

Effect of Mentorship on Growth of Small and Medium Enterprises in Kenya: A Case of Kilimo Consumers Cooperative Society

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Abstract: Small and Medium Enterprises (SMEs) play a crucial role in the Kenyan economy accounting for a significant proportion of economic activities in Kenya's urban and rural areas; generating over 70% of all new jobs annually. However, the SMEs are also facing a high failure rate as over 60% of SMEs are estimated to fail each year. Studies indicate a positive relationship between mentorship programme and growth of SMEs. In Kenya, various programmes have been put in place to offer mentorship to SMEs but despite these, the failure rate among SMEs in Kenya is still high. The current study hence sought to establish effect of mentorship programmes on growth of SMES in Kenya with a focus on Kilimo consumers cooperative society by focusing on entrepreneurial training, exposure tours, marketing linkages and counselling (Psychological mentorship). The study target population includes 532 members of Kilimo consumers cooperative society, and the unit of observation was members operating business within Nairobi and its environs. A multiple linear regression analysis model was used to test and link the variables. The study findings were presented in form of tables, charts and graphs. The study findings indicated a positive and significant effect of all the independent variables on growth of SMEs. The study concludes that Kilimo SACCO and other SMEs should aim to improve on their mentorship programmes involving entrepreneurial training for instance consultation from incubators to train the employees, welcoming professional mentors frequently to train the employees, conducting one on one training by the organization's employees, organizing seminars participation and investing resources in staff training.

Keywords: *Entrepreneurial Training, Exposure Tours, Marketing Linkages, Counseling (Psychological Mentorship), Growth of SMES*

Introduction

Small and Medium Enterprises (SMEs) make important contributions to economic and social development. In developing countries the dynamic role of SMEs as engines through which the growth can be achieved has long been recognized. Creating employment for rural and urban population, contributes to economic development (St-Jean & Audet, 2012). Mentoring as a realistic process of circulating skills in businesses have widely been used in SMEs to undertake job training and growth with intention of implementation of high quality customer service and selling skills. Besides, coaching and mentoring skills should form a basis for imparting skills for SMEs (Kent, Dennis & Tanton, 2003). Mentorship in particular has become a popular strategy to involve most business partners from business to community developments. It requires the teaming of knowledgeable person with a learner to enable transfer of information, skills and expertise. It also allows greater flexibility in timing and location of learning (Kent, *et al*, 2003). Mentors are described as leaders who engage themselves in deliberate actions in organizations geared towards promoting learning. It involves unique human interventions usually known as mentoring programs to provide support to employees, small and medium enterprises' performance and competitiveness (Barrett, 2006). Mentorship is one of the factors leading to the rise of an entrepreneurship strategy which is evidence that entrepreneurs are driving economic growth and job creation throughout the world. For example, the National Commission on Entrepreneurship reports that small entrepreneurs are responsible for 67 per cent of inventions and 95 per cent of radical innovations since World War II (National Commission on Entrepreneurship, 2010).

In the business world, in many countries for instance in Ireland, it has been recognized widely that unemployment can be solved through creating jobs by enhancing micro, small and medium enterprises (MSMEs). This has hence necessitated the need to grow and sustain businesses by encouraging entrepreneurs to follow their dreams, explore their ideas and convert them into commercial activities as deemed appropriate (St-Jean & Audet, 2009). This is because the development of business skills in micro, small and medium enterprises has increased in recent past with growth of managers in retail industry highlighting the importance of addressing the skill needs of MSMEs to release the economic potential of retail industries. Such skills need to be learned through practical processes such as mentoring, job shadowing and learning through doing and embracing courses in the evening, weekends and block study and e-learning (Hart, Stachow, Farrell & Reed, 2007). With SMEs facing tremendous competitive challenges and threats to survive and with statistics indicating high failure rate among SMEs (KNBS, 2015), there is a need to develop these mentorship programmes. This is because a well-structured mentoring programme can benefit a business as it can: broaden staff's insight into his/her business, increase productivity and improve the mentee's performance, help to engage employees, which should lead to better retention levels, give the mentor a sense of responsibility and the satisfaction of passing on their knowledge and builds relationships between employees by encouraging the exchange of information and experience (Muchau, 2013).

Statement of the problem

In Kenya SMEs face a slow growth rate. According to KNBS (2015), three out of five SMEs fail to grow within the first few months of operation and over 60% fail each year. Similarly Rigito (2010), asserts that SMEs face a slow growth rate as over 60% of SMEs are estimated to fail and most do not survive to their third anniversary (Ngugi, 2013). In 2008 there were 270 000 new businesses established and 219 000 businesses were closed down as they did not grow (Kenya National Bureau of Statistics, 2009).

Small and Medium Enterprises (SMEs) play a crucial role in the Kenyan economy accounting for a significant proportion of economic activities in Kenya's urban and rural areas; generating over 70% of all new jobs annually (Ngugi and Bwisa, 2013). They are the major agents of economic growth and employment. The RoK (2011) report indicates that SMEs constitute to over 80% of total employment in Kenya as well as up to 18.4% of the GDP. The role of mentorship programmes on the growth of SMEs has not been researched on widely. Most studies have focused on the determinants of failure of SMEs. In South Africa, Makhado (2015) established the effectiveness of mentorship programme of Mogale City Local Municipality for small, medium and micro enterprises and found that mentorship programme has a positive effect on SMEs performance. The study did not however, establish how mentorship affects the growth of an enterprise. In Kenya, Muchau (2013) sought to establish the effect of mentorship program on business performance amongst Micro, Small and Medium Enterprises (MSME) in Nairobi County and recorded a positive effect. This study overlooked the robustness of growth of enterprises and placed more emphasis on performance. This creates contextual as well as the conceptual knowledge gaps. The current study hence established the effect of mentorship programmes on growth of SMEs in Kenya.

Objectives of the Study

- i. To examine the effect of entrepreneurial training on growth of SMES in Kenya
- ii. To determine the effect of exposure tours on growth of SMES in Kenya
- iii. To find out the effect of marketing linkages on growth of SMES in Kenya
- iv. To establish the effect of Counseling (Psychological Mentorship) on growth of SMES in Kenya

Literature Review

Kram's Mentor Role Theory

Kram's (1985) mentor role theory provided the basis of this research. In this theory, Kram categorized mentoring as providing dual function roles; career development and psychosocial support. Kram's conceptualization of mentoring as a two-dimensional (career and psychosocial) construct received empirical support in later studies (Ensher & Murphy, 1997; Noe, 1988; Tepper, Shaffer & Tepper, 1996). However, some researchers conceptualize mentor functions slightly differently. While Kram described role modelling as a form of psychosocial support, in subsequent studies conducted by Burke (1984) and Scandura and colleagues (Scandura, 1992; Scandura & Ragins, 1993; Scandura & Viator, 1994) role modelling emerged as a distinct mentoring function. In addition, Ragins and McFarlin (1990) suggested 11 mentor roles, including coaching, protection, sponsorship, exposure and visibility, challenging assignments, role-modeling, acceptance and confirmation, counselling friendship, social role and parent role.

Stochastic Growth Theories

The theory states that firms of all sizes face the same probability distributions of growth rates and those luckier firms grow faster and more rapidly than others. These theories may explain why firms in the same industry are more competitive than others. Liedholm (1991) on firm growth argues that although the random nature of growth process may be a useful ingredient in any dynamic theory, the implications and assumptions are at variance with reality.

These initial theories from both developed and developing countries show that firm growth has negative correlation to firm size. Gibrat (1931) theory overlooks the differing preferences and abilities of the entrepreneurs themselves. The entrepreneurs are not given any role in the dynamism of the firm.

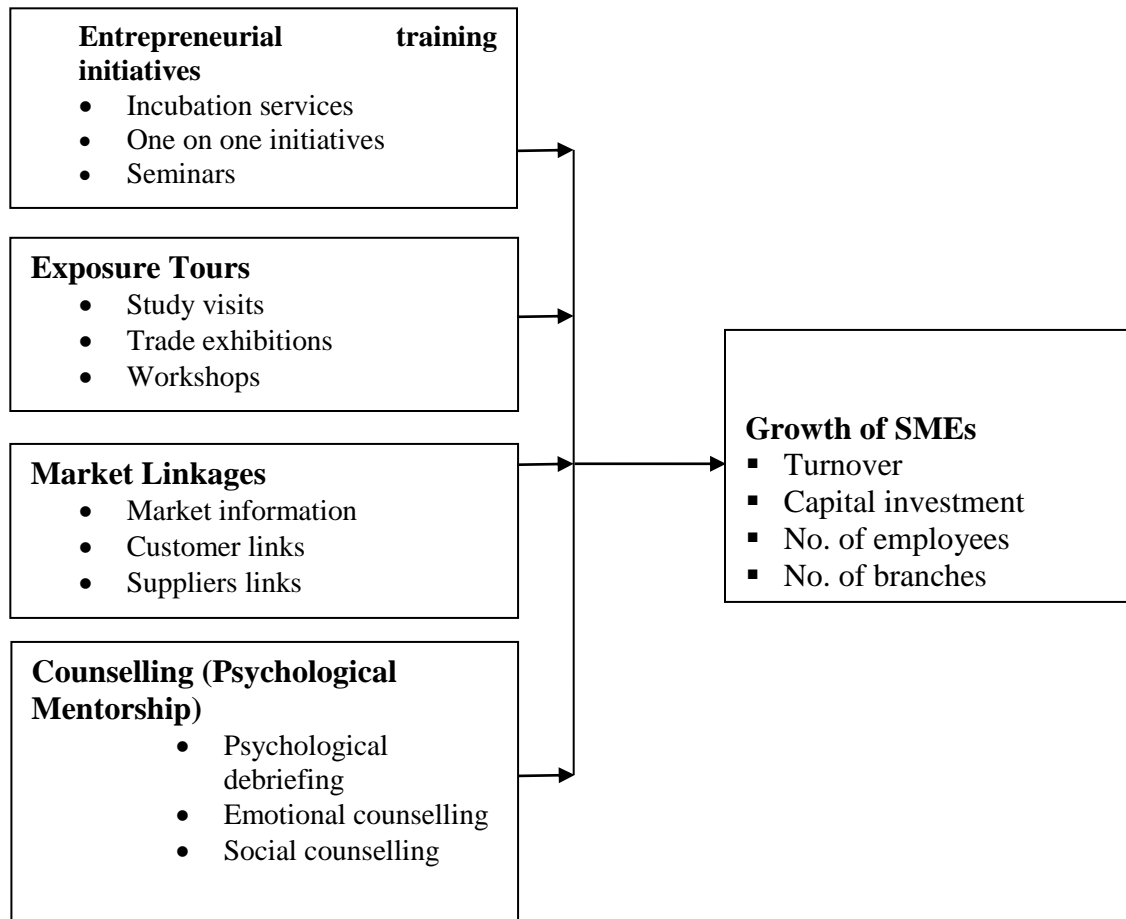
Human Capital Entrepreneurship Theory

Underlying the human capital entrepreneurship theory are two factors, education and experience (Becker, 1975). The knowledge gained from education and experience represents a resource that is heterogeneously distributed across individuals and in effect central to understanding differences in opportunity identification and exploitation (Anderson & Miller, 2003, Chandler & Hanks, 1998, Gartner et al, 2005, Shane & Venkataraman, 2000). The term "human capital" has traditionally been applied to educational attainment and includes the knowledge and skills that the labor force accumulates through formal instruction, training and experience (Becker, 1993). It has also been referred to in terms of the time, experience, knowledge and abilities of an individual household or a generation, which can be used in the production process (Heckman, 2000).

Sociological / Social Network Theory

Sociological enterprise focuses on the social context. In other words, in the sociological theories the level of analysis is traditionally the society (Landstrom, 1998). Reynolds (1991) has identified four social contexts that relates to entrepreneurial opportunity. The social network focus is on building social relationships and bonds that promote trust and not opportunism. In other words, the entrepreneur should not take undue advantage of social linkages to be successful marketer. This theory has its roots in the sociological world that speaks of one's social capital, which has been defined as the weaving of interpersonal relationships and values within families and their communities (Hogan, 2001). Information exchange and learning is said to take place in network structures (Chung & Gibbons, 1987).

Conceptual Framework



Independent Variables

Dependent variable

Figure 1 Conceptual Framework

Empirical Review

Wong & Aspinwall (2004) conducted a study to establish the role of business training on growth of SMEs. The study characterizing knowledge management in the small business environment concluded that structural capital is the set of intangibles of explicit as implicit nature that structure and develop the organizational activity of the firm effective and efficiently to facilitate small enterprise growth. The findings indicated that business training contributes greatly to the growth and survival of SMEs (Wong & Aspinwall (2004). Another study was conducted by Lyles (2004) to evaluate managerial competencies as measured by the education of the founder, managerial experience, entrepreneurial experience, start-up experience and functional area experience versus new venture growth. The study also investigated the source of the knowledge. The results show that relative profits tend to be high when an entrepreneur has more education and experience in the line of business. On the other hand, profitability tends to be low when the entrepreneur has only start up and managerial experience, but lacks an educational background.

Bowen, Morara and Mureithi (2009) researched on Management of business challenges among small and micro-enterprises in Nairobi, Kenya. The findings of the research indicated that over 50% of MSEs continue to have a deteriorating performance with 3 in every 5 MSEs failing within months of establishment. Ruhiu (2015) conducted a study using both descriptive and correlational research design to establish the effect of social networks on growth of SMEs in Nairobi. The study findings indicated that there is a positive relationship between variables; social networks for instance exhibitions as well as market linkages on the growth of SMEs in Kenya. Bontis (2001) carried out a study on Intellectual capital (IC) disclosures in Canadian corporations; he argues that the relationship between structural capital and human capital can be located within social network for instance market linkages. The social characteristics interconnect each individual in an organization and thus enhancing enterprise growth. He states that these outlets are the owners of the tacit knowledge within their social networks. Among different components of IC, structural capital is the most difficult as it is related to other capital in terms of definition. He further concluded that structural capital includes technological factors and technical competencies. A study conducted by Muteti (2005) concluded that forging market linkages between enterprises and foreign multinational corporations can hasten SMEs development in developing countries like Kenya. The study also classified linkages as either forward or backward. For instance, multinationals may forge forward linkages with locals firms. One such linkage would be marketing outlets where multinationals outsource the distribution of brand new products.

Research Methodology

This study adopted a descriptive research design in order to interpret relationship of mentorship programmes phenomena to the growth of SME (Kombo & Tromp 2009). The target population included all the members of Kilimo SACCO by the year 2016. Kilimo Consumers cooperative society has five branches with a total population of 532 members. The sample size was determined using the Fisher (1982) sampling formula (Mugenda & Mugenda, 2003) as:

$$nf = \frac{z^2 p q}{e}$$

to obtain $n = 384$. According to Mugenda and Mugenda, (2003); Zikmund (2010), when the population size is less than 10,000 the sample size (n) can be calculated as;

$$n = \frac{nf}{1 + nf - 1}$$

$$N \text{ to obtain } = 223$$

A questionnaire was used to collect primary data. Quantitative data was tabulated and frequencies used to calculate percentages which were presented in graphs and pie charts to explain the phenomena. A regression model was used establish the relationship between the study variables. The multivariate regression model used in this study is illustrated below:

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + e$$

Where: Y = Growth of SMEs, X_1 = Entrepreneurship training, X_2 = Exposure tours

X_3 = Market linkages, X_4 = Counselling (Psychological mentorship), e = Error term and α = constant and β = coefficient of independent variables

Results and Discussions

Response Rate

The number of questionnaires administered was 223 out of which 154 were properly filled, returned and found suitable for analysis. This represented an overall response rate of 69% as According to Mugenda and Mugenda (2008) and Kothari (2004) a response rate of above 50% is adequate for a descriptive study. Babbie (2004) also asserted that return rates of above 50% are acceptable to analyze and publish, 60% is good, 70% is very good while above 80% is excellent. Based on these assertions from renowned scholars, 69% response rate was good for the study.

Demographic Characteristics

Respondent's highest level of education

The study requested the respondent to indicate their highest level of education. From the findings, the study found that majority of the respondents had college level of education, followed by secondary level (38%) and lastly university level (17%). The results indicated poor entrepreneurial mindset among the graduates. The findings agree with the Government of Kenya (2005) Sessional paper Number 2 which indicated that entrepreneurs venture into business without the vital skills to start, survive and grow their businesses and that lack of basic skills and education in business management and entrepreneurship was a major drawback in the growth and development of the SMEs in Kenya.

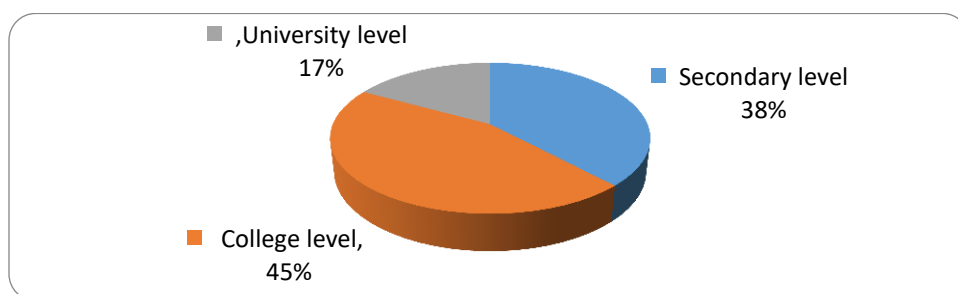


Figure 2: Level of education

Number of years in the organization

The study requested the respondent to indicate the number of years they had been in the organization. From the findings, the study found that majority of the respondents (48%) had been in the organization (membership)

for a period between 3 and 5 years, followed by 22% who had been in the organization for a period between 1 and 2 years while only 9% had been in the organization for a period above 5 years. The findings imply that majority of the members had been in membership for a period less than 5 years. Secondly, the findings imply that the respondents interviewed had more information about the matters being asked due to institutional knowledge and awareness. These findings can as well indicate that there is a high failure rate among SMEs. This is because membership to Kilimo is by business owners and most had been in existence for a period less than 5 years. The findings are consistent with Bekeris (2012) who indicated that three out of five SMEs fail within the first few months of operation and over 60% fail each year and Sifunjo (2012) who argued that most SMEs do not survive to their third anniversary (Ngugi, 2013).

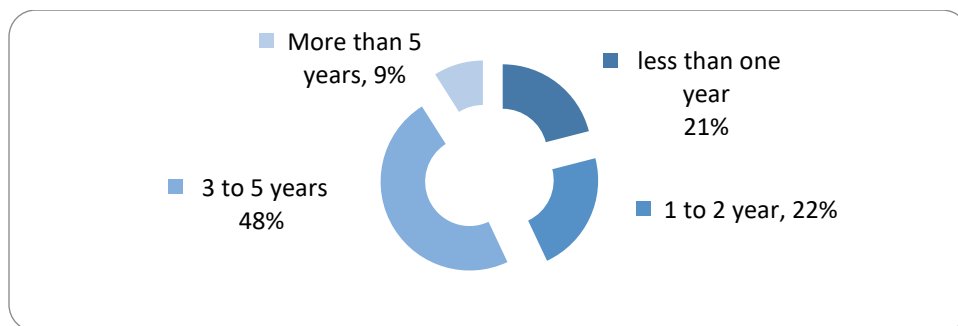


Figure 3: Number of years in the organization

Respondent's Age

The study requested the respondent to indicate their age bracket. From the findings, the study found that majority of the respondents were aged between 41 and 50 years (41%), followed by 51 years and above (35%). Those below 3- years were only 4% of the 154 respondents. The findings imply that majority of SME owners who are members of Kilimo Consumers SACCO are aged over 41 years. This can perhaps be linked to poor entrepreneurship culture among the young people aged below 30 years. Most young men are perceived to seek employment at the expense of starting their own businesses. This can be compared to the low membership among the degree holders who could probably be in active employment.

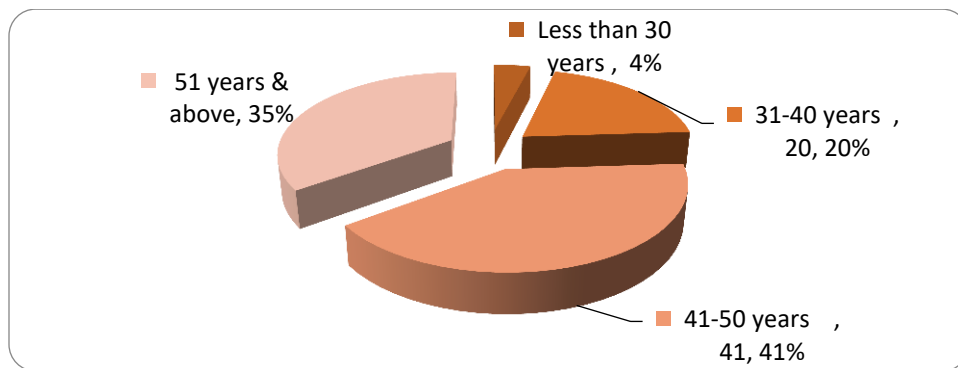


Figure 4: Respondent's age

Descriptive Findings and Analysis

Entrepreneurial Training

The first objective of the study was to examine the effect of entrepreneurial training on growth of SMES in Kenya. The respondents were asked to rate statements on entrepreneurial training on five point Likert scale. The average responses are as indicated in Table 1. The findings indicate that the majority of the respondents strongly agreed that the organization allows consultation from incubators to train the employees (Mean 4.59). The respondents also agreed that professional mentors are frequently welcomed to train the employees (mean 4.28). However, some respondents neither agreed nor disagreed that there is one on one training by the organization's employees, the management allows for seminars participation to encourage training and that the organization invests resources in staff training, with the mean of 3.42, 3.26 and 3.42 respectively). Overall the respondents agreed with the statements that entrepreneurial training affect growth of SMES in Kenya. The standard deviation also indicates that there was a small variation in the responses given by the respondents. The results agree with Bowen, Morara and Mureithi (2009) who indicated that that there is need to get trained in an area that is relevant to the type of business so as to perform well.

Table 1 Entrepreneurial training

Statements	Mean	Standard Deviation
The organization allows consultation from incubators to train the employees	4.59	0.81
Professional mentors are frequently welcomed to train the employees	4.28	0.45
There is one on one training by the organization's employees	3.42	1.09
The management allows for seminars participation to encourage training	3.26	1.21
The organization invests resources in staff training	3.42	1.09
Average	3.80	0.93

Exposure tours

The second objective of the study was to determine the effect of exposure tours on growth of SMES in Kenya. The respondents were asked to rate statements on exposure tours on a five point Likert scale. The average responses are as indicated in Table 2. The findings indicate that the respondents wholly agreed that there is participation in study visits, the employees are subjected to trade exhibitions from time to time and management organization organizes workshops with other organizations frequently as indicated by means of (3.45, 3.64 and 3.67 respectively). Additionally, the respondents agreed that the organization has set aside funds for exposure tours, mean (3.64). They also agreed that the top management encourages participation in exposure tours, mean (3.67). On average the respondents agreed with the statements that exposure tours affect the growth of SMES in Kenya. The standard deviation also indicates that there was a small variation in the responses given by the respondents.

Table 2 Exposure tours

Statements	Mean	Standard Deviation
There is participation in study visits	3.45	1.35
The employees are subjected to trade exhibitions from time to time	3.64	1.06
The management organization organizes workshops with other organizations frequently	3.67	1.18
The organization has set aside funds for exposure tours	3.64	1.06
The top management encourages participation in exposure tours	3.67	1.18
Average	3.61	1.17

Market Linkages

The third objective of the study was to find out the effect of marketing linkages on growth of SMES in Kenya. The respondents were asked to rate statements on market linkages on a five point Likert scale. The average responses are as indicated in Table 3. The findings reveal that the respondents agreed strongly on the statements that the customer links are adequately provided by the incubator, market information has enabled their business to cope with competition and the supplier links has enabled their business manage market chain as shown by the means of 4.48. Moreover the findings showed that market information is adequate from the incubator for business growth, the suppliers links are provided adequately by the incubator, Customer links has increased their market share, market linkages has resulted in increased investments and lastly market linkages are important for overall business growth as indicated by unanimous rating mean of 4.06. Finally, the findings showed that the respondents agreed that market linkages established by the incubator has influenced growth in sales turnover (mean = 4.05). On average the respondents agreed with the statements that market linkages affect the growth of SMES in Kenya. The standard deviation also indicates that there was a slight variation in the responses given by the respondents.

These results agree with Bontis (2001) who argued that structural capital and human capital can be located within social network for instance market linkages and that structural capital includes technological factors and technical competencies which are essential for better organizational performance.

Table 3: Market Linkages

Statement	Mean	Standard Deviation
Market information is adequate from the incubator for business growth	4.06	1.17
Customer links are adequately provided by the incubator	4.48	0.90
Suppliers links are provided adequately by the incubator	4.06	1.17
Market information has enabled my business to cope with competition	4.48	0.90
Customer links has increased my market share	4.06	1.17
Supplier links has enabled my business manage market chain	4.48	0.90
Market linkages established by the incubator has influenced growth in sales turnover.	4.05	1.16
Market linkages has resulted in increased investments	4.06	1.17
For overall business growth market linkages are important	4.06	1.17
Average	4.20	1.08

Counseling (Psychological Mentorship)

The fourth objective of the study was to establish the effect of web based mentorship on growth of SMES in Kenya. The respondents were asked to rate statements on E-mentorship programs on a five point Likert scale. The average responses are as indicated in Table 4. The findings showed that the respondents indicated that the organization engages in social counselling (Mean = 4.43), emotional counselling (Mean = 4.29), psychological debriefing (Mean = 4.10), performance counselling (Mean = 4.10) as well as group support (Mean = 4.29). This indicates that counselling (Psychological mentorship) is being practised at Kilimo SACCO. These results agree with Chan (2011) who concluded that workplace counseling should be used as a tool to restore employees and potentially improve employees' and organisational performance.

Table 4 Counselling (Psychological mentorship)

Statements	Mean	Standard Deviation
The organization engages in social counselling	4.43	0.80
The organization engages in emotional counselling	4.29	1.16
The organization engages in psychological debriefing	4.10	1.16
The organization engages in performance counselling	4.10	1.08
The organization engages in group support	4.29	1.16

Growth of SMEs

The respondents were asked to rate statements on growth of SMEs on a five point Likert scale. The respondents were asked to indicate whether they achieved any of the following effects in their business. The average responses are as indicated in Table 5. The findings shows that the respondents strongly agreed that their businesses experienced higher profitability, increase in their assets, improvement in management, development of other products and services, increase in sales turnover and the number of employees. Furthermore, the findings reveal that the respondents agreed that their businesses expanded to other branches, increased their total capital investment and lastly they increased their market share. The implication of the findings indicate that overall, the businesses experienced positive growth effects as shown by the average mean of 4.46. The standard deviation also indicates that there was a small variation in the responses given by the respondents.

Table 5 Growth of SMEs

Statements	Mean	Standard Deviation
Higher profitability	4.59	0.81
Increased assets	4.66	0.42
Management improvement	4.80	0.40
Expansion to other branches	3.78	1.61
Developing other products and services	4.59	0.48
Increase in sales turnover	4.12	1.26
Increase in the number of employees	4.80	0.40
Increase in total capital investment	3.72	1.24
Increase in market share	3.78	0.84
Average	4.46	0.81

Correlation Analysis

In statistical terms, correlation is a method of assessing a possible two-way linear association between two continuous variables. Correlation is measured by a statistic called the correlation coefficient, which represents the strength of the putative linear association between the variables in question (Mukaka, 2012). It is a dimensionless quantity that takes a value in the range -1 to +1. A correlation coefficient of zero indicates that no linear relationship exists between two continuous variables, and a correlation coefficient of -1 or +1 indicates a perfect linear relationship. The strength of relationship can be anywhere between -1 and +1. The stronger the correlation, the closer the correlation coefficient comes to ± 1 (Mukaka, 2012). If the coefficient is a positive number, the variables are directly related (i.e., as the value of one variable goes up, the value of the other also tends to do so). If, on the other hand, the coefficient is a negative number, the variables are inversely related (i.e., as the value of one variable goes up, the value of the other tends to go down). Any other form of relationship between two continuous variables that is not linear is not correlation in statistical terms. The study used a Pearson's product moment correlation coefficient because it is ideal for normal data.

Table 6: Strength of Pearson's product moment correlation

Size of correlation	Interpretation
0.90 to 1.00 (-0.90 to -1.00)	Very High positive (Negative) correlation
0.70 to 0.90 (- 0.70 to -0.90)	High positive (Negative) correlation
0.50 to 0.70 (-0.50 to -0.70)	Moderate positive (Negative) correlation
0.30 to 0.50 (-0.30 to -0.50)	Low positive (Negative) correlation
0.00 to 0.30 (0.00 to -0.30)	Negligible correlation

The results presented in Table 7 reveal that entrepreneurial training and growth of SMEs have a positive/ascendant direction. This means that increasing the frequency of training practices like consultation from incubators to train the employees, welcoming professional mentors frequently to train the employees, conducting one on one training by the organization's employees, organizing seminars participation and investing resources in staff training leads to ascendant effect on growth of SMEs. The correlation is also significant. Using the rating in Table 4.8, a correlation value of 0.520 is moderate positive. The findings are consistent with Wong & Aspinwall (2004) who indicated that business training contributes greatly to the growth and survival of SMEs (Wong & Aspinwall (2004)). The findings further shows that exposure tours and growth of SMEs also have a positive / ascendant direction. This means that increasing the frequency of exposure tour practices like participation in study visits, trade exhibitions from time to time, workshops with other organizations and setting aside funds for exposure tours leads to ascendant effect on growth of SMEs. The correlation is also significant. Using the rating in Table 4.8, a correlation value of 0.419 is low positive.

The findings are consistent with Ruhii (2015) who conducted a study using both descriptive and correlational research design to establish the effect of social networks on growth of SMEs in Nairobi and established that there is a positive relationship between variables; social networks for instance exhibitions as well as market linkages on the growth of SMEs in Kenya. The results in Table 7 also reveal that marketing linkages and growth of SMEs also have a positive/ascendant direction. This means that increasing the frequency of marketing linkages practices like provision of Market information, Customer links and Suppliers links by the incubator leads to ascendant effect on growth of SMEs. The correlation is also significant. Using the rating in Table 4.8, a correlation value of 0.632 is moderate positive.

With regard to counselling (Psychological mentorship), the results in Table 4.9 revealed that counselling (Psychological mentorship) and growth of SMEs also have a positive/ascendant direction although the effect is not significant which indicate that the effect on growth of SMEs is not huge to be felt. Using the rating in Table 4.8, a correlation value of 0.065 is negligible correlation. The findings are consistent with the findings of a research by McLeod (2001) which reported a positive correlation between the provision of counseling and net workplace benefits. The results are also consistent with the findings of a research findings reported by Hughes and Kinder (2007) which showed that counseling support can have a significant positive impact on employees' job performance.

Similarly, the results agree with Sutherland and Hatton (2002) who found out that an organization that provides confidential help" (counseling services) to employees is likely to be highly productive.

Table 7: Correlation Analysis

Correlations		Entrepreneurial training	Exposure tours	Marketing linkages	E-mentorship	SMEs Growth
Entrepreneurial training	Pearson Correlation	1				
	Sig. (2-tailed)					
	N	153				
Exposure tours	Pearson Correlation	0.044	1			
	Sig. (2-tailed)	0.587				
	N	153	153			
Marketing linkages	Pearson Correlation	.199*	.200*	1		
	Sig. (2-tailed)	0.014	0.013			
	N	153	153	153		
E-mentorship	Pearson Correlation	-.285**	-0.017	-.160*	1	
	Sig. (2-tailed)	0	0.839	0.048		
	N	153	153	153	153	
SMEs Growth	Pearson Correlation	.520**	.419**	.632**	0.065	1
	Sig. (2-tailed)	0.000	0.000	0.000	0.428	
	N	153	153	153	153	153

* Correlation is significant at the 0.05 level (2-tailed).

** Correlation is significant at the 0.01 level (2-tailed).

Regression Analysis

Regression analysis generates an equation to describe the statistical relationship between one or more predictor variables and the response variable. This study used an ordinary least square (OLS) regression equation presented in chapter three to establish the significance of the coefficients of the mentorship on growth of SMES in Kenya. From the regression coefficients, the p-value for each term tests the argument that the coefficient is equal to zero (no effect). A low p-value (< 0.05) indicates that a predictor variable is likely to be a meaningful addition to the model because changes in the predictor's value are related to changes in the response variable. Conversely, a larger (insignificant) (> 0.05), p-value suggests that changes in the predictor are not associated with changes in the response. The model summary findings in Table 4.10 reveal that mentorship is positively correlated with growth of SMEs as shown by a Pearson Product moment correlation (R) of 0.819 which is high positive.

This shows an increase in mentorship practices leads to higher and sustainable SMEs growth rates. The table also showed the R-square value of 0.67. R-squared is a statistical measure of how close the data are to the fitted regression line. It is also known as the coefficient of determination, or the coefficient of multiple determination for multiple regression. The definition of R-squared is fairly straight-forward; it is the percentage of the response variable variation that is explained by a linear model. R-squared is always between 0 and 100%: 0% indicates that the model explains none of the variability of the response data around its mean. 100% indicates that the model explains all the variability of the response data around its mean. In general, the higher the R-squared, the better the model fits the data. In the study, an R-square of 0.67 reveals that mentorship accounts for 67% of the growth of SMEs. This finding comes at a time when the results of a study by Muchau (2013) established that the effect of mentorship program on business performance amongst Micro, Small and Medium Enterprises (MSME) in Nairobi County and recorded a positive and accounts up to 57% of the performance of SMEs. These findings are hence consistent.

Table 8: Model Summary

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.819a	0.67	0.661	0.391018
a Predictors: (Constant), E-mentorship, exposure tours, marketing linkages, entrepreneurial training				

The F- statistic indicates the deviation between the observed and fitted values. It shows the significance of the overall model. The F statistic is significant at 5% (Sig < 0.000) showing that the model was significant. The F calculated statistic of 75.199 > F (4, 148) critical of 2.433 and that also supports the finding that the model was significant. Mentorship program can hence be used to predict growth of SMEs.

Table 9: ANOVA (Fitness)

ANOVA						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	45.99	4	11.498	75.199	.000
	Residual	22.628	148	0.153		
	Total	68.619	152			
a Dependent Variable: Growth of SMEs						
b Predictors: (Constant), E-mentorship, exposure tours, marketing linkages, entrepreneurial training						

Table 10: Regression Coefficients

Predictor variables	B	Std. Error	t	Sig.
(Constant)	-0.01	0.324	-0.03	0.976
Entrepreneurial training	0.456	0.051	8.99	0.000
Exposure tours	0.199	0.032	6.237	0.000
Marketing linkages	0.352	0.034	10.264	0.000
Counseling	0.113	0.038	3.021	0.003

a Dependent Variable: Growth of SMEs

Tested Regression Model

Growth of SMEs = 0.456 Entrepreneurial Training + 0.352 Marketing Linkages + 0.199 Exposure tours + 0.113 Counselling (Psychological Mentorship) -0.01

The results presented in Table 4.12 reveal that entrepreneurial training positively and significantly affect growth of SMEs (Beta = 0.456, Sig = 0.000). This means that increasing the frequency of training practices like consultation from incubators to train the employees, welcoming professional mentors frequently to train the employees, conducting one on one training by the organization's employees, organizing seminars participation and investing resources in staff training leads to a positive and significant effect on growth of SMEs. The results are also consistent with the findings of a study by Lyles (2004) to evaluate managerial competencies as measured by the education of the founder, managerial experience, entrepreneurial experience, start-up experience and functional area experience versus new venture growth and confirmed the importance of education to new venture success.

The findings further shows that exposure tours positively and significantly affect growth of SMEs (Beta = 0.199, Sig = 0.000). This means that increasing the frequency of exposure tour practices like participation in study visits, trade exhibitions from time to time, workshops with other organizations and setting aside funds for exposure tours leads to a significant positive effect on growth of SMEs. The findings agree with Makhado (2015) who conducted a study to investigate the effectiveness of the interventions made by mentorship programme to promote growth and sustainability of SMMEs and established that mentorship programme adds value and advances small businesses and entrepreneurship.

The results further reveal that marketing linkages positively and significantly affect growth of SMEs (Beta = 0.352, Sig = 0.000). This means that increasing the frequency of marketing linkages practices like provision of Market information, Customer links and Suppliers links by the incubator leads to a positive significant effect on growth of SMEs. The results are consistent with Muteti (2005) who concluded that forging market linkages between enterprises and foreign multinational corporations can hasten SMEs development in developing countries like Kenya. The findings further showed that counselling (Psychological mentorship) positively and significantly affect growth of SMEs (Beta = 0.113, Sig = 0.000). The results shows that an increase engagement in social counselling , emotional counselling , psychological debriefing , performance counselling as well as group support leads to improved growth of SMEs.

These findings agree with the findings of a study by Izzat (2014) carried out on significance of workplace counseling on increasing job performance in an organization and revealed a significant effect of workplace counseling on employee job performance. The results also agreed with David, John and Richard (2012) who revealed that workplace counseling resulted in a positive impact on the workplace as measured using the scales of the Workplace Outcome Suite.

Conclusions

The study concluded that entrepreneurial training positively and significantly affect growth of SMEs. The implication of this is that increasing the frequency of training practices like consultation from incubators to train the employees, welcoming professional mentors frequently to train the employees, conducting one on one training by the organization's employees, organizing seminars participation and investing resources in staff training leads to a positive and significant effect on growth of SMEs. The study also concluded that exposure tours positively and significantly affect growth. This shows that if Kilimo SACCO increases the frequency of exposure tour practices like participation in study visits, trade exhibitions from time to time, workshops with other organizations and setting aside funds for exposure tours it would lead to a significant positive effect on growth of SMEs.

The results led to the conclusion that marketing linkages positively and significantly affect growth of SMEs. This shows that if Kilimo SACCO increases the frequency of marketing linkages practices like provision of Market information, Customer links and Suppliers links by the incubator it would result to a positive significant effect on growth of SMEs. The study also concluded that counselling (Psychological mentorship) positively and significantly affect growth of SMEs. This implies that an increase engagement in social counselling, emotional counselling, psychological debriefing, performance counselling as well as group support leads to improved growth of SMEs.

Recommendations of the Study

The study concludes that Kilimo SACCO and other SMEs should aim to improve on their mentorship programmes involving entrepreneurial training for instance consultation from incubators to train the employees, welcoming professional mentors frequently to train the employees, conducting one on one training by the organization's employees, organizing seminars participation and investing resources in staff training. The study also recommended that Kilimo SACCO and other SMEs should also invest more resources in that exposure tours like participation in study visits, trade exhibitions from time to time and workshops with other organizations. The study recommends that Kilimo SACCO and other SMEs should focus on improving their marketing linkages like provision of Market information, Customer links and Suppliers links by the incubator. With regard to counselling (Psychological mentorship) the study recommends that SMEs should consider introducing counselling programmes involving social counselling, emotional counselling, psychological debriefing, performance counselling as well as group support as it leads to improved growth of SMEs.

Conflict of Interest

No potential conflict of interest was reported by the authors.

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