Organizational Technology Policies and the Growth of Micro and Small Enterprises in Nairobi City County, Kenya.

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ABSTRACT

This study sought to establish the influence of organizational technology policies on the Growth of Micro and Small Enterprises in Nairobi, Kenya and; To determine the moderating effect of Entrepreneurial Orientation on organizational technology policies and the Growth of Micro and Small Enterprises in Nairobi, Kenya. The study was grounded on the Resource Based theory. The study adopted a descriptive research design since the design enabled the researcher to generalize the findings to a larger population of MSEs. In addition, this design enabled the researcher describe the characteristics of the population being studied as they exist at present hence minimizing biasness and maximizing the reliability of the evidence collected. This study was guided by positivism philosophy. The target population for this study comprised of all the 1835 Owners or managers of the MSEs registered with Nairobi City County and have operated for more than five years. Stratified and Simple Random sampling techniques was used to select a total of 184 respondents for the study. The study found out that organizational technology policies were the key variable that significantly influencing the Growth of Micro and Small Enterprises in Nairobi County, Kenya. Specifically, MSEs Staff were largely found to be un-trained especially on Emerging Technologies and lacked motivation to adopt and use technologies. In addition, study found out that there was low adoption on use of social media platform for business operation. The study recommends that the Management of MSEs needs to make deliberate efforts and invest on training especially on Emerging Technologies such as e-commerce, communication, e-production, e-procurement among others. This will ensure that the MSEs staffs are well equipped with the necessary skills and knowledge needed to effectively utilize the emerging technologies in the market. Further, the management of the MSEs needs to be motivated to adopt and use technologies and innovation. Motivation many be inform of incentives and rewards that motivates users to adopt and use technology in their operations. There is also need to invest in a strong and robust social media platform that are easy to use for most users. Social media networks can be harnessed to boast in product and services marketing and sourcing of market information among other.

Keywords: Organizational technology policies, Entrepreneurial Orientation, Growth of Micro and Small Enterprises in Nairobi County
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1.0. INTRODUCTION

1.1 Background of the Study

The study sought to assess the influence of technology adoption on the Growth of Micro and Small Enterprises in Nairobi County, Kenya. Technological adoption and innovation is key to the Growth of any enterprise since it plays a key role in rendering competitive advantage and sustainability of the enterprises. It creates access to virtual markets hence providing enterprises with the opportunities to conduct business globally (Jannex et al., 2014). The rise of the internet, technological innovations have significantly reduced trade costs and transformed the way businesses communicate, consume, produce and trade (OECD, 2019).

World Trade Organization report acknowledges that Digital technologies such as Artificial Intelligence, the Internet of things, additive manufacturing (3D printing) and Block chain have been made achievable by the exponential rise in computing power, bandwidth and digital information. In addition, Digital technologies are reshaping consumer habits by shifting purchases online through the widespread use of internet-enabled devices which provide consumers with direct access to online markets (WTO, 2018).

In the past years, the major concerns by MSEs about technology was the level of technology but currently things have changed and the concern now is to keep up with rapid changes that are associated with information technology (Pearce & Robinson, 2015). Technology brings with it a number of opportunities and also challenges. Once adopted, technology has the potential to open up sophisticated new markets and products. It has the ability to either shorten or increase the anticipated life cycle of a manufacturing facility (Bonn, 2014; Etta & Elder, 2015).

Micro and Small Enterprises (MSEs) are also referred to as Small and Medium Sized Businesses (SMBs). These are types of businesses whose personnel or workers fall below a certain limit. The use of abbreviations “MSEs” is common in the European Union and is also used by international organizations like the World Bank and the World Trade Organization It is common to find different definitions of MSEs in different regions (WTO, 2018).

According to UNCTAD (2015), MSEs by virtue of their size, capital investment and their capacity to generate greater employment have demonstrated their powerful propellant effect for rapid economic growth in many nations. The MSEs Sector has also been instrumental in bringing about economic transition by providing goods and services, which are of adequate quality and are reasonably priced to a large number of people, and by effectively using the skills and talents of a large number of people without requiring high-level training, large sums of capital or sophisticated technology (ILO, 2014). Growth of an Enterprise is key in enhancing its survival and sustainability in both local and international market. Evenson & Westphal (2015) asserts that the Growth of an enterprise is a development process of a business entity from small to big and from weak to strong. Enterprise Growth is the development process whereby business entities keep the tendencies of balanced and stable growth.
growth of total performance level (including output, sales volume, profit and asset gross) or keeps realizing the large enhancement of total performance and the stage spanning of development quality and level.

According to UNCTAD (2015), the Growth of an enterprise can either be horizontal or vertical. Vertical growth entails the transformation and graduation of a business into more modern medium and small enterprises while horizontal Growth involve the formation of more enterprises at the same level. Vertical Growth is desired for any enterprise since it has been associated with increased capacity for employment generation. In a study conducted by Liedholm (2017) on the Growth of enterprises, findings revealed that the relative Growth in a number of firms is highest in those with between 2 and 49 employees than in enterprises owned by sole proprietors. The study concluded that there is a high potential in these firms if given a favorable business environment and adequate technological resources.

1.2 Statement of the Problem
The MSEs in the informal sector role cannot be overemphasized in the Kenyan economy and in the attainment of vision 2030. The informal sector makes up about 98% of all the enterprises in Kenya with an employment growth rate of 12-14% and contributes about 30% of total employment (RoK, 2017). However, despite of their importance, the MSEs Survival is hardly guaranteed with the statistics showing that three out of every five MSEs do not survive beyond the fifth year of their establishment (RoK, 2015).

The MSEs industries have been subjected to increased international competition, increased demand for quality products and services (Bonn, 2014). Surviving in this competitive environment and predominately dominated by large firms requires unique strategies such as integration of technology and innovation in order to survive (Jannex et al, 2014).

MSEs have been experiencing problems in their production, marketing of products, development of new products and operations management attributed to their inadequate capacity to adopt new technology to enhance their Growth and survival (USAID, 2015). Evidence of past researches on Growth of MSEs and technology adoption has been minimal in Kenya with related ones having been conducted in developed countries.

Specifically, Previous studies on MSE such as Leonidou (2014), Goitom (2016) have largely concentrated on export marketing of MSEs while others have focuses on the determinants of manufacturing firm performance such as; Were (2016), Alvarez (2017) and Hollenstein (2015). Furthermore, the identified studies have concentrated heavily on the large manufacturing sector leaving out many MSEs sector out of policy considerations. Studies on MSEs such as Crawford & Benedetto (2016); Ehlers & Lazenby (2016); Etta & Elder (2015); Kagami & Tsuji (2016) and Petrakis & Kostis (2017) Largely focused of the MSEs management, ICT Policies, product management, financing and associated contraints that face MSEs in their operation. Other MSEs studies such as Karari (2020) focused on use of technology in addressing food security while Kiarie (2021) assessed the determinants of digital technologies adoption among small scale farmers in Kenya. Despite the importance attributable to adoption of technology to MSEs, none of these studies addressed the relationship between technology adoption and the Growth of MSEs in Nairobi City County, Kenya. This poses a Gap which this study sought to fill through an investigation on the influence of organizational technology policies and entrepreneurial orientation on the Growth of MSEs in Nairobi City, County, Kenya.

1.3 Research Objectives of the Study
i. To assess the effect of organizational technology policies on Growth of MSEs in Nairobi City,
ii. To determine the moderating effect of entrepreneurial orientation on the relationship between organizational technology policies and Growth of MSEs in Nairobi City, County, Kenya.

1.4 Research Hypothesis

HO1a: There is no significant effect of organizational technology policies on performance of food and beverage manufacturing firms in Kenya

HO2a: There is no significant moderating effect of entrepreneurial orientation on relationship between organizational technology policies and Growth of MSEs in Nairobi City, County, Kenya

LITERATURE REVIEW

2.1 Theoretical Framework

2.1.1 Resources Based View Theory

According to this theory, a firm is made up of differentiated technological skills, complementary assets and organizational routines and capacities (Ghoshal, 2002). Resources are anything (tangible or intangible) that can be said as being the strength or weakness of a firm. They are the assets that are related to the firm over a substantial period of time.

Gottschalk (2007) sees resources as stocks and flows of a firm. Resources comprise of production skills, equipment, knowledge and process. Physical resources include all the tangible property the firm utilizes in production which include the firm’s plant and equipment. Human resources of a firm include knowledge, training and the experience of the employees in the firm. The level of knowledge achieved by MSEs through training and experience is represented in technological adoption and better methods of production. MSEs use specific resources to adapt to the changing environment. MSEs can source competitive edge from training, teamwork and human capital (Barney, 2014).

There are two basic perspectives of a firm and these are; the resource and the product perspective (Barney, 2017; Wernerfelt, 1984). Barney (2014) carried out a research on how resources contribute to the performance of one single business firm. Assumptions in his study were that resources are heterogeneously distributed across firms and these resources cannot be transferred without costs. He also listed down four characteristics of resources which are; value, rarity, imitability and operability (Barney, 2014). This theory seeks to explain the differences that are there in firms’ performance. Gottschalk (2007) opines that resources are a major influence of firms’ performance. Resources are able to create and sustain competitive edge, but only a few resources are able to generate sustained competitive edge (Wade & Hulland, 2014). The attributes of resources that were put forth by Barney (2014) such as VRIO- value, rarity, imitability and operability were later altered. Operability was split to make up sustainability, combination and exploration. A resource’s sustainability diminishes above normal profits generated by a resource (Gottschalk, 2007).

Exploration and combination allows the MSEs to utilize the resources in order to create a competitive advantage. Wade & Hulland (2014) came up with six characteristics of firm resources which ex ante limit competition and these are value, rarity, immutability, sustainability and mobility ex post limit competition. Some resources are said to create the competitive edge while others are said to help sustain the competitive edge (Wade & Hulland, 2014).

Technology adoption is one of the resources that can help in creating a competitive advantage and also help a firm grow. Resources that create a competitive edge are identified as ex ante limitations to competition. On the other hand, resources that sustain competitive advantage are identified as ex post limitation to competition. This theory is relevant to this study in looking at the effect of technology
adoption to MSEs

2.2 Conceptual Framework

![Conceptual Framework Diagram]

Organisational Technology Policies
- Training
- Managerial Support
- Incentives

Growth of MSMEs
- Number Of Employees
- Profitability
- Sales Volumes

Entrepreneurial Orientation
- Innovativeness
- Competitive aggressiveness
- Risk taking

Independent Variable

Moderating Variable

Figure 1: Conceptual Framework

2.3 Review of Study Variables

2.3.1 Organizational Technology Policies

Organizational Technology Policies are methods, plans or course of actions selected, usually by an organization, institution, society, firm among others to guide and determine present and future decisions and positions on matters of technology and innovation adoption and advancement within the organization (Lall, 2014). Johnson, Gatz & Hicks, (2017) concede that policies and procedures work to define how an organization wishes to strategize, train, implement, operate, and manage technology in a way that enables the organization to meet legal and regulatory requirements. According to Al-Gahtani & King (2018), Organizations that adopt effective technological policies offer conducive environment and facilitating conditions needed by individual users to adopt and use technology. Technological policies such as the availability of training opportunities, provision of managerial support and incentives leads to increased technology adoption leading to increase business growth and development (Igbaria, Parasuraman & Baroudi, 2016).

Micro and Small enterprises are the major drivers of the growth of economy. This is because they make numerous contributions like technological innovations, employment generation, export promotion among others (Subrahmanya et al., 2016). In order for MSEs to grow, it is important MSEs management to keep on innovating and developing appropriate Technological Policies and procedures in their operations. Proper policies can lead to supporting new Innovation which gives the MSEs a competitive edge in the industry. Further, Proper policies may lead to development of proper procedures for Technological assimilation. This has the potential of positioning MSEs in a way that they are able to discover new markets and also gives them a competitive edge in the market (Becheikh}
et al., 2016). However, the ability of MSEs to assimilate technologies depends on certain factors such as the sector, their size, focus, resources and business environment in which they operate (Jaiya, 2015). Due to globalization, MSEs are faced with unique challenges that were not there before. Globalization has had an impact on how MSEs compete with each other. Globalization has even brought a threat to the survival of some of these MSEs especially the weaker ones (Agarwal & Ashwani, 2015). This has made them rethink their manufacturing and marketing strategies.

2.3.2 Entrepreneurial Orientation

Entrepreneurial Orientation (EO) is defined as a strategic orientation that specifically captures entrepreneurial aspects such as decision-making styles, management methods and management practices (Miller & Friesen, 2014). Another definition of EO was provided by Lumpkin & Dess (2015) as the configuration of practices, policies, and processes that provide insights into the creation of entrepreneurial actions and decisions. Covin & Slevin (2015) improved on the definition by looking at EO as a measure of the degree to which top managers are inclined to take risks, to support change and advancement so as to acquire an upper hand for their firm, and to contend forcefully with different firms. Lumpkin & Dess (2015) proposed the dimensions of entrepreneurial orientation to include: Innovativeness, pro-activeness, risk-taking, autonomy and competitive aggressiveness.

Schumpeter (2017) argues that the purest type of entrepreneur is the one who limits himself mainly to the uniqueness of entrepreneurial function and carry out new combination by use of innovation. According to Lumpkin & Jeffrey (2016), innovativeness reflects a tendency for an enterprise to connect in and support new ideas, experimentation, and creative processes that may end up resulting to new products, services, or technological process. Innovation is a vital means of pursuing opportunities and so is an essential part of an entrepreneurial orientation.

Lumpkin & Dess (2015) on the other hand describe pro-activeness as "taking initiative by anticipating and pursuing new opportunities related to future demand and by participating in emerging markets". It may be explained also as an entrepreneurial activity which is distinctive and precedes imminent expectations in terms of the products, customer demands, the market or technologies (Schillo, 2017). Again, it’s the skills that change the current business status by predicting future business trends through the exploration of existing opportunities (Boohene, 2018).

Pro-activeness is connected with leadership and taking initiative, a proactive enterprise has the resolve and insight to seize new opportunities even if it is not for all time the first to do so (Lumpkin & Jeffrey, 2016). Pro-activeness is considered to differ from competitive aggressiveness when connecting to market opportunities in entrepreneurship; pro-activeness is seizing initiative and acting opportunistically in order to shape the surroundings (Lumpkin & Jeffrey, 2016).

Regarding risk taking, Miller & Friesen (2014) asserts that it is "the degree to which managers are willing to make large and risky resource commitments, that is, those which have a reasonable chance of costly failures". Lumpkin & Dess (2015) confirm this assertion by stating that an entrepreneurially oriented business commits huge borrowed resources to seize an opportunity in the market that would earn high returns. Methods or management styles associated with risk-taking indicates entrepreneurial orientation; however, in a different context the effect of risk taking on business performance were expected to differ (Lumpkin & Jeffrey, 2016). According to Lumpkin & Jeffrey (2016), risk-taking propensity is a behavioral measurement of an entrepreneurial orientation alongside which opportunity is pursued.

The tendency toward independence or autonomy is a key component of entrepreneurial orientation (Lumpkin & Dess, 2015). This component (autonomy) is seen when an individual or group of
individuals acting freely and independently bring forth an idea or a vision and are able to propels it to its fulfillment in spite of stringent organizational limitations (Lumpkin & Dess, 2015). It depicts a person’s strong desire for freedom when developing and implementing an idea (Lumpkin & Jeffrey, 2016).

Autonomy may be organizational or general, organizational autonomy is when an individual or group are given an opportunity to champion new ideas and practice their inventions without hierarchical limitations (Lumpkin & Dess, 2015). On the other hand Autonomy may be categorized as strategic or structural (Bleeker, 2017) according to him structural autonomy allows teams to self-determine how to solve problems while strategic autonomy is when teams have control of the ends or goals they want to achieve. Therefore, as one of EO dimensions autonomy is key and necessary to entrepreneurship.

Competitive aggressiveness is another key component of entrepreneurial orientation, according to Lumpkin & Jeffrey, (2016), it refers to a business propensity to directly and intensely challenge its competitors to accomplish entry or get better position in the market and is characterized by responsiveness in terms of argument or reactive action. In contrast to pro-activeness, which relates to marketplace opportunities, competitive aggressiveness shows how enterprises relates to competitors and reacts to existing demands and trends in the market. Competitive aggressiveness therefore, is how powerful the business efforts are in beating industry rivals and is portrayed as an intense reaction or confrontational stance to competitor’s actions (Lumpkin & Dess, 2015). It can also be described as the ability to conceive multiple attacks with speed using varied strategies (Ferrier et al., 2017).

2.3.3 Growth of Micro and Small Enterprises

Micro and Small Enterprises also known as MSEs make up about 99.7% of all of the enterprises in the world (Agarwal & Ashwani, 2015). Because of their importance in contributing towards economic and industrial development it becomes important to set up policy mechanisms that will help them grow. In order for them to grow, there has to be healthy competition and this can be made possible through efficient use of technology. By utilizing advanced process technology for example leads to production of better and durable products as well as better management of the human Resource in an enterprise (Akhtar, Ding & Ge, 2018). Application of technology reduces cost by a great margin as it is possible to save materials, energy and also replacing conventional materials with more affordable alternatives.

The growth of MSEs and in particular the ones in informal sector is an effective approach towards sustainable development because it is suitable for the resources in Africa. In developing nations, MSEs are the major employers. This is also the case in developed nations as well. MSEs comprise of over 90% of African business operations and contribute to over 50% of African employment and gross domestic product (GDP) (Okafor, 2016).

2.4 Empirical Review

2.4.1 Organizational Technology Policies

Organizational Technology Policies are methods or course of actions selected, usually by an organization, institution, society, firm among others to guide and determine present and future decisions and positions on matters of technology and innovation adoption and advancement within the organization (Lall, 2014). According to Murphy, Liao & Welsch (2016), Organizational Technology Policies and procedures work to combat threats such as ransomware, email phishing, and lack of security training.

According to Al-Gahtani & King (2018), Organizations need to provide conducive environment through providing of facilitating conditions such as support to individual users that would influence their use of innovation. Facilitating conditions are believed to include the availability of training,
provision of managerial support and incentives. These can motivate employees to adopt a technology (Igbaria, Parasuraman & Baroudi, 2016). In addition, Agarwal & Ashwani (2015) argued that availability of appropriate organizational Technology Policies is key to technology adoption and enterprise performance.

A study by Engel, Rothgang & Trettin (2014) revealed that MSEs had appropriate organizational Policies were able to adopts new technological innovative and hence grew their output significantly faster compared to the ones that were not innovators meaning that adoption of technology lead to new products development and faster growth of the MSEs. In almost a similar study, Roper (2017) ascertained that sales turnover of innovative MSEs grew faster than that of those that did not innovate. They realized that there was a significant relationship between the new product sales and sales turnover change of the firms. Lumiste et al., (2014) noted that with technological adoption, new innovations were characterized with product oriented results like improvement in quality of goods and services, increased range of goods and services and process oriented results such as increased production capacity and improved production flexibility.

In many studies that have been done on firms in different industries, it is evident that technological affects the growth of MSEs. A study carried out by Coad & Rao (2016) sought to analyze the relationship between assimilation of innovations and the growth of sales for firms in high tech sectors. The study revealed that assimilation of innovation is important for the growth of the firms that were selected. If a firm carries out a successful innovation, the firm is likely to experience growth of total sales of the innovated new products. This will in turn fasten the growth of their sales turnover, investment and employment which would lead to the growth of the firm.

In order for a firm to remain competitive, a managerial support and policies that are key to technological innovation is important. For the firms that want to keep up with the competition and growth and also discover new markets, technological innovation is unavoidable (Becheikh et al., 2016). Due to their size, MSEs are much more flexible and therefore they can easily adapt to changes on technology with fast managerial decision making. They are also better positioned to develop and implement new ideas. Due to their flexibility, organization structure, low risk and receptivity, MSEs are able to become innovative (Harrison & Watson, 2015). MSEs across all industries therefore have the potential to innovate (Chaminade & Vang, 2016).

A study done by Kagami & Tsuji, (2016) argued that Technology brings with it other social evils like frauds, scamming, hacking just to mention but a few. If these vices are not addressed by the MSEs management, they can be a dangerous precedent for the future of an organization. In addition, the Kenya's Economic survey point out that that some of Technological social evils are generally caused by high rates of unemployment in Kenya, but argued that some of the unemployed people had resulted in setting up their own small businesses hoping to earn some income and avoid the social vices. This has resulted in Nairobi having over 400 major international companies and organizations with some of them operating 24 hours a day. One major factor that can make these businesses flourish even more is integration of technology (RoK, 2015).

In order to remain in competition, Crawford & Benedetto, (2016) concede that MSEs need to evolve with time and develop appropriate polices and procedure that create an enabling environment for the adoption of new technologies and innovation. This is because competition is always stiff and there will always be a new product being introduced in the market and most of these new products change the basis of the competition. It is therefore very crucial for the MSEs management to be able to adapt to market changes because survival depends on the ability to adapt.
2.4.2 Entrepreneurial Orientation

A study by Covin & Slevin (2015) described Entrepreneurial Orientation (EO) as a measure of the degree to which the management is inclined to taking business-related risks, to favor change and innovation in order to obtain a competitive advantage for their firm, and to compete aggressively with other firms. Authors Lumpkin & Dess (2015) and Akan & Spralls (2016) identified the dimensions of entrepreneurial orientation to include: Innovativeness, pro-activeness, risk-taking, and competitive aggressiveness.

A study done by Romjin (2017), argued that MSEs do not invest in entrepreneur training and education of their staff with regards to technology and this is due to their limited internal research and development or innovation capacities. In supporting this view, RoK (2015) conceded that insufficient attention by management to technology and innovation is a major problem faced by micro and small enterprises. The inability of managers of medium and micro enterprises to effectively formulate and implement technological policies within the enterprises has hindered the growth of MSEs in Kenya. In supporting this view, Schumpeter (2017) argued that Lack of Entrepreneurial support and managers' commitment towards technology adoption is a key challenge facing micro and medium enterprises growth leading to inefficiencies in business operations and hence low levels of profitability. In addition, inadequate technological resources by the MSEs also limits the access to information on market, credit facilities and opportunities, technological changes, technical skills and management skills by the businesses. In Kenya, focus has been directed to human capital development as a way of facilitating economic growth (Onsomu et al., 2016).

3.0 RESEARCH METHODOLOGY

The study adopted positivism philosophy because the study variables were based on facts derived from the empirical literature review and also the theoretical premises highlighted in chapter two. The research design for this study was an explanatory survey research design; this is by and large a positivism approach, under objectivism ontology and epistemology, a methodological philosophy in quantitative research where we apply the methods of natural sciences to discover the study of social science (Hammersley, 2013). The study used theories and hypothesis to account for the forces that caused a certain phenomenon to occur (Cooper and Schindler, 2011).

The population for the study comprises 1,835 Micro and Small Enterprises (MSEs) in Nairobi City County, Kenya, operating for more than 5 years, representing various sectors such as Hospitality, Agriculture, Manufacturing, General Trade, Transport and Communication, Professional and technical services, as well as Education and Entertainment, with owners/managers as respondents. The sample size of 184 respondents was determined based on the criteria of efficiency, representativeness, reliability, and flexibility, with each stratum/category representing 10% of the target population to ensure optimal representation. This study collected primary data using a structured questionnaire. Data analysis was performed with the aid of SPSS version 29.0 (Hayes and Matthes, 2009) using both descriptive and inferential statistics.

4.0 RESEARCH FINDINGS

4.1 Response Rate

During the study, the researcher administered 184 questionnaires to randomly selected respondents operating within Nairobi County, but after data cleansing, screening, and verification, only 180 completed questionnaires were deemed valid, resulting in a final response rate of 97.8%. This process,
as defined by Jason (2019), involved rectifying incorrect, incomplete, or duplicate data to ensure accuracy. The analysis was conducted based on the 180 questionnaires, representing a response rate within the acceptable range for scientific investigations, as suggested by Sekaran (2017).

4.2 Descriptive Analysis.

4.2.1 Organizational Technology Policies.

To acquire information about the first independent variable Organizational Technology Policies, several statements were asked and the respondents required to provide feedback on a likert scale of one (1) to five (5), for 1 being strongly disagree, 2 being disagree, 3 being neither agree nor disagree, 4 being agree and 5 being strongly agree to the statements. Concerning the statement “The staffs are trained on new technologies and innovations” 21.3% of the respondents strongly disagreed to the statement, 4.1% disagreed to the statement, 14.9% of the respondents neither agreed nor disagreed to the statement, 47.0% of the respondents agreed to the statement whereas 12.7% of the respondents strongly agreed to the statement, with a mean of 3.26 and standard deviation 1.345.

About the statement “Management support adoption of new Technology and innovation whenever they arise” 14.0% of the respondents strongly disagreed to the statement, 8.9% disagreed to the statement, 7.0% of the respondents neither agreed nor disagreed to the statement, 64.8% of the respondents agreed to the statement whereas 5.4% of the respondents strongly agreed to the statement, with a mean of 3.39 and standard deviation 1.169. On the statement “We use social networks to market our products/services” 34.6% of the respondents neither agreed nor disagreed to the statement, 65.4% of the respondents agreed to the statement with a mean of 3.65 and standard deviation 0.476. About the statement “We use technology as an effective strategy to boast firm’s growth” 48.6% of the respondents neither agreed nor disagreed to the statement, 47.9% of the respondents agreed to the statement whereas 3.5% of the respondents strongly agreed to the statement, with a mean of 3.55 and standard deviation 0.564.

On the statement “The management give incentives to the staff to facilitate Technology rollout” 35.2% of the respondents neither agreed nor disagreed to the statement, 45.4% of the respondents agreed to the statement whereas 19.4% of the respondents strongly agreed to the statement, with a mean of 3.84 and standard deviation 0.723. Concerning the statement

Table 1: Organizational Technology Policies frequencies

<table>
<thead>
<tr>
<th>Organizational Technology Policies</th>
<th>Strongly Disagree</th>
<th>Disagree</th>
<th>Neutral</th>
<th>Agree</th>
<th>Strongly Agree</th>
<th>Mean</th>
<th>Std. Dev.</th>
</tr>
</thead>
<tbody>
<tr>
<td>The staffs are trained on new technologies and innovations</td>
<td>21.3</td>
<td>4.1</td>
<td>14.9</td>
<td>47.0</td>
<td>12.7</td>
<td>3.26</td>
<td>1.345</td>
</tr>
<tr>
<td>Management support adoption of new Technology and innovation whenever they arise</td>
<td>14.0</td>
<td>8.9</td>
<td>7.0</td>
<td>64.8</td>
<td>5.4</td>
<td>3.39</td>
<td>1.169</td>
</tr>
<tr>
<td>We use social networks to market our products/services</td>
<td>0.0</td>
<td>0.0</td>
<td>34.6</td>
<td>65.4</td>
<td>-</td>
<td>3.65</td>
<td>0.476</td>
</tr>
</tbody>
</table>

99
Several studies support the findings regarding Organizational Technology Policies and their impact on technological adoption and innovation within organizations. For instance, a study by Chen and Huang (2019) found that organizational support for technology adoption significantly influences employees' attitudes and behaviors towards new technology, aligning with the observation that management support for technology adoption positively correlates with higher levels of agreement among respondents (Chen & Huang, 2019).

Moreover, research by Lee and Lee (2018) highlighted the importance of staff training in facilitating technology adoption and innovation within organizations. They found that organizations that invest in comprehensive training programs for their staff tend to have higher levels of technological proficiency and are more likely to adopt new technologies effectively (Lee & Lee, 2018). This finding resonates with the observation that a substantial proportion of respondents agreed or strongly agreed that their staff are trained on new technologies and innovations.

Furthermore, the use of social networks as a marketing tool has been extensively studied in the context of organizational technology policies. Studies by Gupta et al. (2016) and Singh and Sonnenburg (2012) have demonstrated that organizations that leverage social networks for marketing purposes experience enhanced customer engagement, increased brand visibility, and improved sales performance (Gupta et al., 2016; Singh & Sonnenburg, 2012). This supports the high level of agreement among respondents regarding the use of social networks for marketing products/services.

Additionally, the provision of incentives by management to facilitate technology rollout has been shown to positively influence employees' motivation and commitment to adopting new technologies. Research by Davenport (2017) and Zhang et al. (2015) indicates that incentivizing technology adoption through rewards and recognition schemes can lead to higher levels of employee engagement and enthusiasm for embracing technological innovations (Davenport, 2017; Zhang et al., 2015).

### 4.2.2 Entrepreneurial Orientation

To obtain information about the independent variable Entrepreneurial Orientation, several statements were asked and the respondents required to provide feedback on a likert scale of one (1) to five (5), for 1 being strongly disagree, 2 being disagree, 3 being neither agree nor disagree, 4 being agree and 5 being strongly agree to the statements as shown in table 4.13 below. On the statement “Innovativeness among the owners of MSEs promote growth of the businesses” 13.0% of the respondents strongly disagreed to the statement, 25.4% disagreed to the statement, 9.8% of the respondents neither agreed nor disagreed to the statement, 48.3% of the respondents agreed to the statement whereas 3.5% of the respondents strongly agreed to the statement, with a mean of 3.04 and standard deviation 1.183. About the statement “Pro-activeness when it comes to technology adoption by owners of MSEs affects the growth of MSEs” 4.1% disagreed to the statement, 46.3% of the respondents agreed to the statement whereas 46.0% of the respondents neither agreed nor disagreed to the statement, 46.3% of the respondents agreed to the statement whereas 3.5% of the respondents strongly agreed to the statement, with a mean of 3.49 and standard deviation...
Concerning the statement “Risk taking nature of owners of MSEs Influence the growth of the businesses” 4.1% of the respondents neither agreed nor disagreed to the statement, 38.7% of the respondents agreed to the statement whereas 20.3% of the respondents strongly agreed to the statement, with a mean of 3.79 and standard deviation 0.756. Regarding the statement “Competitive aggressiveness by owners of MSEs influence the growth of the businesses ” 4.1% of the respondents neither agreed nor disagreed to the statement, 58.1% of the respondents agreed to the statement whereas 37.8% of the respondents strongly agreed to the statement, with a mean of 4.30 and standard deviation 0.554. On the statement “The autonomy of the owners of MSEs makes it easy to develop an entrepreneurial idea and implement it fully.” 35.2% of the respondents neither agreed nor disagreed to the statement, 47.3% of the respondents agreed to the statement whereas 17.5% of the respondents strongly agreed to the statement, with a mean of 3.82 and standard deviation 0.705.

Table 2: Descriptive Statistics on Entrepreneurial Orientation

<table>
<thead>
<tr>
<th>Entrepreneurial Orientation</th>
<th>Strongly Disagree</th>
<th>Disagree</th>
<th>Neutral</th>
<th>Agree</th>
<th>Strongly Agree</th>
<th>Mean</th>
<th>Std. Dev.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Innovativeness among the owners of MSEs promote growth of the businesses</td>
<td>13.0</td>
<td>25.4</td>
<td>9.8</td>
<td>48.3</td>
<td>3.5</td>
<td>3.04</td>
<td>1.183</td>
</tr>
<tr>
<td>Pro-activeness when it comes to technology adoption by owners of MSEs affects the growth of MSEs</td>
<td>0.0</td>
<td>4.1</td>
<td>46.0</td>
<td>46.3</td>
<td>3.5</td>
<td>3.49</td>
<td>0.635</td>
</tr>
<tr>
<td>Risk taking nature of owners of MSEs influence the growth of the businesses</td>
<td>0.0</td>
<td>0.0</td>
<td>4.1</td>
<td>38.7</td>
<td>20.3</td>
<td>3.79</td>
<td>0.756</td>
</tr>
<tr>
<td>Competitive aggressiveness by owners of MSEs influence the growth of the businesses</td>
<td>0.0</td>
<td>0.0</td>
<td>4.1</td>
<td>5.81</td>
<td>37.8</td>
<td>4.30</td>
<td>0.554</td>
</tr>
<tr>
<td>The autonomy of the owners of MSEs makes it easy to develop an entrepreneurial idea and implement it fully.</td>
<td>0.0</td>
<td>0.0</td>
<td>35.2</td>
<td>47.3</td>
<td>17.5</td>
<td>3.82</td>
<td>0.705</td>
</tr>
</tbody>
</table>

The findings regarding Entrepreneurial Orientation, as revealed by Likert scale responses, highlight various aspects of entrepreneurial behavior that influence business growth among Micro and Small Enterprises (MSEs). A significant proportion of respondents agreed or strongly agreed that competitive aggressiveness (58.1% agreed, 37.8% strongly agreed) and innovativeness among MSE owners (48.3% agreed, 3.5% strongly agreed) positively impact business growth. These results resonate with prior research emphasizing the role of innovativeness and competitive aggressiveness as drivers of entrepreneurial success and business growth (Wiklund & Shepherd, 2018; Miller, 1983). Moreover, the positive perception of the influence of risk-taking nature (38.7% agreed, 20.3% strongly agreed) aligns with studies highlighting the importance of calculated risk-taking in entrepreneurial ventures (Lumpkin & Dess, 2019).

However, the relatively lower agreement regarding the influence of pro-activeness in technology adoption (46.3% agreed, 3.5% strongly agreed) suggests potential areas for improvement in leveraging technology for business growth among MSEs. This finding underscores the significance of proactive approaches to technology adoption in enhancing entrepreneurial outcomes (Zhang et al., 2018). Additionally, the perception that autonomy facilitates the development and implementation of
entrepreneurial ideas (47.3% agreed, 17.5% strongly agreed) corresponds with literature highlighting the importance of autonomy in fostering creativity and innovation within entrepreneurial contexts (Shane, 2020). Thus, these findings collectively contribute to understanding the nuanced relationship between entrepreneurial orientation and business growth among MSEs.

4.2.3 Growth of MSEs

To obtain information about the first dependent variable Growth of MSEs, several statements were asked and the respondents required to provide feedback on a likert scale of one (1) to five (5), for 1 being strongly disagree, 2 being disagree, 3 being neither agree nor disagree, 4 being agree and 5 being strongly agree to the statements as shown in table 4.14 below. On the statement “The profit realized is attributable to technological adoption and innovations” 25.4% disagreed to the statement, 4.1% of the respondents neither agreed nor disagreed to the statement, 36.8% of the respondents agreed to the statement whereas 33.7% of the respondents strongly agreed to the statement, with a mean of 3.79 and standard deviation 1.163.

About the statement “Our market share is attributed to technological innovation” 25.4% disagreed to the statement, 4.1% of the respondents neither agreed nor disagreed to the statement, 51.7% of the respondents agreed to the statement whereas 18.7% of the respondents strongly agreed to the statement, with a mean of 3.64 and standard deviation 1.057. Concerning the statement “The current sales volumes are as a result of technological adoption.” 25.4% disagreed to the statement, 21.6% of the respondents neither agreed nor disagreed to the statement, 39.7% of the respondents agreed to the statement whereas 13.3% of the respondents strongly agreed to the statement, with a mean of 3.41 and standard deviation 1.010.

Regarding the statement “Technological innovation has increased profits margins in the last 5 years of operations” 9.5% disagreed to the statement, 28.3% of the respondents neither agreed nor disagreed to the statement, 48.9% of the respondents neither agreed nor disagreed to the statement, 48.9% of the respondents agreed to the statement whereas 13.3% of the respondents strongly agreed to the statement, with a mean of 3.66 and standard deviation 0.827.

Table 3: Descriptive Statistics on Growth of MSEs

<table>
<thead>
<tr>
<th>Growth of MSEs</th>
<th>Strongly Disagree</th>
<th>Disagree</th>
<th>Neutral</th>
<th>Agree</th>
<th>Strongly Agree</th>
<th>Mean</th>
<th>Std. Dev.</th>
</tr>
</thead>
<tbody>
<tr>
<td>The profit realized is attributable to technological adoption and innovations</td>
<td>-</td>
<td>25.4</td>
<td>4.1</td>
<td>36.8</td>
<td>33.7</td>
<td>3.79</td>
<td>1.163</td>
</tr>
<tr>
<td>Our market share is attributed to technological innovation</td>
<td>-</td>
<td>25.4</td>
<td>4.1</td>
<td>51.7</td>
<td>18.7</td>
<td>3.64</td>
<td>1.057</td>
</tr>
<tr>
<td>The current sales volumes are as a result of technological adoption.</td>
<td>-</td>
<td>25.4</td>
<td>21.6</td>
<td>39.7</td>
<td>13.3</td>
<td>3.41</td>
<td>1.010</td>
</tr>
<tr>
<td>Technological innovation has increased profits margins in the last 5 years of operations</td>
<td>-</td>
<td>9.5</td>
<td>28.3</td>
<td>48.9</td>
<td>13.3</td>
<td>3.66</td>
<td>0.827</td>
</tr>
</tbody>
</table>
The findings pertaining to the Growth of MSEs highlight the perceived influence of technological adoption and innovation on various aspects of business performance among Micro and Small Enterprises (MSEs). A substantial proportion of respondents agreed or strongly agreed that profits realized are attributable to technological adoption and innovations (36.8% agreed, 33.7% strongly agreed), indicating a positive perception of technology's role in driving profitability. This aligns with existing research emphasizing the significant impact of technological innovation on enhancing business performance and profitability in diverse industries (Brynjolfsson & Hitt, 2000; Teece, 2020). Similarly, the perception that market share is attributed to technological innovation (51.7% agreed, 18.7% strongly agreed) reflects the strategic importance of technology in gaining competitive advantage and capturing market opportunities (Porter, 1985).

Moreover, the acknowledgment that current sales volumes are influenced by technological adoption (39.7% agreed, 13.3% strongly agreed) underscores the relevance of technology in stimulating demand and driving sales growth (Chen & Zhang, 2021). Additionally, the belief that technological innovation has increased profit margins in the last five years (48.9% agreed, 13.3% strongly agreed) suggests a positive outlook on the long-term benefits of technological investment for MSEs. This finding resonates with studies highlighting the positive relationship between technological innovation and improved financial performance over time (Johannessen et al., 2001; Damanpour & Schneider, 2018). Thus, these findings contribute to understanding the pivotal role of technological adoption and innovation in fostering growth and sustainability among MSEs, aligning with broader literature on technology-driven competitive advantage and organizational performance.

4.3 Inferential Statistics

4.3.1 Correlation Analysis

The study computed Correlation analysis to determine the strength and the direction of the relationship between the variables being studied. If the correlation values are \( r = \pm 0.1 \) to \( \pm 0.29 \) then the relationship between the two variables is small, if it is \( r = \pm 0.3 \) to \( \pm 0.49 \) the relationship is medium, and when \( r = \pm 0.5 \) and above there is a strong relationship between the two variables under consideration. Table 4 presents the findings obtained.

Organizational technology policies is also seen to have a positive significant relationship with Growth of MSEs in Nairobi City, County, Kenya (\( r = .404, p<0.05 \)). Since the \( p \)-value (.000) was less than the selected level of significance (0.05), the relationship was considered significant. This therefore suggests that Organizational technology policies affects Growth of MSEs in Nairobi City, County, Kenya. The observed positive significant relationship between Organizational technology policies and the Growth of MSEs in Nairobi City, County, Kenya aligns with previous research findings. Machuki et al. (2020) delves into the dynamics between organizational technology policies and the growth of Micro and Small Enterprises (MSEs) specifically in Nairobi City, County, Kenya. Their findings underscore a significant positive correlation between the two variables, suggesting that MSEs in Nairobi experience tangible growth when supported by effective organizational technology policies. This highlights the pivotal role that policy frameworks within organizations play in fostering an environment conducive to technological adoption and utilization among MSEs, ultimately contributing to their expansion and development within the region.
Moreover, Machuki et al. (2020) contribute valuable insights into the nuances of technology adoption and its impact on MSE growth. By establishing a statistical relationship between organizational technology policies and MSE growth, the study emphasizes the importance of deliberate strategies within organizations to promote technological innovation and integration. This aligns with broader literature emphasizing the significance of proactive organizational approaches in leveraging technology as a catalyst for business expansion and sustainability, particularly within the context of small and medium-sized enterprises operating in dynamic environments such as Nairobi City, County, Kenya.

Furthermore, the findings of Machuki et al. (2020) hold implications for policymakers, business leaders, and support organizations aiming to enhance the ecosystem for MSE development in Nairobi. Recognizing the positive association between organizational technology policies and MSE growth underscores the need for targeted interventions aimed at promoting technology adoption and utilization among MSEs. By crafting policies and initiatives that incentivize and facilitate technological innovation within MSEs, policymakers and stakeholders can contribute to unlocking the growth potential of these enterprises, thereby fostering economic prosperity and competitiveness within Nairobi City, County, Kenya.

Table 4: Correlation Analysis

<table>
<thead>
<tr>
<th>Growth of MSEs</th>
<th>Pearson Correlation</th>
<th>Sig. (2-tailed)</th>
<th>N</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organizational technology policies</td>
<td>.404**</td>
<td>.000</td>
<td>180</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Growth of MSEs</th>
<th>Pearson Correlation</th>
<th>Sig. (2-tailed)</th>
<th>N</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organizational technology policies</td>
<td>1</td>
<td>.000</td>
<td>180</td>
</tr>
</tbody>
</table>

4.3.2 Regression Analysis
4.3.2.1 Test of Hypotheses
4.3.2.1.1 Test for Hypothesis One
The first objective of the study was to determine the influence of Organizational technology policies on Growth of MSEs in Nairobi City, County, Kenya. The corresponding hypothesis was:

**H₀₁**: Organizational technology policies has no significant influence on Growth of MSEs in Nairobi City, County, Kenya.

From table 5(ii), the regression model of $X_3$ and $Y$ was significant with $F(1,179) = 61.148$, p-value $<0.001$, implying that Organizational Technology Policies is a valid predictor in the model. The Coefficient of determination $R^2$ of 0.163 indicated that 16.3% of growth of MSEs can be explained by Organizational Technology Policies. The remaining percentage of growth of MSEs can be explained by other factors not included in the model. The $R$ of 0.404 from table 5(i) shows there is a moderate positive correlation between extent of Organizational Technology Policies and growth of MSEs in Kenya.

From hypothesis 1 (one) of the study, **H₀₁**: Organizational Technology Policies does not have significant influence on growth of MSEs in Kenya, and based on the findings, the study revealed that there was positive significant relationship between Organizational Technology Policies and growth of MSEs in Kenya.

The results were fitted in the Model $Y = \beta_0 + \beta_1X_1 + e$
The study therefore rejected the null hypothesis \( H_{01} \): Organizational Technology Policies does not have significant influence on growth of MSEs in Kenya) and concluded that truly Organizational Technology Policies \((X_1)\) significantly influenced growth of MSEs \((Y)\).

The Model equation therefore became \( Y = 9.321E-006 + 0.580X_1 \)

**Where,**

\( Y \) is growth of MSEs  
\( X_1 \) is Organizational Technology Policies

The beta coefficient value for Organizational Technology Policies \((0.580)\) meant that for every one (1) unit increase in the dimension of Organizational Technology Policies in large manufacturing firms, it leads to 0.580 increase in growth of MSEs as shown in table 5(iii).

**Table 5: Regression analysis for construct Organizational Technology Policies**

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
<th>R Square Change</th>
<th>F Change</th>
<th>df1</th>
<th>df2</th>
<th>Sig. F Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.404(^a)</td>
<td>.163</td>
<td>.161</td>
<td>.88310</td>
<td>.163</td>
<td>61.148</td>
<td>1</td>
<td>179</td>
<td>.000</td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), Organizational Technology Policies

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regression</td>
<td>47.687</td>
<td>1</td>
<td>47.687</td>
<td>61.148</td>
<td>.000</td>
</tr>
<tr>
<td>Residual</td>
<td>244.097</td>
<td>179</td>
<td>.780</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>291.784</td>
<td>180</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. Dependent Variable: Growth of MSEs  
b. Predictors: (Constant), Organizational Technology Policies

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Constant)</td>
<td>B: 9.321E-006</td>
<td>Std. Error: .050</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Organizational Technology</td>
<td>Policies</td>
<td>.580</td>
<td>.074</td>
<td>.404</td>
</tr>
<tr>
<td>Policies</td>
<td></td>
<td></td>
<td>7.820</td>
<td></td>
</tr>
</tbody>
</table>

a. Dependent Variable: Performance

Under this variable Organizational Technology Policies, the T statistics for the constant and coefficient of Organizational Technology Policies are 0.001 and 7.820 respectively, both with p values 1.000 and <0.001 respectively. Since the p value of the T statistics for Organizational Technology Policies is less than 0.05, it implies that the coefficient of \( X_1, 0.580 \) is significant at 95% confidence. This further confirms that Organizational Technology Policies significantly influences growth of MSEs positively. This therefore implies that Organizational Technology Policies has a positive influence on growth of MSEs and hence the null hypothesis \( H_{01} \): Organizational Technology Policies does not have significant influence on growth of MSEs in Kenya was rejected by the study.
4.3.2.1.2 Test for Hypothesis Two

The second objective of the study was to determine the moderating effect of entrepreneurial orientation on the relationship between supply chain scalability (Organizational technology policies) and Growth of MSEs in Nairobi City, County, Kenya. To achieve the second research objective, the study computed moderating effect regression analysis. This (moderating effect regression analysis) also guided the study in testing the second research hypothesis. Entrepreneurial orientation (M) was introduced as the moderating variable. $H_{02}$: Entrepreneurial orientation has no significant moderating effect on the relationship between Organizational technology policies and Growth of MSEs in Nairobi City, County, Kenya.

To confirm whether entrepreneurial orientation influenced the relationship between Organizational Technology Policies and growth of MSEs in Kenya, regression analysis was conducted as shown in table 6 below. The study focused on testing the hypothesis, $H_{01c}$: entrepreneurial orientation do not influence the relationship between Organizational Technology Policies and growth of MSEs in Kenya.

The results were fitted in the three models below

Model 1: $Y = \beta_0 + \beta_1X_3 + e$
Model 2: $Y = \beta_0 + \beta_1X_3 + \beta_M + e$
Model 3: $Y = \beta_0 + \beta_1X_3 + \beta_M + \beta_{1M}X_3M + e$

Where,  
$Y =$ Growth of MSEs,  
$X_1 =$ Organizational Technology Policies  
$M =$ Entrepreneurial orientation  
$X_1M =$ Interaction term

From Table 6(ii), the results indicate that the three regression models 1, 2 & 3 were all significant with F values of 61.148, 419.482 and 629.846 respectively, all with p-values<0.001). The Coefficient of determination $R^2$ for the first model (model 1) was 0.163, which was significant, showing that 16.3% of growth of MSEs can be explained by Organizational Technology Policies alone. In Model 2, upon introduction of entrepreneurial orientation, the coefficient of determination $R^2$ changed to 0.729, which was significant. This showed that 72.9% of growth of MSEs can be explained by both Organizational Technology Policies and entrepreneurial orientation. Further, upon introduction of the interaction term $X_1M$ into the model as shown in Model 3, the $R^2$ value additionally increased to 0.859, which was significant. This implied that 85.9% of growth of MSEs can be explained by Organizational Technology Policies, entrepreneurial orientation and the interaction term $X_1M$. The remaining 14.1% of growth of MSEs is explained by other factors not included in the model. The R values of the three models (0.404, 0.854 and 0.927) from table 6(i) showed moderate positive correlation for model 1, strong positive correlation for model 2 and very strong positive correlation for model 3.

The F change for Organizational Technology Policies ($X_3$) was statistically significant (F = 61.148, P<0.001), which implied that Organizational Technology Policies statistically influenced growth of MSEs in Kenya. Upon introduction of intervening variable (entrepreneurial orientation), the F-Change increased and which was statistically significant (F = 650.859, p<0.001), implying that entrepreneurial orientation added value to the model. Similarly, when the interaction term ($X_3M$) was introduced in the model, the F-Change presented a significant positive decrease (F=285.516, p<0.001). This implied that entrepreneurial orientation influenced the relationship between Organizational Technology Policies and growth of MSEs in Kenya. The null hypothesis $H_{01c}$: entrepreneurial orientation do not influence the relationship between Organizational Technology Policies and growth of MSEs in Kenya was therefore
rejected and thus concluded that indeed entrepreneurial orientation moderated the relationship between Organizational Technology Policies and growth of MSEs.

The fitted models therefore became:

\[ Y = 9.321E-006 + 0.580X_3 \]
\[ Y = -0.178X_3 + 1.479M \]
\[ Y = 0.265 + 0.053X_3 + 1.479M - 1.148X_3^M \]

The regression results were as shown in table 6(iii) below.

**Table 6: Regression analysis for moderating effect of entrepreneurial orientation on the relationship between Organizational Technology Policies and growth of MSEs in Kenya**

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
<th>Change Statistics</th>
<th>Change</th>
<th>F Change</th>
<th>df1</th>
<th>df2</th>
<th>Sig. F Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.404a</td>
<td>.163</td>
<td>.161</td>
<td>.88310</td>
<td>.163</td>
<td>61.148</td>
<td>1</td>
<td>179</td>
<td>.000</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>.854b</td>
<td>.729</td>
<td>.727</td>
<td>.50350</td>
<td>.565</td>
<td>650.859</td>
<td>1</td>
<td>178</td>
<td>.000</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>.927c</td>
<td>.859</td>
<td>.857</td>
<td>.36414</td>
<td>.130</td>
<td>285.516</td>
<td>1</td>
<td>177</td>
<td>.000</td>
<td></td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), \( X_1 \)
b. Predictors: (Constant), \( X_1, M \)
c. Predictors: (Constant), \( X_1, M, X_1^M \)

(ii) ANOVA

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Regression</td>
<td>47.687</td>
<td>1</td>
<td>47.687</td>
<td>61.148</td>
</tr>
<tr>
<td></td>
<td>Residual</td>
<td>244.097</td>
<td>179</td>
<td>.780</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>291.784</td>
<td>180</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Regression</td>
<td>212.688</td>
<td>2</td>
<td>106.344</td>
<td>419.482</td>
</tr>
<tr>
<td></td>
<td>Residual</td>
<td>79.096</td>
<td>178</td>
<td>.254</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>291.784</td>
<td>180</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Residual</td>
<td>250.546</td>
<td>3</td>
<td>83.515</td>
<td>629.846</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>412.384</td>
<td>180</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. Dependent Variable: Growth of MSEs
b. Predictors: (Constant), \( X_1 \)
c. Predictors: (Constant), \( X_1, M \)
d. Predictors: (Constant), \( X_1, M, X_1^M \)

(iii) Coefficients

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
<th>Collinearity Statistics</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
<td>Tolerance</td>
</tr>
<tr>
<td>1</td>
<td>(Constant)</td>
<td>9.321E-006</td>
<td>.050</td>
<td>.000</td>
<td>1.000</td>
</tr>
<tr>
<td></td>
<td>( X_3 )</td>
<td>.580</td>
<td>.074</td>
<td>.404</td>
<td>7.820</td>
</tr>
<tr>
<td></td>
<td>(Constant)</td>
<td>.000</td>
<td>.028</td>
<td>.004</td>
<td>.997</td>
</tr>
<tr>
<td>2</td>
<td>( X_3 )</td>
<td>-.178</td>
<td>.052</td>
<td>-.124</td>
<td>-3.441</td>
</tr>
<tr>
<td></td>
<td>M</td>
<td>1.479</td>
<td>.058</td>
<td>.919</td>
<td>25.512</td>
</tr>
<tr>
<td></td>
<td>(Constant)</td>
<td>.265</td>
<td>.026</td>
<td>.1028</td>
<td>.000</td>
</tr>
<tr>
<td>3</td>
<td>( X_3 )</td>
<td>.053</td>
<td>.040</td>
<td>.037</td>
<td>1.334</td>
</tr>
<tr>
<td></td>
<td>M</td>
<td>1.178</td>
<td>.043</td>
<td>.815</td>
<td>30.463</td>
</tr>
<tr>
<td></td>
<td>( X_1^M )</td>
<td>-.1148</td>
<td>.068</td>
<td>-.384</td>
<td>-16.897</td>
</tr>
</tbody>
</table>

a. Dependent Variable: Growth of MSEs
On Table 6(iii), model 1 shows Organizational Technology Policies beta of 0.580 ($\beta = 0.580$, $t = 7.820$, p-value<0.001) inferring it was statistically significant, concluding that Organizational Technology Policies alone contributed 0.580 to the growth of MSEs in Kenya. Equally, in model 2 when entrepreneurial orientation variable was introduced and combined with Organizational Technology Policies, the beta coefficient became -0.178 ($\beta = -0.178$, $t = -3.441$, p-value = 0.001) which is statistically significant. The beta for entrepreneurial orientation was 1.479 ($\beta = 1.479$, $t = 25.512$, p-value<0.001) hence statistically significant.

Upon introduction of the interaction term ($X_3*Z$), Organizational Technology Policies exhibited an insignificant effect to growth of MSEs in Kenya, with beta of 0.053 ($\beta = 0.053$, $t = 1.334$, p-value = 0.183). The entrepreneurial orientation contribution depicted positive and significant results ($\beta = 1.78$, $t = 30.463$, p-value<0.001). The interaction term ($X_3*Z$) beta was -1.148 ($\beta = -1.148$, $t = -16.897$, p-value<0.001) implying statistically significant. From the results, it is true that when entrepreneurial orientation are introduced, the contribution of Organizational Technology Policies towards growth of MSEs is insignificant.

CONCLUSIONS AND RECOMMENDATION

5.1 Conclusions.

The findings of the study provide robust evidence supporting the significant influence of organizational technology policies on the growth of Micro and Small Enterprises (MSEs) in Nairobi City, County, Kenya. The research demonstrates that effective organizational technology policies positively correlate with MSE growth, as evidenced by the significant relationship observed ($r = 0.404$, $p < 0.05$). This aligns with prior studies, including Machuki et al. (2020), which underscore the pivotal role of policy frameworks within organizations in fostering an environment conducive to technological adoption and utilization among MSEs. The study's regression analysis further confirms the significance of organizational technology policies as a predictor of MSE growth, highlighting its potential to enhance the expansion and development of MSEs within the region.

Moreover, the research sheds light on the moderating effect of entrepreneurial orientation on the relationship between organizational technology policies and MSE growth. The findings reveal that entrepreneurial orientation significantly moderates this relationship, emphasizing the complementary role of entrepreneurial behavior in leveraging the impact of organizational technology policies on MSE growth. By introducing entrepreneurial orientation as a moderating variable, the study provides deeper insights into the complex interplay between organizational policies, entrepreneurial mindset, and business outcomes, underscoring the importance of aligning organizational strategies with entrepreneurial goals to maximize growth potential.

Overall, the study's findings have important implications for policymakers, business leaders, and support organizations seeking to foster MSE development in Nairobi City, County, Kenya. Recognizing the significant influence of organizational technology policies on MSE growth, stakeholders can design targeted interventions and initiatives aimed at promoting technology adoption and utilization among MSEs. Moreover, understanding the moderating role of entrepreneurial orientation allows for the development of more nuanced strategies that harness the synergies between organizational policies and
entrepreneurial behavior to drive sustainable growth and competitiveness within the MSE sector. By leveraging these insights, stakeholders can contribute to creating a conducive ecosystem for MSEs to thrive, ultimately fostering economic prosperity and resilience in Nairobi City, County, Kenya.

5.2 Recommendations.

The study recommends a multifaceted approach to enhancing the growth of Micro and Small Enterprises (MSEs) in Nairobi City, County, Kenya. Firstly, organizations are advised to bolster their technology policies by investing in training programs, incentivizing technology adoption, and securing management support. Concurrently, promoting an entrepreneurial mindset among MSE owners and managers is crucial, emphasizing innovation, risk-taking, and proactive behavior. Aligning organizational strategies with entrepreneurial goals ensures that technology initiatives directly support MSEs’ vision and objectives, maximizing growth potential.

Moreover, policymakers and support organizations should offer targeted support, including financial incentives and capacity-building programs tailored to MSE needs. Facilitating collaboration and knowledge sharing among MSEs and stakeholders fosters innovation and resilience. Lastly, continuous monitoring and evaluation of technology policies and entrepreneurial initiatives are recommended to refine strategies and better support MSE development, ultimately contributing to economic prosperity and resilience in Nairobi City, County, Kenya.

5.3 Recommendations for Further Studies.

Future research on the findings of this study could explore several avenues to further understand and enhance the growth of Micro and Small Enterprises (MSEs) in Nairobi City, County, Kenya. Firstly, researchers could delve deeper into the specific mechanisms through which organizational technology policies influence MSE growth, examining factors such as the role of different types of technology adoption, the effectiveness of various training programs, and the impact of management support on technology initiatives.

Additionally, investigating the long-term effects of promoting an entrepreneurial mindset within MSEs could provide valuable insights into sustained growth and competitiveness. Future studies might explore how cultural and contextual factors influence the adoption of entrepreneurial attitudes and behaviors among MSE stakeholders, as well as the relationship between entrepreneurial orientation and other organizational factors such as leadership style and organizational culture.

Furthermore, research could focus on identifying barriers to the effective integration of organizational strategies with entrepreneurial goals, particularly in the context of MSEs in Nairobi City, County, Kenya. Understanding the challenges faced by MSEs in aligning technology policies with entrepreneurial vision can inform the development of targeted interventions and support programs to facilitate this alignment.

Moreover, exploring innovative approaches to collaboration and knowledge sharing among MSEs and stakeholders could uncover new opportunities for driving innovation and growth within the MSE sector. Future research might investigate the role of technology platforms and digital networks in facilitating collaboration, as well as the impact of government policies and initiatives aimed at promoting industry-academia partnerships and knowledge exchange.
Finally, ongoing monitoring and evaluation of the impact of technology policies and entrepreneurial initiatives on MSE growth are essential to ensure the effectiveness and sustainability of interventions. Future research could employ longitudinal studies and mixed-methods approaches to track changes in MSE performance over time and assess the scalability and replicability of successful strategies across different contexts within Nairobi City, County, Kenya. By addressing these research gaps, scholars can contribute to the development of evidence-based policies and practices that support MSE development and contribute to economic prosperity and resilience in the region.

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