



EFFECT OF SOCIO-CULTURAL PRACTICES ON PERFORMANCE OF WOMEN OWNED SMALL AND MEDIUM ENTERPRISES IN KISII TOWN, KENYA: A MODERATING ROLE OF ENVIRONMENTAL DYNAMISM

Amunga, D. P., Okumu, F. O., Ngacho, C., & Onyango, R.

EFFECT OF SOCIO-CULTURAL PRACTICES ON PERFORMANCE OF WOMEN OWNED SMALL AND MEDIUM ENTERPRISES IN KISII TOWN, KENYA: A MODERATING ROLE OF ENVIRONMENTAL DYNAMISM

¹ Amunga, D. P., ² Okumu, F. O., ³ Ngacho, C., & ⁴ Onyango, R.

^{1*} Master Candidate, Kisii University, Kenya

² Doctor, Lecturer, Kisii University, Kenya

³ Professor, Kisii University, Kenya

² Masinde Muliro University of Science and Technology, Kenya

Accepted: September 28, 2021

ABSTRACT

The purpose of this study was to assess the effect of socio-cultural practices on performance of women owned Small and Medium Enterprises in Kisii Town, Kenya: a moderating role of environmental dynamism. The specific objectives included to; examine effect of literacy level of women, traditional role of women and religion on the performance of women owned SMEs, and to analyze the moderating role of environmental dynamism in the relationship between socio-cultural practices and performance of women owned small and medium enterprises in Kisii town. The study design was a descriptive survey design with a target population of 427 women owned enterprises in Kisii town. A stratified random sampling technique approach, Krejcie and Morgan table 1970 was used to calculate the sample size where a sample size of 205 women owned enterprises was sampled. A questionnaire was used for data collection. Data was analyzed using descriptive statistical techniques, multiple regressions and coefficient of correlation was done using SPSS 20.0 package. The three independent study variables significantly affected the performance of women owned SMEs. However, with the moderator (Environmental dynamism), the variables jointly explained performance of women owned SMEs with a higher variation. F-value was significant at 5 percent level of confidence, indicating that the overall regression model is significant. B value for Entrepreneurial literacy, traditional role of women and Religion were all positive. Thus, a rejection of all the null hypotheses of the study. This implied that amidst the forces accruing from social cultural practices which would either be barriers or enhancers of business performance environmental dynamism remains key in ameliorating the performance of women owned SMEs based on social cultural theory by Max Weber and Preference Theory. Women entrepreneurs should strategically monitor social cultural practices focused in this study and others in consonance with environmental dynamism to potentiate the performance of SMEs.

Key Words: Environmental Dynamism, Socio-Cultural Practices and Performance of SMEs

CITATION: Amunga, D. P., Okumu, F. O., Ngacho, C., & Onyango, R. (2021). Effect of socio-cultural practices on performance of women owned small and medium enterprises in Kisii Town, Kenya: A moderating role of environmental dynamism. *The Strategic Journal of Business & Change Management*, 8 (4), 422 – 437.

INTRODUCTION

Globally role of Small and Medium Enterprises in facilitating industrialization and economic development cannot be gainsaid. This is justified by the fact that Small and Medium Scale Enterprises are generally found in various economies account for two-thirds of employment levels (Mbugua, Njeru & Ondabu, 2014). Recently, there has been an enhancement in female-owned businesses across the globe (Tundui, 2012). However, women SMEs are embedded in socio-cultural practices which proscribe the role of women in entrepreneurial development thus discouraging half of the population in its input to overall development (Maziku, Majenga & Mashenene, 2014). It can therefore be inferred that the business performance aspirations of women owned SMEs is predicated upon society, or individual beliefs and attitudes which are akin to social cultural practices. Besides rapidly changing dynamic business environments awash with uncertainties and opportunities may affect and even alter the position of SMEs in market struggle (Ilan, Hao, Koo & Yu, 2013). Thus, entrepreneurial dynamism has the capacity to moderate social cultural practices and performance of women owned SMEs.

Women owned SMEs just like other business firms face hastily changing environments, whereby the life cycle of technology is continually reduced, product research and development is increasingly accelerated, and competing technologies often appear (Ilan, Hao, Koo & Yu, 2013). In this regard women owned SMEs should be able to both sense and grab opportunities in the vibrant operating environment inspite of the social cultural factors in order to gain maximal performance. This need is affirmed by Thurik and Caree (2010) who argues that unlike SMEs, large organizations enjoy economies of scale for accumulating the necessary capacity such as superior managerial and financial resources to influence the impact of business environment on their performance while SMEs, possess relatively limited resources

which may influence their performance. Amidst the social cultural factors, SMEs remain open systems which are affected by uncontrollable changes taking place in their environment.

Social norms, values and practices define inequalities between women and men in societies, commonly allocating different roles and responsibilities and assigning a lower value to those aptitudes, capabilities and activities conventionally associated with women (Ifelunini & Wosowei, 2013). Besides, Ifelunini and Wosowei (2013) indicated that due to patriarchal social authority structures, women received substantial family support in the set up stages of their businesses, but later such support is limited, reduced or withdrawn for fear of husbands losing control over their wives. All these arguments are premised on Thomas Cochran's theory of cultural Values and Max Weber's Theory of Entrepreneurial Growth which subscribes to social cultural realms which engenders a mental attitude in the society which profiles role structure and SMEs performance depending on gender. This is underpinned by the fact that Thomas Cochran's Theory of Cultural Values and Max Weber's Theory of Entrepreneurial Growth takes cognizance of the fact that social cultural factors determine whether the Entrepreneurial performance or growth possibility becomes an actuality (Pratima, 2013).

Gender-based socio-cultural constraints in diverse contexts hinder the performance and growth of women's microenterprises (ILO., 2014). These social cultural factors include gender-inequitable norms that place intense household and care work burdens on women, and that reduce their time available to spend on their businesses (Gine & Mansuri, 2014). Besides women's limited decision-making capacity in the household such as in the control of economic resources and earnings hampers the performance of women owned SMEs (Berge, et al., 2014; Fiala, 2014; Gine & Mansuri, 2014). According to the findings of the 2010 Global Entrepreneurship Monitor, 104

million women in 59 economies started and ran new business ventures and another 83 million managed businesses that they had launched in the previous three and a half years (Kelley et al., 2010).

Women-owned businesses constitute up to 46% of the privately held companies in the US, but 3/4 of those enterprises make less profits than their male-owned counterparts besides women-owned businesses are on a steady rise, but the success of these businesses is not (Giddings, 2014). Although the Indian society is fast evolving, the principle of gender equality is captured in the constitution of India, which gives equal rights and opportunities to both men and women, in practice, women are still viewed 'able' weak compromising on their bid to become successful entrepreneurs with high performing enterprises (Shah, 2013). Saudi women entrepreneurs could play a vibrant role in providing jobs and reducing the rate of unemployment, however, they face a chain of constraints when it comes to starting-up or expanding their enterprises (Wharton., 2010).

In Africa, many women owned SMEs are faced with the difficult of fostering their enterprises and encourage the culture of innovation and entrepreneurship hence poor performance (Wube, 2010). According to Tundui (2012) studies in Dar es Salaam, Arusha, Morogoro, Mwanza, Dodoma and Mbeya show that, female owned SMEs demonstrated a slightly lower level of performance in terms of sales revenue and number of employee compared to male-owned enterprises. In Kenya Women entrepreneurship has continued to show a very limited trend in growth if not retardation which is against the grains of Vision 2030 "equity and poverty elimination" dictum angling to increase opportunities all around women (Muthathai, 2017). In Kisii county Lack of Collateral Constraint, Legal Constraints and Financial Constraint influence the performance of women owned MSEs (Osoro et al., 2013).

Problem Statement

Women-owned enterprises make considerable contributions to economic growth, and their number is growing at a faster pace than men's businesses (Niethammer, 2013). This synergizes the achievement of high performance and growth of MSEs owned by women as one of the requirement of fulfilling MDGs and achieving vision 2030 (Mbiti, Elegwa, Mung'atu & Kyalo, 2015). In this regard, women owned SMEs are seen as fundamental in the economic development and public policy concern (Bonnell & Gold, 2009). However social- cultural constraints still hamper entrepreneurial entry and growth of potential women owned SMEs (ILO., 2014).

In Kenya, Women entrepreneurship has continued to show a very limited trend in growth if not retarded which is against the grains of Vision 2030 "equity and poverty elimination" dictum angling to increase opportunities all around women (Muthathai, 2017). Despite the enormous contribution of women owned enterprises, their failure rates remain high at 46 % (Muthathai, 2017; Walibora, 2017). In Kisii County, Collateral Constraint, Legal Constraints and Financial Constraint hinder the performance of women owned MSEs (Osoro et al., 2013). It is also essential to understand the effect of social cultural practices on the performance of women owned SMEs in Kenya because they are considerably different from those facing civilized countries. According to Maziku et al. (2014) social cultural practices have negative effect on the performance of women SMEs. While Mbiti, et al. (2015) posits that socio-cultural factors positively influenced the growth of women- owned MSEs (Mbiti, Elegwa, Mung'atu & Kyalo, 2015). These inconsistent findings imply that, women owned SMEs engrossed with Social Cultural practices can perform outstandingly or not. Mainstream research, SMEs tend to be "men streamed" and too often do not take into account the social cultural practices affecting women entrepreneurs and would-be women entrepreneurs (OECD., 2004). Based on these

inconsistencies the current study was designed to fill in the existing gap in literature by assessing the moderating role of environmental dynamism in the relationship between socio-cultural practices and performance of women owned small and medium enterprises.

Objectives of the study

The general objective of the study was to assess the effect of socio-cultural practices on performance of women owned Small and Medium Enterprises in Kisii Town, Kenya: a moderating role of environmental dynamism. The specific objectives were;

- To examine effect of entrepreneurial literacy level of women on the performance of women owned SMEs in Kisii town
- To find out the effect of traditional role of women and beliefs on performance of women owned SMEs in Kisii town
- To determine the effect of religion on the performance of women owned SMEs in Kisii town
- To analyze the moderating role of environmental dynamism on the effect of entrepreneurial literacy level of women on performance of women owned small and medium enterprises in Kisii Town

The study was guided by the following hypothesis

- **H0₁**: Entrepreneurial Literacy level of women does not significantly affect performance of women owned SMEs in Kisii town.
- **H0₂**: Traditional roles of women and beliefs do not significantly affect performance of women owned SMEs in Kisii town.
- **H0₃**: Religion does not significantly affect performance of women owned SMEs in Kisii town.
- **H0₄**: Environmental dynamism do not significantly moderate the effect of entrepreneurial literacy level of women on performance of women owned small and medium enterprises in Kisii Town.

LITERATURE REVIEW

Empirical Review

The increases in the literacy level in women have an impact on the performance of a business in that it widens managerial ability and therefore the probability of entrepreneurship growth. The improvement in education level also increases opportunities for a high wage income (VanderSluis, 2011). How significant individual's entrepreneurial literacy is reflected in several aspects such as risk aspect and functional aspect (product, marketing, financial, and human resource management) (Agung & Trisetia, 2018). A number of constructs are used to capture entrepreneurial literacy: Creativity, Planning, Financial literacy, Marshalling of resources, Managing ambiguity, and Teamwork, risk management, product and marketing, (Agung & Trisetia, 2018). Entrepreneurial literacy invokes competencies which are exhibited by individuals or entrepreneurs, who begin, transforms their business through their capabilities of organizing resources and opportunities. This is emphasized by the fact that entrepreneurial literacy is necessary for launching and planning a new venture conceived as "baseline". Highly literate entrepreneurs are deemed as those who go beyond launch into organizations who survive and grow (Mitchelmore & Rowley, 2010). Mutegi and Phelister (2015) asserts that financial literacy facilitates the decision making processes such as payment of bills on time, proper debt management which improves the credit worthiness of potential borrowers to support livelihoods, economic growth, sound financial systems, and poverty reduction. It also presents greater control of one's financial future, more effective use of financial products and services, and reduced vulnerability to overzealous retailers or fraudulent schemes.

Because societies are endowed by nature with different physical environments, members of society must adopt environmentally relevant patterns of behavior to achieve success. These environmentally

relevant patterns of behavior lead to the formation of different cultural values in different societies, some of which influence the decision to create new businesses. Thus, tradition, as distinct from political, social, technological or economic contexts, has relevance for economic behavior and entrepreneurship (Krauss & Idris, 2010). One of the difficulties in examining the cultural affects and effects in relation to entrepreneurial activity is the lack of a precise and generally understood definition of tradition (Kitching & Woldie, 2010). Anthropologists suggest that tradition is related to the ways in which societies organize social behaviour and knowledge (Heilbrunn, 2015). Cultural values are defined as the collective programming of the mind which differentiates the members of one human group from another and their respective responses to their environments (Osoro, Mokoro, Nyamongo & Areba, 2013). Several studies have emphasized the influence of cultural factors on entrepreneurship from different perspectives.

Hoe and Abdullah, (2012) in their literature review, link tradition and entrepreneurship to three broad streams of research. The first focuses on the impact of national tradition on aggregate measures of entrepreneurship such as national innovative output or new businesses created. The second stream addresses the association between national tradition and the characteristics of individual entrepreneurs. The third explores the impact of national tradition on corporate entrepreneurship. Accordingly, when an individual creates a business in a specific cultural environment, this business reflects that cultural environment, for example characteristics such as strategic orientation and growth expectations for the business (Brush & Hart, 2013). Much of the research in entrepreneurship that considers cultural variables has followed Hofstede's (1980, 2001) seminal work showing how tradition is manifested in various forms, and how cultural values at individual or societal levels are influenced by national tradition (Osoro, Mokoro,

Nyamongo & Areba, 2013). According to this view, cultural differences across societies can be reduced to four quantifiable dimensions: uncertainty avoidance, individualism, masculinity and power distance.

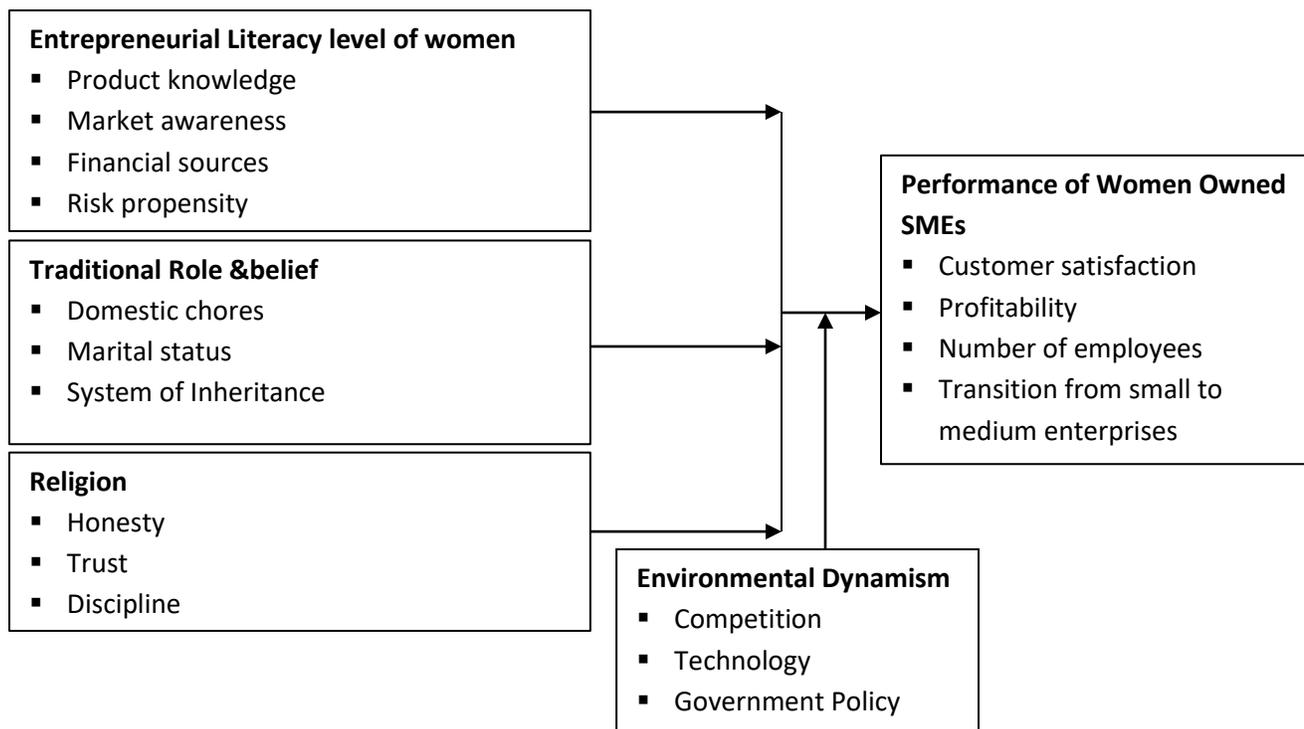
In psychology and sociology, researchers have dealt with the relationship between religion and diverse behavioral, emotional and cognitive phenomenon. Religious orientation has been defined by Ifelunini and Wosowei, (2013) as the appearance of one's religious world view in virtuous works (good deeds) or a person adapts to different situations which are guided by Islamic teachings and stimulated by the existence of God. In another definition by McDaniel and Burnett (1990), they proposed that religious orientation as a belief in God come along with a commitment to pursue doctrines established by God. Hoe and Abdullah (2012) in a study among successful women entrepreneurs in Malaysia confirmed the strong influence of religious orientation on the business success. The elements of honesty, trust, and discipline and respect time punctuality are expected of all religions. Studies have shown that there is a considerable relationship between religious orientation and economic performance (Barro & McCleary, 2013). Other research also confirmed the relationship between religious orientation and economic growth (Drine & Grach, 2010).

Dynamicity of the environment encourages firms to participate in new product innovation activities than those operating in a secure environment (Oliver & Holzinger, 2017). This means that SMEs which fail to take cognizance of dynamic environment and respond suitably are bound to lose their market shares and sales, hence will be left out from the competition. Women entrepreneurs may possess a range of individual level resources (i.e. human, social, psychological and financial capital) at business start-up, the environment in which they operate may significantly affect their ventures' performance and sustainability (Norma & Jennifer, 2017). They further aver that the way in which the entrepreneurs

experience their contextual environment can strengthen, weaken or negate the environment's effect on their firms' performance.

The change in the environment creates additional opportunities that enable the firm to pursue new innovative ventures in order to benefit from these environment characteristics (York & Venkataraman, 2010). Thus, in order to pursue into a venture, the women owned SMEs are under obligation to employ latest technologies and innovative marketing

practices in order to avoid the negative consequences of environmental dynamism. Decision making is more difficult in dynamic than in stable environments, and penalties for wrong strategic decisions are normally more severe (Wiklund & Shepherd, 2010). However the dynamism of an industry in which an SME operates in terms of social, political, technological, and economic dynamics can result in developments that can enrich a firm's niche or diminish its opportunities depending on its strategic orientation.



Independent Variable

Moderating Variable

Dependent Variable

Figure 1: Conceptual Framework

Source: (Author, 2021)

METHODOLOGY

This study adopted a descriptive survey research design. The target population was 427 women owning enterprises in Kisii town (Kisii County Ministry of Industrialization, 2019). 385 women-own enterprises which were micro enterprises as they had less than 10 employees while 42 were had medium enterprises as they had more than 10 employees. The

respondents were the owners of the enterprises. The study used quantitative methods through administering of the questionnaire. A structured and pre-tested questionnaire based on the specific objectives was used to gather primary data both quantitatively and qualitatively. A five-point attitudinal scaling was used to measure levels of attitude towards questions involving both open and

closed ended questions. The items adopted a 5-point Likert Scale. Data was analyzed using inferential statistical techniques. Under inferential statistics multiple linear regression was used to determine the effect of a set of independent variables (social cultural factors) on dependent variable (performance of SMEs), all with a moderator or without a moderator (environmental dynamism) using the Statistical Package for Social Sciences (SPSS) version 25.0 package. The regression model was as follows:

$$y = \beta_0 + \beta_1x_1 + \beta_2x_2 + \beta_3x_3 + \varepsilon \dots \dots (1)$$

Without a moderator

$$y = \beta_0 + \beta_1X_1 * Z + \beta_2X_2 * Z + \beta_3X_3 * Z + \varepsilon \dots \dots 2$$

with the moderator
Where y performance of SMEs, dependent variable x is social cultural practices, β is the standardized regression coefficient.

β_0 = Constant

X_1 =Literacy levels

X_2 =Traditional roles and Beliefs

X_3 = Religion

Z= Environmental dynamism as the moderating variable

ε = Error term

RESULTS

Effect of Entrepreneurial literacy on Performance of women owned SMEs

The model summary presented in table 1 involved entrepreneurial literacy as the only independent variable. The coefficient of determination (R square) of 0.413 indicated that the model explained only 41.3 % of the variation or change in the dependent variable with the remainder of 58.7 % explained by other factors other than entrepreneurial literacy. Adjustment of the R square did not change the results substantially, having reduced the explanatory behavior of the predictor to 40.9%. This implied that an increase of entrepreneurial literacy leads to an increase in the performance of women owned SMEs by 40.9%.

Table 1: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.643 ^a	.413	.409	.355	1.972

a. Predictors: (Constant), Entrepreneurial Literacy

b. Dependent Variable: Performance of Women Owned SMEs

Second, the ANOVA output was examined to check whether the proposed model was viable. Results shown in Table 2 revealed that the F-statistic was highly significant (F= 92.961 p<0.05), this showed that

the model was valid. Thus the null hypothesis is rejected hence it can be concluded that entrepreneurial literacy significantly affects the performance of women owned SMEs.

Table 2: ANOVA

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	11.684	1	11.684	92.961	.000 ^b
	Residual	16.591	132	.126		
	Total	28.275	133			

a. Dependent Variable: Performance of Women Owned SMEs

b. Predictors: (Constant), Entrepreneurial Literacy

The model significantly improved the ability to predict Performance of women owned SMEs. Thus, the model was significant

Regression Coefficients of Performance of women owned SMEs as explained by Entrepreneurial Literacy

Results of the regression coefficients showed that the estimates of β values and give an individual contribution of a predictor to the model. The β value tells us about the relationship between performances of women owned SMEs with the predictor. The positive β value indicates a positive relationship between the predictors and the outcome. The β value for Entrepreneurial Literacy (.643) was positive. The positive β values indicated the direction of relationship between predictor and outcome. From the results (Table 3) the model was then specified as:

$$y = \beta_1 X_1 + \epsilon \dots \dots \dots \text{Equation 1}$$

Table 3: Regression Coefficients^a

Model	Unstandardized Coefficients		Standardized coefficients	t	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
1 (Constant)	1.932	.212		9.129	.000		
Entrep-literacy	.494	.051	.643	9.642	.000	1.000	1.000

a. Dependent Variable: Performance of Women Owned SMEs

Effect of Traditional Role and Beliefs of Women on Performance of women owned SMEs

The model summary involved traditional role of women as the only independent variable. The coefficient of determination (R square) of 0.327 indicated that the model explained only 32.7 % of the variation or change in the dependent variable with the remainder of 67.3 % explained by other factors other than traditional role of women. Adjustment of

$$\text{Performance of women owned SMEs} = .643 \text{ entrepreneurial literacy} + \epsilon$$

The coefficient of the variable indicated the amount of change one could expect in performance of women owned SMEs given a one-unit change in the value of that variable, given that all the variables in the model are standardized basing on the standardized coefficients. Result revealed standardized regression coefficient for entrepreneurial literacy ($\beta=0.643$), implied that an increase of 1 standard deviation in entrepreneurial literacy is likely to result in a 0.643 standard deviations increase in performance of women owned SMEs. T-test was used to identify whether the predictor was making a significant contribution to the model. When the t-test associated with β value is significant then the predictor is making a significant contribution to the model. The results showed that entrepreneurial literacy ($t=9.642, P<.05$).

the R square did not change the results substantially, having reduced the explanatory behavior of the predictor to 32.2%. This implies that an increase of traditional roles of women leads to an increase in the performance of women owned SMEs by 32.7%. However, this increase could be ascribed to the modernization of the society and balancing between business demands and traditional roles. However, the converse would have a negative effect.

Table 4: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.572 ^a	.327	.322	.380	2.007

- a. Predictors: (Constant), Traditional Roles of women
- b. Dependent Variable: Performance of Women Owned SMEs

Second, the ANOVA output was examined to check whether the proposed model was viable. Results shown in Table 5 revealed that the F-statistic was highly significant (F= 64.143 p<0.05), this showed that

the model was valid. Thus the null hypothesis is rejected hence it can be concluded that traditional role of women significantly affects the performance of women owned SMEs.

Table 5: ANOVA

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	9.250	1	9.250	64.143	.000 ^b
	Residual	19.025	132	.144		
	Total	28.275	133			

a. Dependent Variable: Performance of Women owned SMEs

b. Predictors: (Constant), Traditional Roles of Women

The model significantly improved the ability to predict Performance of women owned SMEs. Thus, the model was significant

Regression Coefficients of Performance of women owned SMEs as explained by Traditional Roles of Women

Results of the regression coefficients presented in Table 6 showed that the estimates of β values and give an individual contribution of a predictor to the model. The β value tells us about the relationship between performances of women owned SMEs with the predictor. The positive β value indicates a positive relationship between the predictors and the outcome. The β value for traditional role of women (.572) was positive. The positive β values indicated the direction of relationship between predictor and outcome. From the results (Table 6) the model was then specified as: -

$y = \beta_2 X_2 + \epsilon$Equation 2

Performance of women owned SMEs = .572 traditional roles of women + ϵ

The coefficient of the variable indicated the amount of change one could expect in performance of women owned SMEs given a one-unit change in the value of that variable, given that all the variables in the model are standardized basing on the standardized coefficients. Result reveal standardized regression coefficient for traditional role of women ($\beta=0.572$), implies that an increase of 1 standard deviation in traditional role of women is likely to result in 0.572 standard deviations increase in performance of women owned SMEs. T-test was used to identify whether the predictor was making a significant contribution to the model. When the t-test associated with β value is significant then the predictor is making a significant contribution to the model. The results show that traditional role of women (t =8.011, P<.05).

Table 6: Regression Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients			Collinearity Statistics	
	B	Std. Error	Beta	T	Sig.	Tolerance	VIF
1 (Constant)	1.927	.255		7.563	.000		
Traditional Role of women	.501	.063	.527	8.011	.000	1.000	1.000

a. Dependent Variable: Performance of Women Owned SMEs

Effect of Religion on Performance of Women Owned SMEs

The model summary presented in table 7 involved religion as the only independent variable. The coefficient of determination (R square) of 0.460 indicated that the model explained only 46 % of the variation or change in the dependent variable with the remainder of 56 % explained by other factors

other than religion. Adjustment of the R square did not change the results substantially, having reduced the explanatory behavior of the predictor to 45.6%. This implied that religion leads to an increase in the performance of women owned SMEs by 46%. However, this increase could be explained by the fact that religious beliefs influence moral values that shape entrepreneurship behavior.

Table 7: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.678 ^a	.460	.456	.340	1.578

a. Predictors: (Constant), Religion

b. Dependent Variable: Performance of Women Owned SMEs

Second, the ANOVA output was examined to check whether the proposed model was viable. Results shown in Table 8 revealed that the F-statistic was highly significant (F= 112.426 p<0.05), this showed

that the model was valid. Thus the null hypothesis was rejected hence it was concluded that religion significantly affects the performance of women owned SMEs.

Table 8: ANOVA

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	9.250	1	9.250	64.143	.000 ^b
	Residual	19.025	132	.144		
	Total	28.275	133			

a. Dependent Variable: Performance of Women Owned SMEs

b. Predictors: (Constant), Religion

The model significantly improved the ability to predict Performance of women owned SMEs. Thus, the model was significant

Regression Coefficients of Performance of women owned SMEs as explained by Religion

Results of the regression coefficients presented in Table 9 showed that the estimates of β values and give an individual contribution of a predictor to the model. The β value tells us about the relationship between performances of women owned SMEs with the predictor. The positive β value indicated a

positive relationship between the predictors and the outcome. The β value for religion (.678) was positive. The positive β value indicates the direction of relationship between predictor and outcome. From the results (Table 9) the model was then specified as:

$$y = \beta_3 X_3 + \epsilon \dots \dots \dots \text{Equation 3}$$

$$\text{Performance of women owned SMEs} = .678 \text{ Religion} + \epsilon$$

The coefficient of the variable indicates the amount of change one could expect in performance of

women owned SMEs given a one-unit change in the value of that variable, given that all the variables in the model are standardized basing on the standardized coefficients. Result reveal standardized regression coefficient for religion ($\beta=0.678$), implies that an increase of 1 standard deviation in religion is likely to result in 0.678 standard deviations increase

in performance of women owned SMEs. T-test was used to identify whether the predictor was making a significant contribution to the model. When the t-test associated with β value is significant then the predictor is making a significant contribution to the model. The results show that religion ($t =10.603$, $P<.05$).

Table 9: Regression Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
1 (Constant)	2.266	.162		14.020	.000		
Religion	.424	.040	.678	10.603	.000	1.000	1.000

a. Dependent Variable: Performance of Women Owned SMEs

Moderating role of environmental dynamism in the relationship between socio-cultural practices and performance of women owned small and medium enterprises in Kisii Town

Table 10 illustrated the model summary of multiple regressions showing that all the three social cultural practices (entrepreneurial literacy, traditional roles of women and Religion) jointly explained 61.8 percent variation in performance of women owned SMEs. This showed that considering the three independent study variables, there is a probability of 61.8 percent

($R^2=0.618$) in predicting performance of women owned SMEs. However, with the moderator (Environmental dynamism), the variables jointly explained 63.2 percent ($R^2= 0.632$) variation in performance of women owned SMEs. The value of adjusted R^2 should be as close to the value of R^2 . In the case of this study, the adjusted R^2 for the variables without a moderator was .610 while the inclusion of the effect of environmental dynamism as the moderator changed the outcome result to .620.

Table 10: Goodness of Fit Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	R Square Change	Durbin-Watson
1(without moderator)	.786 ^a	.618	.610	.288	.618	
2 (With moderator)	.795 ^b	.632	.620	.284	.013	1.832

- a. Predictors: (Constant), Entrepreneurial Literacy, Traditional Roles of Women and Religion
- b. Predictors: (Constant), Entrepreneurial Literacy, Traditional Roles of Women, Religion and Environmental Dynamism
- c. Dependent Variable: Performance of Women Owned SMEs

Multiple Regression coefficients for Performance of Women Owned SMEs

The model can then be specified as:-

$Y = .844+.153X_1 *Z + .236X_2 *Z +.250X_3 *Z + \epsilon$, with the moderating variable.

Table 11: Regression Coefficients of performance of women owned small and medium enterprises with a Moderator

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	1.868	.275		6.798	.000		
	Environmental Dynamism	.476	.062	.554	7.636	.000	1.000	1.000
2	(Constant)	1.209	.255		4.751	.000		
	Environmental Dynamism	.275	.061	.319	4.506	.000	.772	1.296
	Entrep_Litracy	.377	.054	.490	6.917	.000	.772	1.296
3	(Constant)	.862	.263		3.280	.001		
	Environmental Dynamism	.223	.060	.259	3.703	.000	.727	1.376
	Entrep_Litracy	.294	.057	.383	5.150	.000	.644	1.552
	Tradition	.225	.063	.257	3.550	.001	.678	1.474
4	(Constant)	.844	.235		3.586	.000		
	Environmental Dynamism	.123	.057	.143	2.166	.032	.658	1.519
	Entrep_Litracy	.153	.057	.199	2.696	.008	.524	1.909
	Tradition	.236	.057	.269	4.151	.000	.678	1.476
	Religion	.250	.043	.399	5.766	.000	.595	1.680

T-test was then used to identify whether the predictors were making a significant contribution to the model. The t-values test the hypothesis that the coefficient is different from 0. To reject this one needs a t-value greater than 1.96 for 95 percent level of confidence. The results showed that effect of entrepreneurial literacy (T =2.696, P<.05), traditional of women (T =4.151, P<.05) and Religion (T =5.766, P <.05) on performance of women owned SMEs are significantly moderated by Environmental dynamism.

CONCLUSION AND RECOMMENDATION

The first objective of the study was to examine the effect of entrepreneurial literacy level of women on the performance of women owned SMEs in Kisii town. According to the finding of the study an increase of entrepreneurial literacy leads to an

increase in the performance of women owned SMEs by 40.9%. F-statistic was highly significant (F= 92.961 p<0.05), this showed that the model was valid. Thus the null hypothesis was rejected hence it was concluded that entrepreneurial literacy significantly affect the performance of women owned SMEs. This implied that the women entrepreneur should embrace entrepreneurial literacy programs to potentiate their entrepreneurial skills for performance of their business and sustainability.

The second objective of the study was to find out the effect of traditional role of women on performance of women owned SMEs in Kisii town. Results showed that traditional roles of women leads to an increase in the performance of women owned SMEs by 32.7%. the F-statistic was highly significant (F= 64.143 p<0.05), this showed that the model was valid. Thus

the null hypothesis was rejected hence it was concluded that traditional role of women significantly affects the performance of women owned SMEs. The β value for traditional role of women (.572) was positive. This implied that women entrepreneurs are under obligation to break out of norms ascribing them specific traditional roles and behaviours for business success.

The third objective was to determine the effect of religion on the performance of women owned SMEs in Kisii town. Since the advent of civilization, religious beliefs have been some of the most powerful corner stones of human behavior. From the study findings religion leads to an increase in the performance of women owned SMEs by 46%. However, this increase could be explained by the fact that religious beliefs influence moral values that shape entrepreneurship behavior. F-statistic was highly significant ($F= 112.426$ $p<0.05$), this showed that the model was valid. Thus the null hypothesis was rejected hence it was concluded that religion significantly affects the performance of women owned SMEs. The β value for religion (.678) was positive. This implied that entrepreneurs who truly hold to their religious belief and commitment will inculcate good values in their business activities which is necessary for business performance.

The fourth objective was to analyze the moderating role of environmental dynamism in the relationship between socio-cultural practices (entrepreneurial literacy, traditional roles of women and religion) and performance of women owned small and medium enterprises in Kisii Town. According to the findings of this study the three independent study variables, there was a probability of 61.8 percent ($R^2=0.618$) in predicting performance of women owned SMEs.

However, with the moderator (Environmental dynamism), the variables jointly explained 63.2 percent ($R^2= 0.632$) variation in performance of women owned SMEs. F-value of 55.330 and a p-value of 0.00 significant at 5 percent level of confidence was obtained, indicating that the overall regression model was significant. In this regard the null hypothesis was rejected the alternative hypothesis held true; stating that there is a significant moderating effect of environmental dynamism in the relationship between the social cultural practices under study (entrepreneurial literacy, traditional roles of women and religion) and performance of women owned SMEs. B value for Entrepreneurial literacy as .171, traditional role of women .265, and Religion .279 were all positive. This implied that amidst the forces accruing from social cultural practices which would either be barriers or enhancers of business performance environmental dynamism remains key in ameliorating the performance women owned SMEs. This argumentation was premised on social cultural theory by Max Weber and Preference Theory.

Areas for Further Research

Arising from some of the implications and limitations of the study, recommendations for further research are made. While this study successfully accessed the moderating role of environmental dynamism on the effect of sociocultural practices on the performance of women owned SMEs, it also presented a rich prospect for other areas to be researched in future. Future research should therefore expand to other regions because of different cultures. The future studies should also involve other moderating variables other than environmental dynamism.

REFERENCES

Agarwal R, A. C. (2008). The performance impacts of coaching: A multilevel analysis using hierarchical linear modeling. *International Journal of Human Resource Management*, 20(4), 2110–2134.

- Agung, W., & Trisetia, W. (2018). Does Entrepreneurial Literacy Correlate To The Small-Medium Enterprises Performance In Batu East JAVA? *Academy of Entrepreneurship Journal* , 24,(1),34-52.
- Barro, R. J., & McCleary, R. M. (2013). Religion and Economic Growth Across Countries. . *American Sociological Review*, 68(5), 760-781.
- Bigio, A. G. (2009). *Social Funds and Reaching the poor*. Washingto D.C: The world Bank.
- Brush, & Hart. (2013). *Growth oriented women entrepreneurs and their businesses*,. Cheltenham,: Cheltenham.
- Check, J., & Schutt, R. K. (2012). Survey research . In J. Check, & R. K. Schutt, *Research methods in education* (pp. 159–185). Thousand Oaks, CA: Sage Publications.
- Collis, J., & Hussey, R. (2014). *Business research: A practical guide for undergraduate and postgraduate students*. Palgrave Macmillan.
- Drine, I., & Grach, M. (2010). Supporting Women entrepreneurs in Tunisia. September 2010, UN-WIDER working paper. *published online*.
- Felicia, O. J., Olusoji, G., Oluwakemi, O., & Mofope, A. (2014). Effects of Socio-Cultural Realities on the Nigerian Small and Medium Sized Enterprises (SMEs): Case of Small and Medium Sized Enterprises in Lagos State. *International Journal of Business and Management*, 9(1), 345-361 .
- Ferrell, O., Johnston, M., & Ferrell L. (2012). “A Framework for Personal Selling and Sales Management Ethical Decision Making”,. *Journal of Personal Selling and Sales Management*, 27(4), 291-299.
- Gurmeet, S., & Rakesh, B. (2008). Entrepreneurship and SMEs in Ethiopia: Evaluating the role, prospects and problems faced by women in this emergent sector. *Gender in Management. An International Journal*, 23(2),120 – 136.
- Heilbrunn, S. (2004). Impact of Gender on Difficulties Faced by Entrepreneurs, *International Journal of Entrepreneurship & Innovation*, 5(3), 159-165.
- Heyzer, N. (2010). Making the Links *Women's Rights and Empowerment are Key to Achieving the Millennium Development Goals*, *Gender and Development*, 13 (1), 9-12.
- Hoe, C. H., & Abdullah, H. H. (2012). Development of Women Entrepreneurs: The Case of Malaysia. . *World Journal of Social Sciences*, 2 (6), 123 - 145.
- ILO. (2014). Effectiveness Of Entrepreneurship Development Interventions For Women Entrepreneurs:An ILO-Wed Issue Brief. *Women Entrepreneurial Development* .
- ILO. (2018). *Women in business and management:Gaining momentum in the Caribbean*. Retrieved from www.ilo.org
- Kibas, P. B. (2014). *Women in Entrepreneurship: Analysis of Factors Influencing Growth Oriented WomenEnterprises in Kenya*. Geneva: International Labour Office.
- Kitching, B., & Woldie, A. (2010). Female Entrepreneurs in Transitional Economies: a comparative study of Businesswomen in Nigeria and China.I. *In Hawaii Internationa*.

- Maikudi, S., & Kamilah, A. (2018). A Conceptual Framework for the Influence of Entrepreneurial Orientation and Environmental Dynamism on Marketing Innovation Performance in SMEs. *Business and Economics Journal*, 9(3),342-364.
- Mass, & Harro. (2011). "Disciplining Boundaries: Lionel Robbins, Max Weber, and the Borderlands of Economics, History, and Psychology". *Journal of the History of Economic Thought*, 31(2), 500-517.
- Maziku, P., Majenga, A., & Mashenene, G. R. (2014). The Effects of Socio-Cultural Factors on the Performance of Women Small and Medium Enterprises in Tanzania . *Journal of Economics and Sustainable Development* , 5(21),129-136.
- Mbula, R. (2018). *Land dilemma in Nyamira, Kisii as population grows*. Retrieved 08 2018, 2018, from <https://www.nation.co.ke/counties/nyamira/Land-dilemma-in-Nyamira--Kisii-as-population-grows/3444896-4249484-1kykrrz/index.html>.
- MIT. (2012). *The National Baseline Survey of Micro, Small and Medium Enterprises in Tanzania*. Nairobi: Government Press.
- Mukhtar, S., & Mahmood, R. (2015). The Moderating Role of Business Environment in the Relationship between Entrepreneurial Orientation and Business Performance among Nigerian SMEs. *Jurnal Pengurusan* , 43(2),119-128 .
- Mutegi, B. (2012). Relationship among Owner/ Manager Personal Values, Business Strategies, and Enterprise Performance. *Journal of Small Business Management*, 35 (2), 37–61.
- Muthathai, P. (2017). Factors Influencing the Growth of Women Owned Businesses in Kenya. *United States International University Africa*.
- Njeru, E. H., & Njoka, J. M. (1998). Small scale enterprise in Nairobi: The socio-cultural factors influencing investment patterns among informal sector women entrepreneurs, Department of Sociology,. *University of Nairobi*.
- O'Leary, Z. (2014). *The essential guide to doing your research project (2nd ed.)*. London: SAGE.
- Oliver, C., & Holzinger, I. (2017). The effectiveness of strategic political management: A dynamic capabilities framework. *Academy of Management Review*, 33(2), 496-520.
- Osoro, K., Mokoro, A., Nyamongo, D., & Areba, J. (2013). Constraints Facing Women Entrepreneurs In Kenya:A Case Study OfMicro And Small Enterprisesin Kisii County. *IOSR Journal Of Humanities And Social Science (IOSR-JHSS)*, 16(6),116-124.
- Ramesh, A. (2016). *Primary & Secondary Data*. Retrieved 07 24, 2019, from <http://www.radhikari.com>.
- Robert, C., & Casella, G. (2013). *Monte Carlo statistical methods*. Springer Science & Business Media.
- Salkind, N. J. (2010). *Encyclopedea research design*. Retrieved from <http://methods.sagepub.com> assesed on 12/2/2019.
- Saunders, M., Lewis, P. T., & Thornhill, A. (2016). *Research methods for business students*. London: Routledge.

- Saunders, M., Thornhill, A., & Lewis, P. (2015). *Understanding research philosophy and approaches to theory development*. England: Printhead.
- Shah, H. (2013). Creating an enabling environment for women's entrepreneurship in India. *Development Papers*, 1304.
- Taherdoost, H. (2016). Sampling Methods in Research Methodology; How to Choose a Sampling Technique for Research. *International Journal of Academic Research in Management* , 5(2) , ISSN: 2296-1747.
- Thomas, M. &. (2010). Culture and entrepreneurial potential: A nine country study of locus of control and innovativeness. *Journal of Business Venturing*, 16(2), 51-75.
- Thornton, P. H., Ribeiro-Soriano, D., & Urbano, D. (2011). Socio-cultural factors and entrepreneurial activity: An overview . *International small business journal*, 29(2), 105-118.
- Walliman, S. R. (2005). *Your Research Project: A Step-By-Step Guide for The First-Time Researcher, 2nd edition*. London: Sage.
- Waters, & Tony. (2016). "Are the terms "socio-economic status" and "class status" a warped form of reasoning for Max Weber? . *Palgrave Communication*, 24(2),56,98.
- Woltman, H., Feldstain, A., MacKay, J. C., & Rocchi, M. (2012). An introduction to hierarchical linear modeling. *Tutorials in Quantitative Methods for Psychology*, 8(1), 52-69.
- Wube, M. C. (2010). Factors Affecting the Performance of Women Entrepreneurs in Micro and Small Enterprises: A Case of Dessie Town. *Unpublished thesis Technical and Vocational Education Management, Bahir Dar University*.
- York, J. G., & Venkataraman, S. (2010). The entrepreneur–environment nexus: Uncertainty, innovation, and allocation. *Journal of Business Venturing*, 25(5), 449-463.