ABSTRACT
This study sought to establish the influence of user's capabilities on the Growth of Micro and Small Enterprises in Nairobi, Kenya and; To determine the moderating effect of Entrepreneurial Orientation on user's capabilities and the Growth of Micro and Small Enterprises in Nairobi, Kenya. The study was grounded on the Technology Acceptance Model (TAM). 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 user's capabilities and 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 recommend 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 effective 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. The is also need to invest in a strong and robust social media platforms 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: User's Capabilities, Entrepreneurial Orientation, Growth of Micro and Small Enterprises

APA CITATION:

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 are key to the Growth of any enterprise since it plays a key role in rendering competitive advantage and sustainabity 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

[Image]
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 (1997) 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 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 on 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 user's capabilities and entrepreneurial orientation on the Growth of MSEs in Nairobi City, County, Kenya.

1.3 Objective of the Study
i. To assess the effect of user's capabilities on Growth of MSEs in Nairobi City, County, Kenya.
ii. To determine the moderating effect of entrepreneurial orientation on the relationship between user's capabilities and Growth of MSEs in Nairobi City, County, Kenya.

1.4 Research Hypotheses

H01: There is no significant effect of user's capabilities on performance of food and beverage manufacturing firms in Kenya

H02a: There is no significant moderating effect of entrepreneurial orientation on relationship between user's capabilities and Growth of MSEs in Nairobi City, County, Kenya

2.0 LITERATURE REVIEW

2.1 Theoretical Review

The Technology Acceptance Model (TAM) is a theoretical model that explains how users come to accept/adopt and use a technology. Original TAM was proposed by Davis in 1989. This model is also referred to as Technology Acceptance Theory (TAT) it addresses the adoption behavior of customers which is usually assessed by the aim to use a specified system which is predicated on the impression of its usefulness and the convenient usability of the system. The Technology Acceptance Model postulates that two particular beliefs, perceived usefulness and perceived ease of use, are of primary relevance for computer acceptance behaviors (Talukder & Quazi, 2015; Davis, 1989). In Davis’s study, two important constructs are identified; perceived usefulness and perceived ease of use.

The perceived usefulness (PU) is defined as “the degree to which an individual believes that using a particular system/technology would enhance his/her performance” (Davis, Foxall and Pallister, 2014). The perceived ease of use (PEU) is defined as “the degree to which an individual believes that using a particular system would be free of physical and mental efforts”. These perceptions
predict attitudes toward the system/technology adoption. Then the attitude develops the intentions to use and the intentions cause actual system usage. TAM proposes that technology usage is determined by behavioral intentions to use. Previous authors researched on the fundamental construct of TAM's validity in forecasting technology acceptance of individuals and noted that TAM's fundamental construct does not wholly address the explicit effect of technology and the usability factors that actually influence the user's acceptance (Moon & Kim, 2015).

Davis (1989) contents that expected usefulness is usually termed as an individual belief to improve the degree job performance by the application of modern technology of information system. Perceived effortlessness of use shows how easy an individual learns the operations of the emerging technology and information system. The model emphasizes the positive impact of perceived simplicity of use on the impression of the system’s usefulness (Talukder & Quazi, 2015).

A Study by Venkatesh, Morris & Davis, (2016) shown that the actual impact of perceived usefulness is linked to users autonomy, self-service and technology friendliness to users. In addition, Davis, Bagozzi, & Warshaw, (2018) observed that the perceived technological usefulness is hinged on the services rendered by the innovation and its easiness to use. The more users perceive technology to be useful to them the easier it is for its adoption.

Evidence points at the importance of perceived usefulness on adoption intention by the users. Venkatesh, Morris, & Davis, (2016) posit that adaptation of innovations is significantly determined by the perceived usefulness. Therefore, the higher the perceived usefulness of using electronic systems, the greater the chances that electronic systems will be adopted by the users (Upton & Kim, 2015). The major drivers of technology acceptance are viewed as the TAM variables which include the aspects of perceived ease of use and perceived usefulness. However, Cloete & Courtney (2015) argued that the Perceived ease of use and perceived usefulness as postulated in the TAM model are subject to the external variables and individual's Intentions or Altitude as shown in figure 2.1. Perceived ease of use has a direct effect on perceived usefulness and both determine the consumer's attitude toward use, which leads to behavioural intention to use the system (Cloete & Courtney, 2015; Davis et al, 2018).

**Figure 2.1: Technology Acceptance Model Conceptual Framework**

User's Capabilities
- Perceived usefulness
- Personal innovativeness
- users' perceptions on technology

Growth of MSMEs
- Increase in number of Employees
- Increase Profitability
- Increase in sales volumes

Independent Variables

Entrepreneurial Orientation
- Innovativeness
- Competitive aggressiveness
- Risk taking

Moderating Variable

External Variables

Usefulness

Ease of use

Intention/Altitude

Dependent Variable
2.3 Review of study variables

2.3.1 Users' Capabilities

Users' Capabilities refers to individuals’ cognitive interpretations of innovation, intentions to use and its actual usage in the organization (Al-Gahtani & King, 2018). According to Agarwal, Lewis & Sambamurthy, (2003), Users' Capabilities of a technology is one of the most important determinants of overall adopting profile of an innovation. A study by Igbaria, et al, (2016) found out that users' attributes such as perceived usefulness, personal innovativeness, prior experience, and enjoyment with innovation have stronger influence on the users' adoption of innovation. Users’ adoption of technology is driven by their social environment. Innovation used by others in employees’ social environment is likely to play an important role in adoption of innovation (Chandler, 2015).

Perceived Usefulness (PU) is one of the independent constructs in the Technology Acceptance Model (TAM). It is the degree to which an individual accepts that utilizing a specific framework/technology would upgrade his/her activity execution (Davis, 1989). It describes the extent to which an individual believes that using an information system will enhance their productivity.

The most significant aptitudes in appropriation of innovation is technical skills which is the information and capability in trade and operation of equipment and the conceptual skills which is the capacity to get ideas, create thoughts and execute methodologies (Rue & Byras, 2014). The capacity of a person to conceptualize and comprehend ideas helped in downplaying of mechanical frameworks and their usage in the association. The ability of an individual to conceptualize and understand concepts helped in understating of technological systems and their implementation in the organization. The Perceived Technological Usefulness is directly influenced by both attitudes toward systems use, behavioral intention to use the system as well as perceived ease of use (Chandler, 2015).

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 fulfilment 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
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 Users’ Capabilities

Users’ Capabilities encompasses the individuals’ cognitive interpretations of innovation, intentions to use and its actual usage in the organization (Al-Gahtani & King, 2018). A study by Igbaria, et al., (2016) found out that users’ attributes such as perceived technological usefulness, personal innovativeness, prior experience, and enjoyment with innovation have stronger influence on the users' adoption of technology.

Specifically, the concept of Perceived Technological usefulness as described in the Technology Acceptance Model (TAM) is key in adoption of technology. Perceived Technological usefulness is the degree to which an individual accepts that utilizing a specific framework would upgrade his/her activity execution (Rue & Byras, 2014). The conceptual ability of an individual is crucial in understanding of technological systems and their adoption in an enterprise.

According to Venkatesh & Davis (2014), The Technology Acceptance Model postulates that two particular beliefs, perceived usefulness and perceived ease of use, are of primary relevance for computer acceptance behaviors. Individuals are more likely to perform an act if they perceive the existence of greater social pressure from salient referents to perform that act (Yi, et al. 2015).

A study by Susman et al., (2017) found out that most entrepreneurs will engage in innovation and adoption of new technologies if they perceive those technologies to have certain usefulness to their business. In supporting this view, Schumpeter (2017) described Product innovation as the introduction of a new good which the consumers are not familiar with yet. It can also be a good that has been given a new quality. He argued that Product innovation has a great influence on the user perceptions and Growth of MSEs. It entails introduction of new functions, enhanced performance or addition of new features into the existing product. There is always pressure from customers on MSEs urging them to lower prices. This is why MSEs are always looking out for ways to grow their revenue from new products and services. Therefore suggests that firms should strive to offer customers new products and services in order to allow for a more efficient and effective use of products that they are currently selling. Nooteboom (2014) says that although not many SMEs engage in product innovation, the ones that do usually have a perceived usefulness to those technologies and have a higher yield for their effort especially in number of patents issued. Nooteboom (2014) therefore recommends that MSEs should engage themselves in product innovation strategies in order to capture new markets. Most MSEs are not able to do a complete product development process as compared to large firms (Woodcock & Wood, 2015).

Schumpeter (2017) conceded that in order for MSEs to enjoy growth and success, it is important for them to embrace process innovation. Process innovation is whereby a firm conducts changes in its production process in order to reduce the costs, wastes and lead time while also improving production efficiency. Process innovation directly and immediately impacts the productivity and performance of MSEs (Castillejo, 2016). Since MSEs do not have complex organization structure, it is easy to implement process innovation faster and at lower switching costs as compared to large firms (Buckley & Mirza, 2017). Process innovation brings about efficiency which in turn influences the production factors from low volume production to high volume production. Process innovation involves MSEs mastering and implementing new design and production process of goods and services that is new to the user regardless of whether the procedure is new to their
competitors, countries or the world. Process innovation improves many areas of product design and ensures production of quality goods and services as well as bringing about new ways of organization and management routines and also marketing. Process innovation modifies the production process in order to cut on costs, increase efficiency, provide for human welfare and ensure environmental sustainability (Munandi & Kamau, 2017; Aosa, 2016).

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 FINDINGS AND DISCUSSION

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 statistics

4.2.1 Users’ Capabilities

To obtain information about the first independent variable Users’ Capabilities, 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 4.12. About the statement “I perceive technology as useful tool for this business” 14.9% of the respondents neither agreed nor disagreed to the statement, 69.8% of the respondents agreed to the statement whereas 15.2% of the respondents strongly agreed to the statement, with a mean of 4.00 and standard deviation 0.550. On the statement “It’s cumbersome to adopt and use technology in this business ” 5.1% of the respondents neither agreed nor disagreed to the statement, 74.3% of the respondents agreed to the statement whereas 20.6% of the respondents strongly agreed to the statement, with a mean of 4.16 and standard deviation 0.483.

Concerning the statement “Adoption of technology requires high level of Personal innovativeness to succeed” 5.4% disagreed to the statement, 5.1% of the respondents neither agreed nor disagreed to the statement, 62.9% of the respondents agreed to the statement whereas 26.7% of the respondents strongly agreed to the statement. About the statement “I belief that using technology in this business would slow my operations” 5.4% disagreed to the statement, 25.4% of the respondents neither agreed nor disagreed to the statement, 45.4% of the respondents agreed to the statement whereas 23.8% of the respondents strongly agreed to the statement, with a mean of 3.88 and standard deviation 0.834.

On the statement “My Prior experience with technology discourages me to use it” 5.4% disagreed to the statement, 18.4% of the respondents neither agreed nor disagreed to the statement, 34.9% of the respondents agreed to the statement whereas 41.3% of the respondents strongly agreed to the statement, with a mean of 4.12 and standard deviation 0.895.Concerning the statement “Adoption technology has contributed greatly to this business growth” 32.4% of the respondents agreed to the statement whereas 67.6% of the respondents strongly agreed to the statement, with a mean of 4.68 and standard deviation 0.469. About the statement

<table>
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<tr>
<th>Table 1: Descriptive Statistics on Users’ Capabilities frequencies</th>
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<tr>
<td>Users’ Capabilities</td>
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<td></td>
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<tr>
<td>I perceive technology as useful tool for this business</td>
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<tr>
<td>Strongly Disagree</td>
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<td>0.0</td>
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<tr>
<td>Its cumbersome to adopt and use technology in this business</td>
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<tr>
<td>Adoption of technology requires high level of Personal innovativeness to succeed</td>
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<td>I belief that using technology in this business would slow my operations</td>
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<tr>
<td>My Prior experience with technology discourages me to use it</td>
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<td>0.0</td>
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<tr>
<td>Adoption technology has contributed</td>
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The findings regarding Users’ Capabilities, as evidenced by the Likert scale responses, indicate a generally positive perception towards technology adoption within the business context. The majority of respondents agreed or strongly agreed that technology is perceived as a useful tool for their business (69.8% agreed, 15.2% strongly agreed), suggesting a recognition of its potential benefits. Moreover, a significant proportion also acknowledged the contribution of technology to business growth (32.4% agreed, 67.6% strongly agreed), reflecting a widespread belief in its positive impact.

These findings align with previous research emphasizing the importance of technology adoption for business success (Smith & Wollan, 2019). Additionally, the relatively low percentages of respondents expressing concerns about technology adoption, such as its perceived cumbersome nature or its potential to slow down operations, suggest a relatively favorable attitude towards technological innovation within the surveyed businesses (74.3% agreed or strongly agreed regarding the cumbersome nature, 23.8% strongly agreed regarding slowing operations). This resonates with studies highlighting the role of personal innovativeness and prior experience with technology in facilitating successful technology adoption (Rogers, 2003; Venkatesh et al., 2003).

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, 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, 46.0% 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 0.635.

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>Neither</th>
<th>Agree</th>
<th>Strongly Agree</th>
<th>Mean</th>
<th>Std. Dev.</th>
</tr>
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<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 influences 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 influences 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 agreed to the statement, 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>Neither</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>0.0</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>0.0</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>0.0</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</td>
<td>0.0</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>
<tr>
<td>operations</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></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.

Users’ Capabilities is also seen to have a positive significant relationship with Growth of MSEs in Nairobi City, County, Kenya ($r= .499$, $p<0.05$). Since the p-value (.000) was less than the selected level of significance (0.05), the relationship was considered significant. This therefore suggests that Users’ Capabilities affects Growth of MSEs in Nairobi City, County, Kenya. The observed positive significant relationship between Users’ Capabilities and the Growth of MSEs in Nairobi City, County, Kenya aligns with previous research findings. Studies have indicated that the proficiency and capabilities of users, particularly in leveraging technology and innovation, play a crucial role in driving business growth and performance (Gholami et al., 2018; Lee & Kim, 2015). Specifically, users' abilities to perceive technology as a useful tool for business, their willingness to adopt and innovate with technology, and their past experiences with technology have been linked to enhanced organizational outcomes, including increased profitability, market share, and sales volumes (Chen et al., 2019; Lin, 2011). Moreover, research has highlighted the positive impact of users' technological capabilities on fostering a culture of innovation and adaptability within organizations, ultimately contributing to long-term competitiveness and sustainability (Dai & Sharma, 2016; Tornatzky & Fleischer, 1990). Therefore, the identified relationship underscores the importance of investing in enhancing users' capabilities to effectively harness technology and drive growth among MSEs in Nairobi City, County, Kenya.

Table 4: Correlation Analysis

<table>
<thead>
<tr>
<th>Growth of MSEs</th>
<th>Users’ Capabilities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pearson Correlation</td>
<td>1</td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td>.499**</td>
</tr>
<tr>
<td>N</td>
<td>180</td>
</tr>
</tbody>
</table>

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

$H_0$: Users’ Capabilities has no significant influence on Growth of MSEs in Nairobi City, County, Kenya.

From table 5(ii), the regression model of Users’ Capabilities and Y was significant with $F (1,179) = 103.802$, p-value $<0.001$, implying that Users’ Capabilities is a valid predictor in the model. The Coefficient of determination $R^2$ of 0.249 showed that 24.9% of growth of MSEs can be explained by Users’ Capabilities. The remaining percentage of growth of MSEs can be explained by other factors not included in the model. The R of 0.499 from table 5(i) shows there is a moderate positive correlation between extent of Users’ Capabilities and growth of MSEs in Kenya.

From hypothesis of the study, $H_0$: Users’ Capabilities 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 Users’ Capabilities and growth of MSEs in Kenya.

The results were fitted in the Model \( Y = \beta_0 + \beta_1 X_1 + e \)

The study therefore rejected the null hypothesis (\( H_0: \) Users’ Capabilities does not have significant influence on growth of MSEs in Kenya) and concluded that indeed Users’ Capabilities (\( X_1 \)) significantly influenced growth of MSEs (\( Y \)).

The Model equation therefore became \( Y = -1.000E-005 + 0.994X_1 \)

Where,

\( Y \) is growth of MSEs

\( X_1 \) is Users’ Capabilities

The beta coefficient value for Users’ Capabilities (0.994) meant that for every one (1) unit increase in the dimension of Users’ Capabilities in large manufacturing firms, it leads to 0.994 increase in growth of MSEs as shown in table 5 (iii).

**Table 5: Regression analysis for construct Users’ Capabilities**

(i) Model Summary

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>RStd. Error of Estimate</th>
<th>Error Change Statistics R Square Change</th>
<th>df1</th>
<th>df2</th>
<th>Sig. F Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.499( ^a )</td>
<td>.249</td>
<td>.247</td>
<td>.83669</td>
<td>.249</td>
<td>103.802</td>
<td>179</td>
<td>.000</td>
</tr>
</tbody>
</table>

\( ^a \) Predictors: (Constant), Users’ Capabilities

(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>Regression</td>
<td>72.667</td>
<td>1</td>
<td>72.667</td>
<td>103.802</td>
<td>.000( ^b )</td>
</tr>
<tr>
<td>Residual</td>
<td>219.117</td>
<td>179</td>
<td>.700</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), Users’ Capabilities

(iii) Coefficients

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Constant)</td>
<td>B</td>
<td>Std. Error</td>
</tr>
<tr>
<td></td>
<td>-1.000E-005</td>
<td>.047</td>
</tr>
<tr>
<td>1 Users’ Capabilities</td>
<td>.994</td>
<td>.098</td>
</tr>
</tbody>
</table>

\( ^a \) Dependent Variable: Performance

Under this variable Users’ Capabilities, the T statistics for the constant and coefficient of Users’ Capabilities are 0.001 and 10.188 respectively, both with p values 1.000 and <0.001 respectively. Since the p value of the T statistics for Users’ Capabilities is less than 0.05, it implies that the coefficient of \( X_1 \), 0.994 is significant at 95% confidence. This further confirms that Users’ Capabilities significantly influences growth of MSEs positively. This therefore implies that Users’ Capabilities has a positive influence on growth of MSEs and hence the study rejected the null hypothesis

\( H_{01}: \) Users’ Capabilities does not have significant influence on growth of MSEs in Kenya.
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 (Users’ Capabilities) 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.

H02: Entrepreneurial orientation has no significant moderating effect on the relationship between Users’ Capabilities and Growth of MSEs in Nairobi City, County, Kenya.

To confirm whether entrepreneurial orientation influenced the relationship between Users’ Capabilities and growth of MSEs in Kenya, regression analysis was conducted as shown in table 6 below. The study focused on testing the hypothesis, H01a: Entrepreneurial orientation does not influence the relationship between Users’ Capabilities and growth of MSEs in Kenya.

The results were fitted in the three models below

Model 1: \( Y = \beta_0 + \beta_1 X_4 + \epsilon \)
Model 2: \( Y = \beta_0 + \beta_1 X_4 + \beta M + \epsilon \)
Model 3: \( Y = \beta_0 + \beta_1 X_4 + \beta M + \beta 1M X_1M + \epsilon \)

Where,

\( Y = \) Growth of MSEs,
\( X_1 = \) Users’ Capabilities
\( M = \) Entrepreneurial orientation
\( X_1 M = \) Interaction term

From Table 6 (ii), the results indicate that the three regression models 1, 2 & 3 were all significant with F values of 72.667, 108.715 and 75.786 respectively, all with p-values<0.001). The Coefficient of determination \( R^2 \) for the first model (model 1) was 0.249, which was significant, showing that 24.9% of growth of MSEs can be explained by Users’ Capabilities alone. In Model 2, upon introduction of entrepreneurial orientation, the coefficient of determination \( R^2 \) changed to 0.745, which was significant. This showed that 74.5% of growth of MSEs can be explained by both Users’ Capabilities 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 0.779, which was significant. This implied that 77.9% of growth of MSEs can be explained by Users’ Capabilities, entrepreneurial orientation and the interaction term \( X_1M \). The remaining 22.1% of growth of MSEs is explained by other factors not included in the model. The R values of the three models (0.449, 0.863 and 0.883) from table 6 (i) showed moderate positive correlation for model 1 and strong positive correlation for model 2 and model 3.

The F change for Users’ Capabilities (\( X_4 \)) was statistically significant (\( F = 103.802, P<0.001 \)), which implied that Users’ Capabilities statistically influenced growth of MSEs in Kenya. Upon introduction of intervening variable (entrepreneurial orientation), the F-Change increased and which was statistically significant (\( F = 607.443, p<0.001 \)), implying that entrepreneurial orientation added value to the model. Similarly, when the interaction term (\( X_1M \)) was introduced in the model, the F-Change presented a significant positive decrease (\( F=47.931, p<0.001 \)). This implied that entrepreneurial orientation influenced the relationship between Users’ Capabilities and growth of MSEs in Kenya. The null hypothesis H06a: entrepreneurial orientation do not influence the relationship between Users’ Capabilities and growth of MSEs in Kenya was therefore rejected and thus concluded that indeed entrepreneurial orientation moderated the relationship between Users’ Capabilities and growth of MSEs.
The fitted models therefore became:

\[ Y = -1.000E-005 + 0.994X_4 \]
\[ Y = 7.603E-005 + 0.356X_4 + 1.245M \]
\[ Y = 0.103 + 0.477X_4 + 1.266M - 0.865X_4M \]

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 Users’ Capabilities and growth of MSEs in Kenya**

<table>
<thead>
<tr>
<th>(i) Model Summary</th>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Rstd. Error of Estimate</th>
<th>Error Change Statistics</th>
<th>F</th>
<th>df1</th>
<th>df2</th>
<th>Sig. F</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1</td>
<td>.499a</td>
<td>.249</td>
<td>.247</td>
<td>.83669</td>
<td>.249</td>
<td>103.802</td>
<td>1/179</td>
<td>.000</td>
<td></td>
</tr>
<tr>
<td></td>
<td>2</td>
<td>.863b</td>
<td>.745</td>
<td>.744</td>
<td>.48818</td>
<td>.496</td>
<td>607.443</td>
<td>1/178</td>
<td>.000</td>
<td></td>
</tr>
<tr>
<td></td>
<td>3</td>
<td>.883c</td>
<td>.779</td>
<td>.777</td>
<td>.45514</td>
<td>.034</td>
<td>47.931</td>
<td>1/177</td>
<td>.000</td>
<td></td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), X_4
b. Predictors: (Constant), X_4, M
c. Predictors: (Constant), X_4, M, X_4M

<table>
<thead>
<tr>
<th>(ii) ANOVA</th>
<th>Model</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig. F</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regression</td>
<td>72.667</td>
<td>1</td>
<td>72.667</td>
<td>103.802</td>
<td>.000b</td>
<td></td>
</tr>
<tr>
<td>Residual</td>
<td>219.117</td>
<td>179</td>
<td>.700</td>
<td>456.181</td>
<td>.000c</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>291.784</td>
<td>180</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Regression</td>
<td>217.430</td>
<td>2</td>
<td>108.715</td>
<td>365.844</td>
<td>.000d</td>
<td></td>
</tr>
<tr>
<td>Residual</td>
<td>74.314</td>
<td>178</td>
<td>.238</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>291.784</td>
<td>180</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Regression</td>
<td>227.359</td>
<td>3</td>
<td>75.786</td>
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<td></td>
</tr>
<tr>
<td>Residual</td>
<td>64.425</td>
<td>177</td>
<td>.207</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>291.784</td>
<td>180</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. Dependent Variable: Growth of MSEs
b. Predictors: (Constant), X_4
c. Predictors: (Constant), X_4, M
d. Predictors: (Constant), X_4, M, X_4M

<table>
<thead>
<tr>
<th>Coefficients</th>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>Sig.</th>
<th>Collinearity Statistics</th>
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<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>t</td>
<td>Beta</td>
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</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>(Constant)</td>
<td>-1.000E-005</td>
<td>.047</td>
<td>.000</td>
<td>1.000</td>
</tr>
<tr>
<td></td>
<td>X_4</td>
<td>.994</td>
<td>.098</td>
<td>.499</td>
<td>10.188</td>
</tr>
<tr>
<td></td>
<td>(Constant)</td>
<td>7.603E-005</td>
<td>.028</td>
<td>.003</td>
<td>.998</td>
</tr>
<tr>
<td>2</td>
<td>X_4</td>
<td>.356</td>
<td>.063</td>
<td>.179</td>
<td>5.700</td>
</tr>
<tr>
<td></td>
<td>M</td>
<td>1.245</td>
<td>.051</td>
<td>.774</td>
<td>24.646</td>
</tr>
<tr>
<td></td>
<td>(Constant)</td>
<td>.103</td>
<td>.030</td>
<td>3.487</td>
<td>.001</td>
</tr>
<tr>
<td>3</td>
<td>X_4</td>
<td>.477</td>
<td>.061</td>
<td>.239</td>
<td>7.835</td>
</tr>
<tr>
<td></td>
<td>M</td>
<td>1.266</td>
<td>.047</td>
<td>.787</td>
<td>26.824</td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), X_4
b. Predictors: (Constant), X_4, M
c. Predictors: (Constant), X_4, M, X_4M

290
a. Dependent Variable: Growth of MSEs

On Table 6(iii), model 1 shows Users’ Capabilities beta of 0.994 ($\beta = 0.994, t = 10.188, p\text{-value}<0.001$) inferring it was statistically significant, concluding that Users’ Capabilities alone contributed 0.994 to the growth of MSEs in Kenya. Equally, in model 2 when entrepreneurial orientation variable was introduced and combined with Users’ Capabilities, the beta coefficient became 0.356 ($\beta = 0.356, t = 5.700, p\text{-value}< 0.001$) which is statistically significant. The beta for entrepreneurial orientation was 1.245 ($\beta =1.245, t = 24.646, p\text{-value}<0.001$) hence statistically significant.

Upon introduction of the interaction term ($X_1^*Z$), Users’ Capabilities exhibited a significant effect to growth of MSEs in Kenya, with beta of 0.477 ($\beta =0.477, t =7.835, p\text{-value}<0.001$). The entrepreneurial orientation contribution depicted positive and significant results ($\beta =1.266, t =26.824, p\text{-value}<0.001$). The interaction term ($X_1^*Z$) beta was -0.865 ($\beta =-0.865, t =-6.923, p\text{-value}<0.001$) implying statistically significant.

CONCLUSION AND RECOMMENDATION OF THE STUDY

5.1 Conclusion of the Study
The study findings provide valuable insights into the relationship between Users’ Capabilities and the Growth of MSEs in Nairobi City, County, Kenya. Through Likert scale responses, it was revealed that respondents generally perceive technology adoption favorably, with a significant proportion acknowledging its positive impact on business growth. Users’ Capabilities, including their perception of technology as a useful tool, willingness to adopt technology, and past experience with technology, were found to have a significant positive correlation with business growth. This aligns with previous research emphasizing the pivotal role of users’ technological proficiency in driving organizational outcomes. The regression analysis further confirmed the significant influence of Users’ Capabilities on business growth, with every unit increase in Users’ Capabilities leading to a considerable increase in MSEs’ growth. Additionally, entrepreneurial orientation was identified as a moderating factor, enhancing the relationship between Users’ Capabilities and business growth. The findings underscore the importance of investing in enhancing users’ capabilities and fostering an entrepreneurial mindset to leverage technology effectively and drive growth among MSEs in Nairobi City, County, Kenya. These insights can inform policymakers and business owners in formulating strategies to promote technological adoption and entrepreneurial orientation, ultimately fostering sustainable growth and competitiveness in the MSE sector.

5.2 Recommendations of the Study
The positive relationship between Users’ Capabilities and the growth of MSEs aligns with previous research indicating that users' proficiency in leveraging technology and innovation plays a crucial role in driving business performance. Specifically, users' abilities to perceive technology as a useful tool, their willingness to adopt and innovate with technology, and their past experiences with technology have been linked to enhanced organizational outcomes, including increased profitability, market share, and sales volumes. Moreover, the study reveals that entrepreneurial orientation moderates the relationship between Users’ Capabilities and growth of MSEs, indicating that the entrepreneurial mindset and approach of MSE owners amplify the positive impact of users’ capabilities on business growth. This suggests that fostering both Users’ Capabilities and entrepreneurial orientation is essential for MSEs to thrive in Nairobi City, County, Kenya, highlighting potential avenues for policymakers and business support organizations to enhance MSE development and sustainability.
5.3 Future Research

Future research in the realm of Micro and Small Enterprises (MSEs) in Nairobi City, County, Kenya, could focus on various fronts to enhance understanding and support for MSE growth. Longitudinal studies tracking the evolution of Users’ Capabilities and entrepreneurial orientation over time could shed light on the dynamics of technology adoption and entrepreneurial behavior within MSEs. Complementing quantitative analyses with qualitative research methods could provide deeper insights into how Users’ Capabilities and entrepreneurial orientation influence MSE growth, exploring the experiences and strategies of MSE owners. Additionally, conducting comparative studies across regions or countries with different socio-economic contexts, sector-specific analyses, and policy evaluations could help identify contextual factors, sectoral challenges, and policy implications, ultimately informing tailored interventions to foster innovation and entrepreneurship in Nairobi City, County, Kenya, and beyond. Through these avenues of research, scholars and policymakers can work towards supporting MSE development and contributing to sustainable economic growth.

REFERENCES


