and foster more grounded bonds with their brokers (Pandulla, 2011). Owners of SMEs in developing nations typically have little formal education. Most business owners apprentice under a skilled master to learn their trade.

According to Kasseeah and Thoplan (2012), the participant's educational level whether it be at the primary, secondary, or tertiary level is assessed using ordered measures. Numerous studies show that more education and training improve the quality of human capital. Small business owners with better educational credentials are seen from the banks' and financial institutions' perspectives as being more creditworthy. Managers with higher levels of education are also more likely to be self-assured and knowledgeable about bank credit services and requirements, which suggests that they will apply for loans more frequently than those with lower levels of education.

Slavec and Prodan (2012) and Zarook et al. (2013) noted a strong association between educational attainment and the capacity to get a credit from a monetary organization. Ahmed and Hamid (2011) involved the top supervisor's instructive level as a check of the nature of human resources and determined a high probability of getting credit. Nguyen and Luu (2013) partitioned training into three particular classes: essential scholarly level, master scholastic level, and information on business regulation and duty regulation. This perception demonstrated that these substitutes for the owner's or alternately boss' instructive foundation fundamentally affected getting credit.

Mukiri (2012) looked at the relationship between educational attainment and access to bank mortgages indirectly through entrepreneurial gender. The results showed that the entrepreneur's academic education level has a favorable impact on gaining access to capital. According to Kira (2013), SMEs with a proprietor or manager who has educational credentials from training and experience are considerably more likely to receive credit from banks. Women have generally been dynamic in organizations as accomplices, albeit often just imperceptibly or quietly. Business possession has generally been viewed as a male space. As per the Mahadea (2010), female business owners in Africa continue to be marginalized by the national economy. Male participation rates often tend to be 50% greater than female participation rates, according to the female total entrepreneurial activity index (Minniti, 2012). Maas & Herrington (2006) estimate that 7.72% of people worldwide are women entrepreneurs.

Mansor and Mat (2010) found that since they lack enough collateral, women in Malaysia have trouble getting loans because they are seen as inconsistent borrowers. According to Macharia (2013), barriers to credit for women include a lack of start-up capital, ignorance of available credit options, high interest rates, arduous and time-consuming loan application processes, and the absence of collateral security citing Nyeri garment manufacturing sector of the textile industry. Although micro-enterprises have realized changes since it was implemented in 1950s, it still faces a number of challenges for example ability of some potential entrepreneurs to get collateral for loan and conditions for accessibility to credit for micro-enterprise development may also be biased.

There is serious need to improve the sector through assistance by government, private organizations and non-governmental organizations. Since the informal sector micro-enterprise has gained recognition and featured in various aspects as topics for discussion due to its importance. Economic survey indicates that in 1999 the informal micro-enterprise sector had employed 68% and currently employs more than 70% in Kenya. To this end there is need for researchers to explore uniform factors influencing performance of enterprises, non-governmental activities in micro-enterprises, principles of financial service delivery to the entrepreneurs by micro-credit institutions and an examination of models of micro-enterprise finance used by financial institutions and to a given extent financial sustainability of micro-financing NGOs.

Implications of Gender Analysis of SMEs on the Promotion of Education

Gender analysis as emphasized relates to the variety of methods used to understand the relationships between men and women, their access to resources, their activities, and the constraints they face relative to each other. Gender analysis of SME can offer information to understand women's and men's access to and control over resources that can be used to address disparities, challenge systemic inequalities (most often faced by women), and build efficient and equitable solutions such as engagement in agricultural production, promotion of education and rural development agenda.

Many developing countries in Africa are known to have a large and growing SME sector. In Kenya, the SME sector plays a key role in the national economic development. As a key engine for growth, SME sector is acknowledged as the biggest employer outside the traditional agriculture sector. According to Economic Survey (Economic Survey 2014), SME share of total employment has increased from 48% a decade ago to more than 68% currently. Another study by (Bowen, Morara and Mureithi 2009) showed that this sector contributed 50% of all new jobs in 2005, and grew to over 65% of job creation in 2012 with overall contribution of 20% of the country's GDP. This phenomenal growth in the share of job creation by SME sector has increased government focus on the development of this sector as a key driver for economic growth, new job creation and poverty reduction. This is in line with the government's focus of prioritizing the private sector as the key enabler in future growth and poverty reduction strategy.

SMEs are a driving force for developing the economy, creating employment, and basic tools for alleviating poverty all which can influence the promotion of education that support children all gender. This

means that SMEs can accommodate rural entrepreneurs regarding their standard of living and improving their quality of life that can promote education. Lack of access, or limited access, to education has a negative impact on young people's life opportunities, their ability to earn a living, to fulfill career aspirations, to enjoy a productive life, and to exercise autonomy and choice if they so wish. Increased poverty has also led to a growth in child labour and human trafficking. It is therefore essential that every person can take full opportunity of whatever educational provision there is, however limited. Although girls and women are disproportionately disadvantaged globally, there are also boys and men who are exploited, impoverished, and marginalized. Education is crucial for them too.

Gender dynamics significantly drive and influence expectations and outcomes for boys and girls at home, the school, and the workplace. A study by IFC (2018) shows that women constitute a fifth of the total workforce in the SME sector. According to data available, the rate of women's employment in registered SMEs is 20.45 percent and 13.02 percent in unregistered enterprises (CRW, 2014). Disaggregated data across MSMEs shows that women's employment, like ownership, is the highest in the case of micro enterprises, followed by small and then medium enterprises (CRW, 2014). However, women are employed mostly in low-skilled jobs and face low wages, improving employment conditions of MSMEs can help to achieve women's active economic participation to achieve the goal. Inclusive finance can bridge the gender gap in terms of economic gain which mutually works to promote education. Evidence shows that women are stronger savers than men, more responsible borrowers and calculated risk-takers. According to the Bank of New York Mellon, increasing women's access to financial products and services could unlock \$330 billion in annual global revenue. Financial institutions, therefore, need to be incentivized to cater to women entrepreneurs. SME create employment that lift people out of poverty. Poverty works against education stopping many children accessing school or enhancing increased school dropout. Job creation through SME has proven to be a driver in the fight against poverty and a promotion to education.

In the same breath, SME contributes to sustainable agricultural production which works towards food security and improved nutrition for children good health and well-being. SMEs can support and encourage small-scale farming, ensure sourcing from local entities and small-scale producers to support local development agenda. According to OCED (2017), malnutrition costs the global economy as much as five percent of global GDP in loss of productivity and direct healthcare spending. Improved nutrition status can help produce healthy children, workforce and contribute to the improved productivity of SMEs to enhance social, economic and education progress. SMEs can therefore be incentivized to conduct nutrition education and awareness programmes to improve household dietary habits. These initiatives can promote consumption of food from small-scale producers at the same time.

SMEs has emerged as a complementary formal education provider. In many developing countries, public schools alone are insufficient to ensure the inclusiveness of education services needed to reach the targets included in SDG. In many countries, SMEs conducting business in the education sector could provide complementary education services, expanding the access to educational services to the general public. For example, in a recent study conducted by the Center for Education Innovations tracks, the growth of low-cost private schools had more than doubled in India since 1993, while in Kenya, low cost private school enrolment has tripled since 1997, which has contributed to expanding access to educational services. SMEs could contribute to achieving SDG by expanding inclusive access to education services and improving skills of youth and women for obtaining decent jobs. This has a cumulative impact of enabling many children access school, increase retention including those of the girl child, provision of quality education as both men and women who get their proceeds from SMS are able to earn income to sustain their families and pay school levies.

Gender Gap in the Education Sector

The gender gap in access to and survival within the education system in most of societies is most pronounced as girls become adolescents, and in particular when they transition from primary to secondary school and beyond. In order to understand this problem, it is critical to look at both the supply and demand side barriers to girls' education following closely the framework presented in the 2018 World Development Report as well as other relevant literature on the topic (Behrman, de Hoyos, & Székely, 2015; Adelman, 2017; Cunningham, 2008). In this framework, girls can be pushed out of the education system, and/or pulled into household or paid work or early marriage before they complete their education. Most of these factors affect both girls and boys but are particularly exacerbated for adolescent girls.

In addition, girls also face barriers outside of the school system, that is, within their households and communities that pull them out of the education system. The direct costs and opportunity costs of sending girls to school when resources in the household are scarce can be very high. Gender norms also tend to reduce parents' willingness to invest in their daughters' education beyond primary school. Many girls, particularly once they reach adolescence, are removed from school to participate in the labor market, to do housework in the family home, or to marry early. Early marriage and teenage pregnancy can be both cause and consequence of dropout, as school enrollment helps protect girls from these risks, but once they occur girls are rarely able to continue their

education. Finally, families may fear for the safety and security of their daughters, especially when secondary schools are farther from the household.

On the demand side, household economic status, social norms, and insecurity have a differential effect on girls' access to education which varies across provinces. Gender differences in school enrollment are larger for poorer households, particularly at the secondary level, as households generally choose to educate boys over girls if a choice must be made. Harmful social norms contribute to this calculus, as 40 to 80 percent of out-of-school girls ages 15-19 are already married or cohabitating in 19 of 26 provinces (Cunningham, 2008).

Gender Analysis on SMEs Impact of the Promotion of Education

Despite the fact that male entrepreneurs have slightly higher mean for their profit growth in SMEs when compared to the females. The variability among female entrepreneurs is higher when compared to male entrepreneurs, which reflects the fact that there are relatively more differences in the performance of females when compared to males. In a study, it was observed that SMEs growth percentage among males equals 2194% while it is 2135% among females with a mean difference equals 59%

When compared between gender entrepreneurship, male entrepreneurs have better access to venture capital than female entrepreneurs do. Such study shows how the gender differences existing between men and women as owners of business could hold back the performance and improvement of business (Herring, 2017) and more so on the promotion of education in the rural sector. The main objectives of this study is to identify whether gender difference of SMEs holding can have an impact on the promotion of education in the sampled sub-counties.

Conceptual Framework

Independent Variables

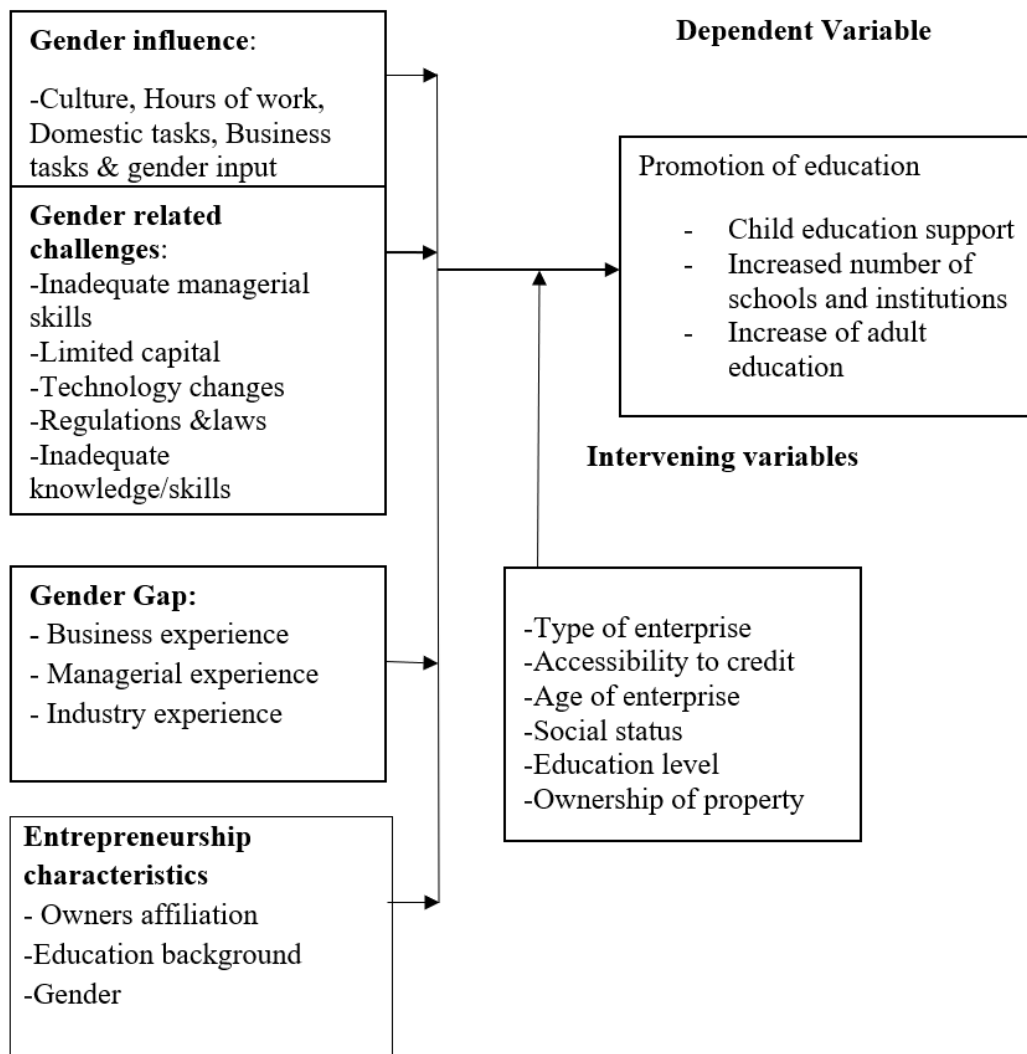


Figure 2.1 Conceptual Framework
Source: Researcher (2022)

The conceptual framework (Figure 2.1) shows the independent variables which include gender influence, gender related challenges, gender gap and entrepreneurship characteristics how they influence SMEs performance. Dependent variables include the promotion of education in terms of the increased of number of children accessing education, the growing number of school as well as increased number of adult education folks. Intervening variables include type of enterprises, accessibility to credit, age of enterprise, social status, educational level, and property ownership. However, if the independent variables are not manipulated well then the performances can either decrease or increase.

III. Methodology

The study adapted a descriptive research design. According to Burns and Bush (2010), a descriptive research design is a collection of techniques and steps that characterize variables. The study utilized the descriptive survey research design to find out the gender analysis in performance of SMEs in Homa Bay County. Qualitative approach enabled the study to capture remarkable explanations and descriptions or factors which affect performance among gender based enterprises. The survey respondents' verbal explanations were supported by a quantitative technique. In preliminary and exploratory investigations, a descriptive survey design was used to collect data, summarize it, present it, and interpret it for the goal of clarity (Orodho, 2002).

Study Location

The study was carried in Homa Bay County. The county has a total population of 1,131,950 persons (2019 census) of which 539,560 are males, 592,367 females and 23 intersex persons. This means the county has a population density of 359 people per square kilometer (Munene, 2019). It has 262,036 households with an average of 4.3 people per household. The area of of the county is 3,154.7 km². The county is subdivided into 8 sub-counties with 40 county assembly wards represented by MCAs. There are a total of 19 divisions, with 116 locations and 226 sub-locations. Lake Victoria is a major source of livelihood for Homa Bay County.

Table 3.1 Population Per Sub-County in Homa Bay County

Population by Sub County	
Sub County	Population
Homa Bay	117,439
Ndhiwa	218,136
Rachuonyo North	178,686
Rachuonyo East	121, 822
Rachuonyo South	130, 814
Rangwe	117,732
Suba North	126, 936
Suba South	124,938

Source: CSA, 2015

Study Population

The target population was 44000 entrepreneurs, both male and female SMEs in Homa Bay County, functioning in the informal sector. The study targeted both male and female entrepreneurs in four Sub Counties of Homa Bay County for example Homa Bay, Rangwe, Ndhiwa and North Rachuonyo sub counties.

Table 3.1 Target population

Location	Target population		Percentage
Homa bay	Men	90	26%
	Women	40	
Rangwe	Men	90	27%
	Women	40	
Ndhiwa	Men	60	24%
	Women	38	
North Rachuonyo	Men	52	23%
	Women	30	
Total	440		100

Sample Size and Sampling Techniques

The study sampled 440 entrepreneurs in Homa-Bay County. According to Gay (2008), a sample size of 10% is considered minimum representative sample for social sciences research. The gave a sample size of 44 participants. Random sampling gave equal chances of persons of either gender being selected and avoid study bias (Cochran 2006), to ensure homogeneity of the findings. The respondents were chosen through a simple random technique or procedure using sample probability formula. Simple random sampling provides equal chances for every member of the population to be included thus, avoiding bias or prejudice. The technique is simple to use when collecting data hence it takes less time and it was cost-effective.

Orodho and Kombo (2002), notes that sampling is the most common way of picking various individuals or things from a populace so the picked has viewpoints that are characteristic of the qualities present in the full gathering. While SMEs were sampled at random, interviews with personnel of microfinance institutions were conducted using a purposeful sampling strategy.

The data was gathered using a questionnaire. Each question on the questionnaire was created to address a certain study goal. The survey was both open-ended and closed-ended to allow for the thorough gathering of qualitative and quantitative data necessary for the study to achieve its goals. Semi-structured questionnaires were utilized to gather primary data since they were appropriate for the research's goal and methodology of establishing correlations and generalizing findings (Copper & Schindler, 2013).

Data Collection and Analysis

The researcher employed the services of research assistants who administered questionnaires and conducted interviews with the SMEs and employees from various micro-finance institutions. The selected SMEs were visited using structured questionnaires so that they fill and interview schedule administered to them. The researcher clarified any misconceptions and interpreted items for those who could not read and understand English. Face-to-face interviews with SMEs were conducted in order to gather data using a structured interview guide. The researcher concentrated on a few moral concerns throughout the study, which were taken into account when gathering data. The respondents were provided with information about the study's objectives and the intended uses of the data collected in order to obtain their informed permission.

The collected data was analysed descriptively through percentages, means, and standard deviation. Pie charts, graphs, and tables were used to present them. Themes and patterns were utilized to analyse the qualitative data, which was then presented in narrative and verbal quotation marks. Tables and charts were created to summarize the data that had been collected. Data were analysed using the Statistical Package for Social Sciences (SPSS). There were various stages to the data analysing process. For uniformity and completeness, the completed surveys were modified. The information was then coded and examined for any mistakes or omissions (Kaewsonth & Harding, 1992). Inferential statistics were used to assess the quantitative data that was gathered.

Ethical consideration

The researcher obtained data with informed consent of the respondents. They were assured of confidentiality and anonymity. The participants were requested to willingly take part in survey and were given freedom of choice. Their confidentiality was protected and no one was exposed to stressful situation during the data collection process.

IV. Findings And Discussion

The Questionnaire return rate was 80% and this was considered adequate for data analysis. Demographic information focused on the location of the survey, the age of the respondents, gender and the level of education. From the results in table 4.1, 20.45% of the SME business owners were obtained from Ndhiwa Sub County, 25% of the SMEs were found in Rangwe Sub County, 31.82% were from Homa Bay Sub County and finally, 22.73% were from Rachuonyo North in Homa Bay County.

Table 4.1 Shows the location of Respondents

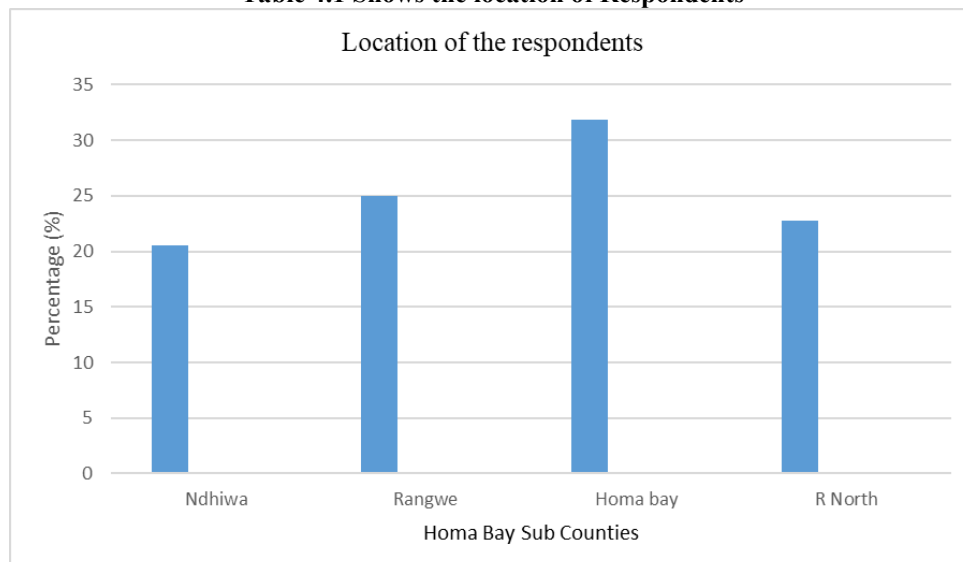
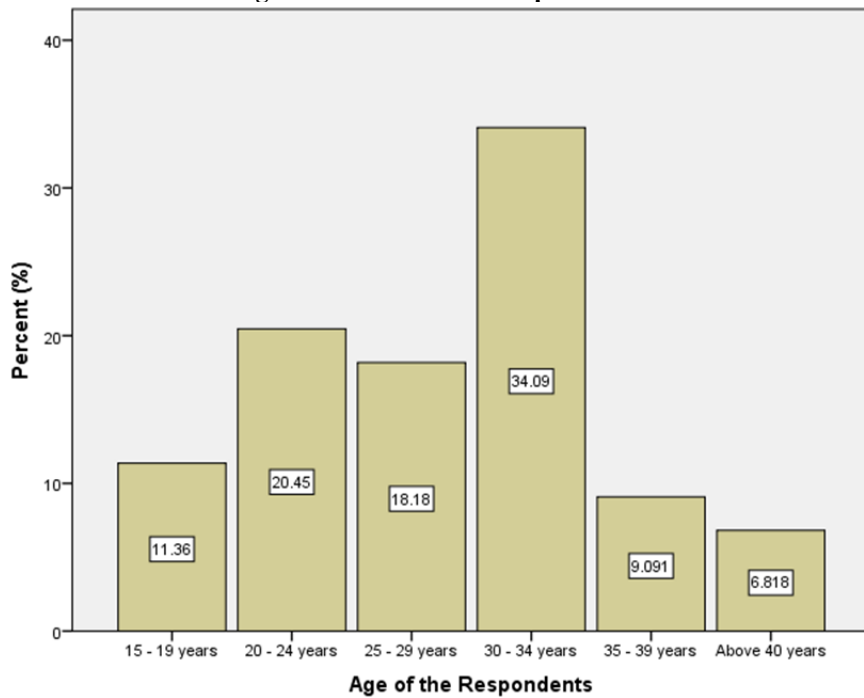
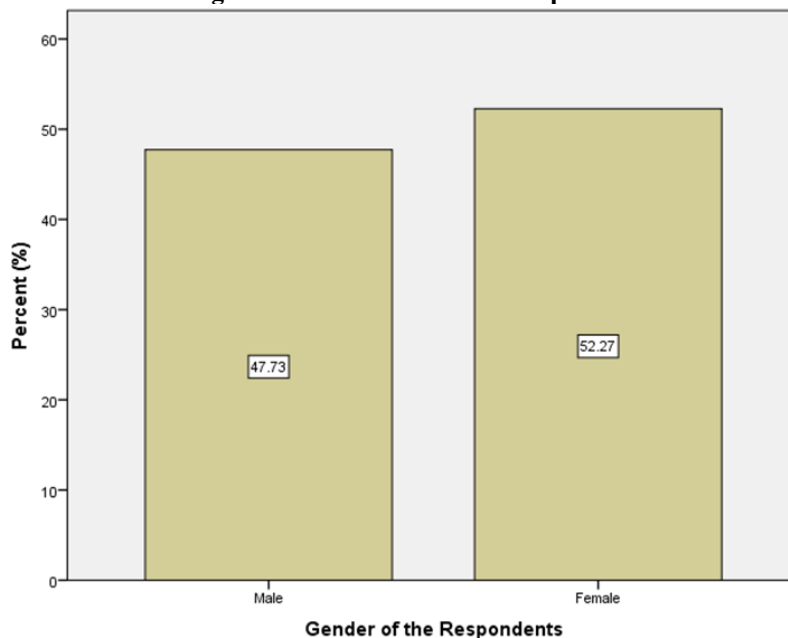


Fig. 4.1 Location of the respondents



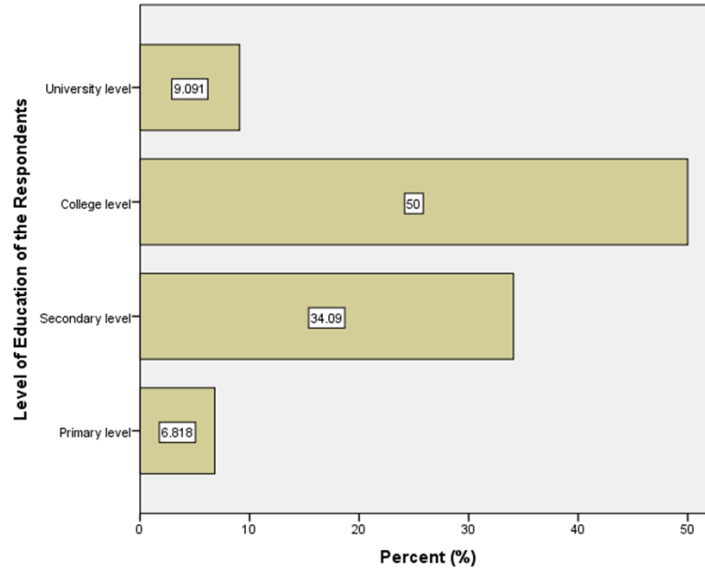
From table 4.2 above, 11.36 of the SME owners sampled in the study responded that their ages fell in the age bracket of 15-19 years, 20.45% of the SME owners responded that their ages fell in the age bracket of 20-24 years, 18.18% of the SME owners sampled responded that their ages fell in the age bracket of 25-29 years. Also, 34.09% of the SME owners sampled in the study responded that their age was 30-34 years, 9.091% responded that their ages was in the range of 35 – 39 years and finally, for SME owners with the ages above 40 years was represented by 6.818%. This was a youthful energetic group that were striving to make their ends meet considering that the country’s unemployment rate is increasing and is at unbearable state. This age is considered the productive age which supports the economic growth of Homa Bay County and the country at large. The previous empirical studies stated that countries with aging population and retarded labor force affected the growth of the economy negatively (Nagarajan, Teixeira & Silva, 2016). Furthermore, the GDP of the United States and Europe was on the decline considering that the labour force was slowing due to ageing.

Figure 4.1 Gender of the Participants



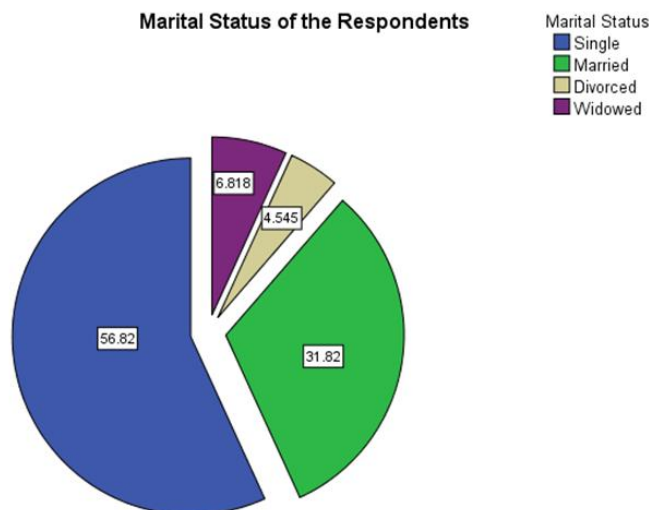
Majority of the SME owners sampled in the study were female represented by 52.27% while the remaining proportion of the SME respondents was male represented by 47.73%. This implies that more women than men participated in the study. This therefore, showed that women were really empowered and were out to help in building the economy as opposed to the recent past when females were believed to only take part in the house chores and non-economic supporting activities. Even though the male counterparts owned less SMEs in the county, the study did not investigate to identify the cause and whether they were idle or engaged in other sectors and formal jobs.

Figure 4.2 Participants' educational level



From the findings in table 4.4, the SME owners who attended primary level of education was represented by 6.818%, those who attended secondary level of education in the study were represented by 34.09%. Most of the participants responded that they attained college level of education as represented by 50% and finally, the SME owners sampled in the study responded that they attained the university level of education. Education was an important feature of the respondents which showed that the respondents could read and write and also had deeper understanding of the subject matter under investigation (Kothari, 2009).

Figure 4.3 Marital Status of the Participants



From the results in graph 4.5, majority of the SME owners as represented by the largest percentage of 56.82% responded that they were still single. The number of SME owners who responded to that question that they had been married was represented by 31.82%. On that same question, 4.545% of the SME owners sampled in the study responded that they were divorced and finally, 6.818% of the respondents responded to that question that they were widowed.

Reliability Test

In order to determine if the questionnaire could reliably measure the study variables the Cronbach alpha test was conducted. The test outcomes are given in table 4.1.

Table 4.6 Reliability Results

Variable	Cronbach's Alpha	Comment
Gender influence	.752	Reliable
Gender relate challenges	.815	Reliable
Gender gap	.726	Reliable
Entrepreneurship characteristics	.731	Reliable
Performance of SMEs	.754	Reliable
Promotion of education	.752	Reliable

Source: Study Data, 2022

The reliability results given in table 4.6, the Cronbach alpha values for all study variables were above the recommended minimum threshold of 0.7. The questionnaire was therefore considered reliable as it is within the recommended range of 0.7 -0.95 (Tavakol & Dennick, 2011).

Role of Men and Women in SMEs Undertaking

Table 4.7 Types of Businesses

Type of business	Frequency	Percent
Groceries	5	11.4
Boutiques	5	11.4
Electronics	10	22.7
Barbers	5	11.4
Hair saloon	19	43.2
Total	44	100.0

Table 4.7 indicates that 11.4% of the respondents responded that they were engaged in selling groceries, another 11.4% of the respondents were running boutiques, 22.7% of the respondents were selling electronics. The results further show that those who were running barber shop were represented by 11.4% and the majority represented by 43.2% of the respondents were running hair saloon as in table 4.7 above. Since these businesses enterprises require small amount of capital and cheap labor to start, the findings resonate with the idea of small scale business as defined by Tonge (2001).

Table 4.1 Sources of Initial Capital

Sources of capital	Frequency	Percent
Farming	22	50.0
Self employed	14	31.8
Government employed	8	18.2
Total	44	100.0

Table 4.3 shows the results of the respondent's source of capital to start up the business. 50% of the participants indicated that their source of initial capital to start business was farming. 31,8% of the respondents got it from Self-employment while 18.2% of the respondents revealed that they obtained their initial capital to start up the business from government employment. One of the biggest challenges in starting the business is the initial starting up capital. The findings conform to the study results by Chandler and Hanks (1998) who found out startup capital is essential in starting and growing business.

Table 4.2 Other Sources of capital

Additional Sources of Capital	Frequency	Percent
Loan from Faulu Kenya	13	29.5
Loan from K-Rep	10	22.7
Loan from Cooperative Bank	4	9.1
Sacco Society	11	25.0
Other Sources	6	13.6
Total	44	100.0

Additional source of capital captured the attention of the researcher and therefore poised a question to the respondents on the same. In response to the question, the respondents represented by 29.5% responded that they acquired loans from Faulu Bank Kenya. Another proportion of the respondents represented by 22.7% responded that they asked for loans from K-Rep bank, 9.1% of the respondents responded that they took loans from Cooperative bank. Sacco society also acted as other additional sources of capital that helped 25% of the respondents with additional capital and finally, 13.6% of the respondents acquired additional capital from other sources.

Role of Micro-Finance in SMEs

Table 4.3 Role of Micro-Finance in SMEs

Statement item	Frequency	Percent
Offer Financial Advice	11	25.0
Give financial support through loans	23	52.3
Offer Financial training	10	22.7
Total	44	100.0

Micro-finance institutions play important roles in the business and to that regard, participants were inquired to give the roles of the microfinance. The results in Table 4.5 show that 25% of the respondents revealed that micro-finance in SMEs offered financial advice. The majority of the respondents (52.3%) noted that the micro-finance gave financial support through loans. Finally, 22.7% of the respondents indicated that micro-finance in SMEs, offered financial training to the SME owners to ensure that the loans are put to proper use and for the purpose for which they were intended. The study findings were significant since they ensured that the loans borrowed by the SME owners were not misappropriated used well to boost their businesses. The results affirm Tonge (2012) that success of the business is marked with the ability of the business to make profit, contrary to which the business would be incapacitated to pay the loans borrowed.

Table 4.4 Documents Required to access loans

Documents needed to access loans	Frequency	Percent
ID card, KRA pin, Passport photo size, Phone number	44	100.0

On the question about the documents that were required by the micro-finance institutions in order to access loans, the respondents unanimously revealed that Kenyan Identification Cards (ID), KRA pin, passport photo size and a phone number were required to obtain a loan. It was inferred that the process of assembling these documents pose a challenge to many of the SME owners who were in need of loans. The process can be tedious and full of delay making the initial start of SMEs business difficult since many forms required by the micro finance institutions must be approved by relevant offices.

Effects of Gender Gap on SME’s Performance

Table 4.5 Effects of prior business ownership on SME performance

	Frequency	Percent
Yes	41	93.2
No	3	6.8
Total	44	100.0

Table 4.8 indicates that the majority (93.2%) of the participants agreed that prior experience of the business affected their SME performance while only 6.8% of the respondents disagreed with that the fact that prior business experience affected performance of SMEs. The results of earlier research by Headd (2003), which revealed that prior business ownership experience is predicted to be the case as lessons learned frequently transition into competent decision-making, confirmed the study's conclusions. Robb and Watson (2012) pointed out that women are more likely than men to have had little prior experience owning a firm. This notion agrees with Atkinson's (2012) perception that assimilation of SMEs is seriously hampered by ladies' administrative information holes and asset deficiencies. He added that an absence of involvement may likewise restrict the longing of female SME proprietors to face challenges while developing their organizations.

Asian Foundation (2013) found that women had greater barriers accessing traditional financial institutions than males did. According to studies, women entrepreneurs are more likely to use their own money or the funding of friends, family, or local organizations to launch their businesses. This finding is also supported by a study by Macharia (2013) on women small-scale entrepreneurs in the Nyeri garment manufacturing sector of the textile industry, which found that among the barriers preventing women from accessing credit are a lack of start-up capital, ignorance of available credit schemes, high interest rates, a drawn-out and rigorous loan application process, and a lack of collateral security for financing.

Table 4.6 Prior business ownership and SME performance

Prior business vs SME performance	Frequency	Percent
Prior business ownership enables one to have skills and experience on how to run business provided it is the same industry	15	34.1
Prior ownership of the business will enable one to overcome business challenges easily since they had once encountered them	5	11.4
Prior ownership of the business may help the SME owner to have ease in penetrating in the market	18	40.9
One will have better understanding and experience of the business	6	13.6
Total	44	100.0

Table 4.8 shows that 34.1% of the participants revealed that the ways in which prior business ownership affected SMEs' performance relate to the prior ownership the person in terms of the skills and experiences on how to run business provided the business is in the same industry. 11.4% of the respondents responded that prior ownership of the business enabled one to overcome business challenges that may arise easily since they had encountered them. 40.9% of the respondents noted that prior ownership of the business may help the SME owner to have ease in penetrating the market while 13,6% the respondents agreed that one who is able to have better understanding and experience of the business has a chance to grow business.

Previous research by Westhead, Ucbasaran and Wright (2009) reported that prior business ownership enables business owners to learn the available opportunities in the market due to their involvement in all business activities. This implies that business situations establish various routes of getting deeper understanding of different tenets of the business. However, Atkinson (2012) argue that lack of managerial expertise, training and scarce resources are significant obstacles to SMEs owners to internalize business best practices. These restrictions are common in women-owned micro and smaller businesses since most women lack training opportunities in business-related issues. A study by Elizabeth and Baines (1998), supports that married women who work in business alongside their husbands frequently execute responsibilities for which they lack sufficient training. They assert that prior training in business enterprise is essential for business success.

Table 4.7 Managerial experience affecting SME performance

Experience and SME performance		Frequency	Percent
	Yes	41	93.2
	No	2	4.5
	Total	43	97.7
Missing	System	1	2.3
Total		44	100.0

Table 4.10 shows results respondents' managerial experiences that affect performance of SMEs. 93.2% of the respondents agreed that having prior managerial experience did affect the performance of SMEs, 4.5% of the participants responded that having prior business experience never affected SME performance while an insignificant 2.3% of the participants never responded to that question. This finding was consistent with a research by Amin and Kushnir (2002), which suggested that management experience is very important for entrepreneurs since it boosts understanding on how to prioritize and implement policies that will result in beneficial outcomes for a business entity. Managerial position is tasked with decision making to steer the business forward and outline plans for the business success.

A study by Berger, Kirk, and Schaeck (2012) discovered that teams with more female executives tended to make riskier decisions that could endanger the company's continued survival. Asian Foundation (2013) found that women had greater barriers accessing traditional financial institutions than males did. According to studies, women entrepreneurs are more likely to use their own money or the funding of friends, family, or local organizations to launch their businesses.

Table 4.8 Industry performance affecting SME performance

Response	Frequency	Percent
True	43	97.7
False	1	2.3
Total	44	100.0

It was also brought to the attention and captured in the study to check on whether the industry performance affected the performance of SME. 97.7% of the respondents responded that it was true that industry performance did affect the performance of SMEs. On the other hand, 2.3% of the respondents did not agree with the opinion that industry performance affected the performance of SMEs. This implied that when a SME business is established in Kericho County in a well performing industry will impact the performance of SME businesses positively. An owner's prior experience in the business in which the current firm works is significantly and favorably associated to performance, according to earlier research by Dyke et al. (1992). Despite the fact that this study's results showed a positive relationship between industry performance and SME performance, a study by Van De Ven, Hudson, and Schroeder (1994) that looked at the impact of industrial experience on educational software came to a different conclusion and found no connection between industry experience and firm performance. Similar to the findings of this study, Fairlie and Robb's study (2009) addressed the differences in past job experience and noted that these impacts are considerable and may contribute to the gender gap in business success.

Gender Challenges On Access To Business Enterprise

Table 4.9 Who determines how SME income is being used at home

Gender Determinant	Frequency	Percent
Man	26	59.1
Woman	18	40.9
Total	44	100.0

Table 4.11 shows who determines how the SME proceeds are used in the family. The majority of the participants represented by 59.1% indicated that it is the men who determine how the income from SMEs was being used at home. However, a significant number of participants (40.9%) agree that women were determinant of how the SME income was used in the family. This resonates with a study by Gu Ran (2025) that analyzed household investment decisions in Australia, Germany and the US. The study revealed a persistent gender gap in household investment decisions, with men often wielding greater influence, even when their female partners may be more risk-averse. Household investment and consumption decisions are highly correlated and usually made by the same person, with male partners often appearing to have the upper hand. The study suggested that by empowering women to take an active role in investment decisions, we can help to create a more secure and equitable financial future for families everywhere.

Reasons for income determination

Table 4.10 Reasons for the determinant of the income use

Determinants of income use	Frequency	Percent
Owner of the business doubles as the manager at the same time	20	45.5
Owner of the business is the decision maker and decides what to be done and what not to be done	17	38.6
In most cases they are the ones running the family affairs	7	15.9
Total	44	100.0

Table 4.12 shows the respondents opinions on the reasons for choosing the determinant for the use of business income. 45.5% of the respondents indicated that it was because the owners of the business doubled as the manager at the same time, 38.6% of the respondents noted that they determined the use for business income because the owner of the business was the decision maker and had the power to decide what to be done with the money and what not to be done. Finally, 15.9% of the participants uncovered that the determinants of the business income use are in most cases the ones running the family affairs. This conforms to studies indicating that typically, men tend to have extra bargaining power and this can be due to deeply rooted societal expectations about them being the primary breadwinners and financial decision-makers. This effect is amplified when women also adhere to these norms.

Table 4.11 Ways determining the use of SME income

Determinant of use of SME	Frequency	Percent
Dialogue/Consultation	18	40.9
Dictates	26	59.1
Total	44	100.0

Forty point nine percent of the respondents responded that the way in which the determinant of the use of income money at home did so through consultations and dialogue as opposed to the majority marked by 59.1% who responded that those who were in charge of determining the use of income from SME at home did so through dictatorship. In study by Gu Ran (2025), it is noted that male partners are often older, more likely to be employed, and have higher incomes – factors that tend to increase their influence in financial decision-making. These characteristics can give male partners a sense of authority and control over financial matters, leading to an unequal balance of power in investment decisions

Table 4.12 Who uses bulk of business income

Family use of business income	Frequency	Percent
Father	7	15.9
Mother	14	31.8
Son	3	6.8
Daughter	10	22.7
Others	10	22.7
Total	44	100.0

Table 4.13 shows that 15.9% of the respondents indicated that fathers use largest proportion of money from the business. The majority (31.8%) of the respondents felt that it is the mothers who use the largest fraction of the money obtained from the SMEs, 6.8% of the respondents thought that it was sons, 22.7% responded that it was the daughters of the family that were privileged to use the bulk amount from the business while another

proportion represented by 22.7% of the respondents indicated that the largest proportion of the business income was being used to serve other purposes in the family. The results imply that in Homa Bay County, mothers were the ones who used the largest proportion of business income followed closely by the daughters at 31.8% and 22.7% respectively. The study contradicts the early findings that it the men who have the final decision-making on matters of finances in the family.

Table 4.13 Gender involvement in budgeting business income

Decision on business income	Frequency	Percent
Yes	17	38.6
No	24	54.5
Not sure	3	6.8
Total	44	100.0

Table 4.16 shows that 38.6% of the participants indicated that both genders were adequately involved in budgeting of the business income while the majority (54.5%) of the participants were of the contrary opinion that both genders were not adequately involved in budgeting of business income. An insignificant 6.8% of the respondents were not sure of the opinion whether both genders were adequately involved in budgeting of business income.

Table 4.14 Reasons for involving both genders in budgeting business income

Decision on income by Gender	Frequency	Percent
Money belongs to the owner of the business in the family	12	27.3
As partners, both genders should consult each other as they budget for the business money	11	25.0
Traditional beliefs and backward cultural practices that do not allow women to contribute in family matters since they are not to be heard	12	27.3
Father are the head of the families and therefore makes decision on behalf of the family	9	20.4
Total	44	100.0

A total of 27.3% percent of the respondents indicated that money belonged to the owner of the business in the family and therefore decision making bounds by him/her. 25.0% of the respondents suggested that as partners, both genders need to consult each other as they make budget for the business money. Moreover, 27.3% of the respondents noted that both gender cannot make a budget about the business money because traditional beliefs and cultural practices do not allow women to contribute in family matters. Ultimately, 20.4% of the respondents opined that both genders could not be involved in the budgeting of business money because men are the sole decision-makers on behalf of the family. The results of the study imply that there still remains a huge gap in matters of involving women in family business, It shows that women in Homa-Bay County were not adequately involved in assessing and controlling business income. This result is supported by report from Chinomona and Maziriri, (2015) that societies still hold men accountable of decision-making about family matters and income, while women are perceived to play the role of family and home care. The study notes that by considering the needs of both genders, the budgeting process should be more holistic and should lead to better, more effective decision-making and resource utilization from the family business investments

Table 4.15 Factors prohibiting women equitable access to loans from micro-finance

Women access to loan	Frequency	Percent
Being perceived as inferior gender	6	13.6
Most of the women lack business skills and experience	10	22.7
Women are considered to lack aggressiveness when it comes to business matters	7	15.9
Most women lack initial capital to start up the business	13	29.5
Most of the women do not have collateral needed to secure the loans	8	18.3
Total	44	100.0

Table 4.18 reveals that 13.6% of the participants suggested that perceiving women as inferior prevent women from having equitable access to loans from micro-finance institutions. 22.7% of the respondents noted perceived lack of business skills and experiences deny women equitable access to loans. More so, 15.9% of the respondents revealed that women were considered to lack aggressiveness in the business matters, 29.5% noted that women miss out on obtaining equitable access to loans due to lack of initial startup capital for the business. 18.3% responded indicated that most of the women did not have collateral needed to secure the loans and therefore could not be granted equitable access to micro-finance loans. The findings imply that women in Homa-Bay county still face discrimination and gender stereotype in securing loans for business.

A study finding by Chinomona and Maziriri, (2015) support the results that societies still hold a perception that men solely have the capacity to do business successfully. Perceptions of women's business capacity are often skewed by traditional stereotypes, leading to underestimation and barriers, despite women entrepreneurs showing resilience and making significant economic contributions. These negative perceptions as indicated in the study include beliefs that women are less competitive, less aggressive, and have an exclusive role of nurturing children and taking care of the home.

Table 4.16 Do both genders get involved in controlling business finances

	Frequency	Percent
Yes	3	6.8
No	41	93.2
Total	44	100.0

Table 4.19 shows that an insignificant 6.8% agrees that both men and women were adequately involved in assessing and controlling the money gotten from the business while a large part of participants (93.2%) disagreed that both women and men were involved in assessing and controlling the money gotten from the business. The results is consistent with findings in this study that men have had an upper hand in matters of controlling business and the proceeds. However, studies show that women-owned businesses can be just as stable and resilient as male-owned businesses, even though they may be relatively smaller or less growth-oriented on average.

Strategies to ensure loan secured from financial institutions benefit both genders

Table 4.20 What to be put in place to ensure loan benefit both genders

Loan benefiting both gender	Frequency	Percent
Give loans to both genders according to their capabilities and request	10	22.7
Give financial advice to both genders before they are disbursed the loan	8	18.2
Train both genders on the importance of investing the loan for their initial intended purposes	7	15.9
Provide enough and equal grace period to both genders so they can have time to invest the loans	19	43.2
Total	44	100.0

Table 4.20 shows that 22.7% suggested that the loan should be given to both genders based on their capabilities and request; 18.2% of the respondents said that proper financial advice and preparation should be given prior to disbursing loan to the beneficiaries. 15.9% of the participants rooted for good training of both genders on the importance of investing the loan for the initial intended purpose. 43.2% of the respondents suggested that both genders should be provided with enough grace period so they can have time to invest the loans. The results imply that there is need to consider focusing on building a gender base for men and women when advancing loan for business in Homa-Bay County,

A study by Lauto et al (2022) affirms that the world remains dominated by male decision makers who may not know the needs of women entrepreneurs and be able to provide them with adequate financial support. Women often face systemic challenges in securing loans or funding due to factors such as lack of training, limit access to collateral and gender bias within financial institutions. These institutions tend to favor male business enterprises, creating an uneven playing field that limits women’s ability to scale their business.

Table 4.21 Challenges affecting gender access to loans

Access to loans	Frequency	Percent
Lack proper financial document required	14	31.8
Lack of loans’ awareness	5	11.4
Level of formal education	7	15.9
Lack of collateral and loan security	17	38.6
Stereotypes and traditional beliefs	1	2.3
Total	44	100.0

Table 4.21 indicates that 31.8% of the participants established that lack of proper financial documents required is a challenges affecting access to loans. 11.4% of the respondents noted the challenge of lack of awareness about issues relating to acquiring loans; 15.9% cited the problem of the level of formal education while 38.6% of the respondents responded noted that lack of collateral and loan security was a challenges that hindered access to loans from micro-finance by both genders. However, an insignificant 2.3% indicated that stereotyping and traditional beliefs affected access to loans from micro-finance by both genders.

These findings are in line with prior studies that explored the concept and factors related to women’s entrepreneurship and pointed to the complex interaction of gender dynamics, institutional constraints and cultural norms that determine the performance and outcome of women business efforts (Srivastava & Pandita, 2025). A critical examination of previous literature reveals that stereotypes about gender roles significantly affect critical

entrepreneurial dimensions like innovativeness private investment, and leadership roles, adversely impacting the success and growth of women businesses.

Effects of Gender factor on SMEs Performance

Table 4.22 Gender affects SME performance

Response	Frequency	Percent
Yes	28	63.6
No	16	36.4
Total	44	100.0

In Table 4.22, 63.6% of the respondents agreed that gender has influence on the performance of SMEs. However, a number of participants represented by 36.4% disagreed with the fact that the gender factor affects the performance of SME owners. This finding is consistent with the results bought out in this study about the perception people have on women entrepreneurship. This is affirmed by Klapper and Parker (2011) who found that female SMEs owners who run their own businesses are more likely to lack motivation to perform well than their male counterparts. Gender stereotypes significantly influence the performance of women business, particularly in such areas as innovativeness, investment and leadership roles (Srivastava, 2022)

According to report of World Bank (2016), women have fewer hours per day to engage in entrepreneurial activities due to the high demand on their time in home duties. Women devoted far more time to domestic duties such regular housework, shopping, and caring for family members. Consequently, a multiple of stereotypes factors create several barriers that negatively affect the performance of business of women which basically calls for policy interventions, awareness programs and gender-inclusive practices to foster an environment that accommodate all genders.

Table 4.23 Does culture influence SMEs performance

Culture and SME performance	Frequency	Percent
Yes	10	22.7
No	34	77.3
Total	44	100.0

The impact and relationship between culture and SME performance was the focus of this objective. Table 4.23 found out that 22.7% of the participants agreed that there exists a correlation between cultural practices and the performance of SMEs. 77.3% of the participants were of the contrary opinion implying that the cultural practices did not have any impact on the performance of SMEs. This finding contradicts the result of a study by Shriatava (2025) that argued that cultural norms often impose constraints by reinforcing traditional gender roles and gender stereotypes that limit women’s access to financial resources, decision-making opportunities and leadership space. As it has already been observed, societies where men dominate the field of business, women still face challenges in operating business enterprises.

Table 4.24 Does time factor impact on SMEs performance

	Frequency	Percent
Yes	22	50.0
No	22	50.0
Total	44	100.0

Time is always a big precious factor particularly in business. Table 4.24 shows that 50% of the respondents agreed that time is a factor that impact on business performance. A similar number (50%) of the respondents disagreed that time factor affect the performance of SMEs. A study concluded that there is significant and positive relationship between timeline and time management practices and the performance of business. Most entrepreneurs have an implicit timeline when they start off, however, successful business enterprises take years to build into a vibrant business brand. A cycle time in business provides a real world of measurement of business efficiency. However, the understanding of time factor and its applications go far beyond doing business, but measures operational business performance.

Table 4.25 Influence of Domestic tasks on SME performance

Domestic tasks and SME performance	Frequency	Percent
Domestic chores consume much time that would have been productive in business	6	13.7
Business may tend to make losses in case much time is given to domestic tasks and not business	13	29.5
Domestic tasks compete SMEs for time which affect the performance of business negatively	25	56.8
Total	44	100.0

Table 4.25, shows that 13.7% of the participants believe that domestic chores consumed much time that would have been productive in business and influence domestic tasks on SME performance. 29.5% of the respondent's business may experience tremendous losses in situations when much time is given to domestic tasks rather business. A majority of the respondents (56.8%) believed that domestic tasks tend to SMEs for time which in turn negatively affect the performance of the business.

Influence of entrepreneurship characteristics on access to credit

Table 4.26 Influence of ownership in business

Gender ownership of business	Frequency	Percent
Yes	28	63.6
No	16	36.4
Total	44	100.0

From findings, 63.6% of the respondents believed that affiliation to business ownership influenced the business outcome while 36.4% of the respondents disagreed that ownership affiliation influence the business outcome. The results imply that business ownership affiliation influenced business performance in Homa Bay County. A study by Pandula (2011) that found that being a member of an association boosted SMEs' access to financing validated this finding. The study affirms that business ownership affiliation significantly influences business performance, though the impact can be complex and varies based on factors like ownership type (owned by family or group), the degree of concentration, and the business environment. Affiliation with a business group can provide advantages such as access to resources and knowledge, but can also lead to negative outcomes like inefficiencies, depending on the context.

Table 4.27 Effect of networking on credit access

	Frequency	Percent
Yes	31	70.5
No	13	29.5
Total	44	100.0

Table 4.27 shows that 70.5% of the respondents agreed that networking was indeed very important and has tremendous effect on the access to credit for SMEs. 29.5% of the respondents, however, disagreed that creating network has any influence access credit. This implies that networking is a critical aspect of accessing credit for business. A study by Andula (2011) found that networking facilitated SMEs' access to credit because membership in social networks or professional associations enables SME operators to build relationships with financial institutions. Atieno (2009) adds that networks are used as a way to solve the issues associated with access to markets and resources that are constrained as well as assist in supplying small businesses with finance, knowledge, and guidance.

According to OECD (2009), women are less likely than men to know other entrepreneurs when they start their businesses, and as a result, they are more disadvantageous due to having fewer mentorships, professional ties and fewer social networks, which means less possible business opportunities. These networks are essential for encouraging SME internalization because they offer social links that help identify value chains and solidify connections with bigger businesses.

Table 4.28 Effects of education levels on SME performance

Education and SME performance	Frequency	Percent
Lack of education leads to poor performance of SMEs	7	15.9
Lack of education leads to poor business management	10	22.7
Lack of education lead to poor business skills	4	9.1
Lack of education leads to poor planning and execution of business plans	9	20.5
Education on business provides knowledge on business management which leads to good business performance	14	31.8
Total	44	100.0

Table 4.28 indicates that 15.9% of the participants noted that lack of education led to poor performance of SMEs; 22.7% of the participants stated that lack of education would lead to poor business management; while an insignificant 9.1% revealed that lack of education may lead to poor business skills. A significant 31.8% agreed that education is important in business since it provides knowledge on business management which would impact the business performance positively. However, 20.5 % argued that lack of education would lead to poor planning and poor execution of business plans. The results imply that while education is important for business success, people without education may still have the skills to effectively carry out business in Homa-Bay County.

The findings agree with other studies that showed a correlation between educational attainment and business growth. Both Kozan et al. (2006) and Kumar and Francisco (2005) discovered that access to financial

services in Brazil is strongly influenced by education. Education influences the motivation of entrepreneurs by enhancing the exploration capabilities, communication abilities, and foresight (Smallbone & Wyr, 2000).

Table 4.29 Level of education and credit access

Educ. affect credit access	Frequency	Percent
Yes	4	9.1
No	40	90.9
Total	44	100.0

An overwhelming 90.9% of the participants responded that the level of education affected the credit access. Studies have revealed that educated entrepreneurs owners and managers are more familiar with the loan application process, can provide accurate financial data, and develop stronger bonds with their bankers (Pandulla, 2011). Kumar and Francisco (2005) discovered a significant role for education in Brazil's access to financial services. They found that graduates had the easiest time obtaining bank financing. In comparison to less educated entrepreneurs, those with greater education are better able to establish excellent relationships with financial institutions and to offer strong business plans and financial data. Atkinson (2012) in a survey discovered that women had lower financial knowledge and numeracy skills than males and used fewer financial education resources. In most nations, more male survey participants scored higher on financial knowledge than female participants,

Gender Ownership of SMEs and Promotion of Education

Table 4.30 Variation on gender ownership of SMESs on education promotion

Response	Frequency	Percent
Yes	35	79.5
No	9	20.5
Total	44	100.0

Table 4.30 shows that a majority (79.5%) of the respondents indicated that there is a variation on gender ownership of SMEs that greatly has influence on the promotion of education. Only 20.5% of the respondents disagreed with the statements. The findings imply that there exists a gap in gender ownership of SMEs in Homa-Bay County. The variation could be explained on the basis that women experience problems in raising funds, competing and accessing markets than their male counterparts. This finding agree with Lessidrenska (2019), that women-owned enterprise tend to be smaller than male-owned SMEs and may lack the resources to expand into vibrant business that can comparatively contribute in the promotion of education in equal terms.

Table 4.31 Extent SME contributes to the promotion of education

Extent of promotion	1	2	3	4	5
Employment source and creation	0	0	8 (18.2%)	5 (11.6%)	31(70.1%)
Wealth creation, trade and investment	0	0	2 (2.2%)	10 (20.1%)	32 (72.7%)
Poverty alleviation	0	0	8 (18.4%)	4 (9.9%)	32 (72.7%)
Income generation	0	0	0	8 (18.2%)	36 (81.8%)

1= Not at al. 2=little extent. 3=moderate extent 4=great extent 5=very great extent

From findings, 70.1% of the respondents to a very great extent agreed that gender ownership of SMEs have become a source and creation of employment in Homa-Bay County. 18.2% and 11.4% respectively indicated a great extent and moderate extent. Similarly, 72.7% of the respondents indicated that to a very great extent gender performance of SMEs has significant effect on education promotion in Homa-Bay county by the fact of expansion of trade, advancing investment opportunities and ultimately creating wealth. 81.8% of the respondents further noted that to a very great extent gender performance on SMEs contributes much to alleviate poverty as they function to generate income of SMEs owners. The findings imply that gender performance of SMEs significantly influence the socio-economic status of the both men and women even though there is a variation in their level of ownership.

According to Lessidrenska (2019) MSMEs contribute significantly to the employment creation process of the private sector. In emerging markets, opportunities in the formal sector were created by MSMEs, which is about 90 percent of total employment. These findings are supported by a study in Pakistan which revealed that SMEA aims to achieve a sustainable increase in incomes and job creation by removing barriers to business growth, promoting a business friendly and enabling environment for businesses, and fostering innovation and a spirit of entrepreneurship

SMEs are key players in the economy and the wider eco-system of firms, particularly in achieving the Sustainable Development Goals (SDGs), by promoting inclusive and sustainable economic growth, providing employment and decent work for all, promoting sustainable industrialization and fostering innovation, and

reducing income inequalities (OECD, 2010a). In essence, SME can directly or indirectly contribute to ensure inclusive and equitable quality education and promote lifelong learning opportunities for all. The SME supply chain of enhancing trade, creating employment in many sectors can help families support the education of children and adults in primary, secondary and tertiary institutions.

More efforts are needed to collect evidence on contributions of SMEs to expanding access to formal and informal education services in our communities.

V. Summary, Conclusion And Recommendations

Summary of the Findings

Demographic Information

Demographic information helped in identifying the features of the participants in the survey. As a result of that, location where the respondents were undertaking their businesses and Homa Bay Sub County recorded the highest number of SME businesses. This could be contributed to by a number of factors such as large population and ambient environment for business. The fact that majority of the SMEs business owners were in the age bracket of 30-34 years showed that businesses in the county were mostly owned by youths. Further, it was as well evident from the study that among the SME owners, females were the majority over males indicating that the economy of Homa Bay County was contributed mostly by female gender. Considering the fact from the results that most of the SME owners attained high level of education, it is therefore important to note that education plays a vital role in the smooth running of the businesses.

Gender roles in SMEs

Since the results from the study indicated that most of the most dominant business in Homa Bay County was hair saloon business it confirmed the revelation that most of the SME owners were female since hair salon business in most parts of the country are run mostly by female gender. From that therefore, it shows that large number of female residents in the county loved making their hair and hence potential customer base. Starting capital is in most cases a challenge to those wishing to venture into business and going by the fact that initial source of capital for majority of the SME owners in the county came from farming, it showed that apart from running various businesses, residents of the county were as well farmers and did not solely depend on business for sustainability. Even though the microfinance institutions offered financial support and other services such as offering financial advice, they were as well important in providing financial top-up for the SME businesses through loans.

Challenges Affecting Performance of SMEs

Results from the study showed that having prior business ownership experience provided the SME business owners with knowledge and skills on how to run the business. Having business experience is indeed a plus to the business people since it helped them to know the ways of overcoming the existing challenges in the market. Considering the cultural practices that have been in place since the ancient days, women were known to be taking care of the chores back at home and were not expected to be running out for other duties. As a result of that female gender was most likely to possess low level of prior business ownership experience as opposed to their male counterparts. This therefore resulted to gender gap in the performance of SMEs in the county.

Effects of Gender Gap on SMEs Performance

Men were found to be the determinants of the control and use for the money obtained from the business. This was one of the gender challenges that affected the performance of SMEs since a business owned and operated by the woman, would still need to consult the male counterpart on how to spend the money. This acts as a setback in business particularly for women since some decisions can be made by the father which are not business oriented and therefore could affect their businesses negatively. Furthermore, since the study revealed that women were not having equitable access to loans, there is still need for further gender sensitization since the cultural beliefs were still dominant even in the financial institutions. Banks and microfinance institutions carryout their research about clients who are in need of loans and in order to ensure that they will not suffer losses, they ask for collateral from the clients to secure the loans given. This showed that SME owners who lacked collateral would not find it easy to access loans and may end up closing down their businesses as a result of such.

Gender analysis on SMEs and the promotion of education

The findings of this study showed a significant association of SME's expansion, access of SMEs to finance, and rural development in particularly, in the education sector. Thus, SMEs are a driving force for developing the economy, creating employment, and basic tools for alleviating poverty. This means that SMEs can accommodate rural entrepreneurs regarding their standard of living and improving their quality of life. SMEs are important for poverty reduction as they tend to employ poor and low income workers and sometimes they are

the only source of employment in rural areas and poor regions (Garikai, 2011). The long-term economic effects of SMEs as: increased income, increased GDP and increased employment opportunities. Overall economic growth influences strongly the growth of MSMEs just like growth of MSMEs influences economic growth. Thus there is a reciprocal relationship between the economic growth and MSME growth. All these come to work towards the promotion of the education since people are empowered and can support their children through school and ensure that their respective areas have enough education centers to provide learning for their children.

Conclusions

The study concluded that the impact of gender on the performance of SMEs and the access to micro-finance credit was significant. It was as well established and concluded in the study that it was important to have prior business experience since it was confirmed by the results to contribute to the betterment of business performance. Furthermore, prior managerial experience was as well revealed to be vital aspect that contributed to the performance of SMEs. Moreover, it was concluded in the study that major challenges faced by SMEs from accessing loans from micro-finance was majorly lack of collateral to stand as the security for the loans, traditional beliefs and cultural practices that affected mostly the female gender from actively and fully participating in SME operations since they were believed to be only responsible for taking care of the families i.e. domestic chores. Lastly, the study as well concluded that it was important for the SME owners to have good network of friends who would help in facilitating the loans in case they were in need. Additionally, the study also concluded that formal education was an important instrument to be owned by the SME owners since it had different benefits including improving their communication skills and access to loans.

Recommendations

The study recommends that there is critical need of empowerment and the inclusion of both genders in running and making major decisions affecting the SME performance and allowing them equal chance of credit access. The SME owners should be enlightened on the importance of acquiring business skills and the advantages of having business management experience over those who do not have. This was acclaimed because business skills and management experience will help in improving the performance of SMEs.

The study also commended that some of traditional beliefs and cultural practices that undermined and threatened the development of female gender and also offering them a chance to run business freely should be abolished and observe the modern ways considering the technological changes and the current economic status of the country and the world at large. This was to ensure that all the responsibilities were undertaken equally between genders without discrimination of duties.

Ultimately, the study recommended that micro-finance institutions should not deny the SME owners access to credit provided that they meet their stated conditions and qualify for the loaning without considering their network of friends. Putting this recommendation into practice will help in eradicating discrimination and bring fairness to the awards of loans. In that regards therefore, it was acclaimed that the micro-finance institutions should not base their considerations of loan qualifications on the network level of the SME owners but to consider their level of education and possession of required documents.

It is further recommended that there is need for a SMEs development organization to assist the central government in the formulation and implementation of policies and programme for the promotion and development of the Small Scale Sector. Such development organization should liaise with the central and county government departments and agencies, financial institutions and other key small scale sector intermediaries. It should also encourage capital and technology flows, and provide a comprehensive range of common facilities, technology and competitiveness support services, and marketing assistance through a network.

The study recommends the need to establish SMEs oriented financial institutions in each sub-county: There is need for specific SMEs oriented bank to facilitate the promotion, financing and development of the small scale industries sector for individual business investment and also to those self-employed persons setting up small-sized business ventures. The financial institution for SMEs should be established in each county to enhance easy access for potential and existing SME and thus assist particularly women engaging in SME in the sub countries.

Further studies should be conducted on the effect of level of education of SME owners on the performance of SMEs. More comprehensive research can be done to gain more insight into the motivational factors for men and women entrepreneurs, their support and training needs. In addition, further studies can be done to include the implication of gender analysis on other aspects such as agricultural production. This should integrate establishing factors inhibiting the economic growth of female owned small businesses in the county.

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