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IMPLEMENTATION DRIVERS OF COUNTY INTEGRATED STRATEGIC PLANS AND GROWTH OF SMALL AND MEDIUM ENTERPRISES

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ABSTRACT

Small and Medium Enterprises (SMEs) play a significant role in the development of any economic growth. Economies have increasingly employed SMEs as a framework to achieve economic performance in a more efficient manner. Studies point out that 90% of strategic initiatives fail, due to implementation difficulties. Despite the crucial role, SMEs are affected by several factors such as leadership, planning, resources use and allocation among others. Failure in the implementation of strategy causes huge costs in the organization. Despite the significance of the strategy implementation process in strategic management, it is often eclipsed by a focus on other dimensions of strategy. Strategic planning and implementation are important for SMEs to be able to face local and global competition, technological changes, and cope with increased dynamics in the markets. Studies reveal varied conceptualizations of key drivers of strategy implementation. The general objective of this study was to determine the effect of implementation drivers of county integrated development plans and the growth of SMEs in Busia County, Kenya. Specific objectives were; to determine the effect of organizational culture, leadership, ICT, and resources as strategy implementation drivers on growth SMEs. The study was guided by, stakeholder theory, Resource-Based View theory and Enterprise Life Cycle Model. The study employed mixed methods and multistage sampling techniques on a study sample of 386 respondents using a structured questionnaire. The findings revealed that culture had a positive and significant effect on the growth of SMEs ($\beta = .107$; $p<.05$); leadership had a positive and significant effect on the growth of SMEs ($\beta = .142$; $p<.05$). information communication technology had a negative and insignificant effect on the growth of SMEs ($\beta = -0.024$; $p>.05$) and allocation of resources had a positive and significant effect on the growth of SMEs ($\beta = .324$; $p<.05$). Given that different County, Governments have different resources in terms of economic activities and business opportunities it is recommended that a similar study could be done to evaluate the effect of organizational culture and leadership on the growth and performance of SMEs by application of panel data techniques over a period of ten years.

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Keywords: County Integrated Development Plan, Drivers and Performance

1.0 THEORETICAL REVIEW

The study reviewed the following theories that are related to the study variables and objectives. These theories are the theory of Balance Score Card (BSC), Stakeholder theory, Resource-Based View Theory and Dynamic Capability Innovative theory

1.1 Theory of Balance Score Card

The Balanced Score Card (BSC) in strategic management is a business framework used to track and manage an organization strategy Kaplan and Norton (1997). The BSC framework is based on the balanced scorecard is a strategic performance measurement model which is balanced between leading and lagging indicators, which can respectively be thought of as the drivers and outcomes of the organizational goals. A balanced scorecard can give additional information on the approach selected, handle feedback and teaching procedures, and identify target numbers (Norreklit, 2010). The activities are established with measurable indices to help illustrate and adjust the approach selected. balanced scorecard visions and approaches are based on four angles: financial perspective, the client perspective, the inner business processes, and the development of learning.

The theory is significant to the study in the sense that the executive leadership style is important to the success and growth of SMEs in the county. According to Frigo, M. L. (2012) and Norreklit, H. (2000), the most important condition for a success of a firm is executive leadership. Executive leadership is not only for successful implementation but also must be efficient. The strategy executive system provides leadership with a systematic and comprehensive sequence of management processes that provides the foundation for breakthrough performance. In summary, having a non-complacent leader is probably the most important key to success for BSC implementation.

A leader is needed to establish the vision for what the organization needs to achieve over the next three to five years, typically an ambitious stretch performance target, to create a sense of urgency to start the journey immediately, and then a willingness to communicate the strategy to all employees and to motivate them to contribute to the implementation of the strategy. The balanced scorecard is intended not only as a strategic measurement system but also as a strategic control system that can align departmental and personal goals to overall strategy (Norreklit, H., 2000).

According to Tawane, I. A. (2019), a balanced scorecard is essential to the study as it helps executives establish an institution's vision, mission, and strategic goals, conduct a stakeholder analysis to assess customer and shareholder expectations. The BSC Create a stock of critical success factors, transform strategic objectives into objectives, establish key performance variables to measure targets decide target values and convert targets into operational operations.

Today, the efficient strategy formulation and management is based on the introduction and development of BSC to perform the strategies and achieve success and translate the strategy in action Fooladvand, Yarmohammadian and Shahtalebi (2015). BSC provides an appropriate

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framework to facilitate strategy implementation, balanced evaluation model follows the top to bottom logic for instance it begins from identifying and defining strategic components and desirable achievements and then it moves to appropriate values of the internal processes and creating substructure. It is necessary that the leaders, managers, and planners of revolution in the combined approach organizations integrate the strategic planning with the balanced assessment model and gets benefit from its countless results and outcomes.

1.2 Stakeholder Theory

Freeman (1984) defined a stakeholder as any group or individual who can affect or is affected by the achievement of the organization's objectives. The theory was first introduced in the strategic management programme by Freeman in 1984. A stakeholder approach (Freeman et al., 2004) states that a company holds corporate accountability to a wide range of stakeholders. Freeman further argued that firms have moral responsibilities that extend far beyond simply maximising profits for shareholders. A firm rather has a moral responsibility to consider impacts on and to seek to meet the interests of all stakeholder groups.

The general perspective of this theory is that the big firms that can affect society pervasively should be accountable to all parts of society, not only to their shareholders. Stakeholders are not only being affected by companies but also, they are effective on companies by holding a stake in the company rather than simply a share. Milton Friedman separates the market from nonmarket stakeholders. Market (primary) stakeholders engage in economic transactions with the firm as it carries out its primary purpose of providing society with goods and services.

Market stakeholders include employees, suppliers, distributors, customers, creditors, and stockholders. The nonmarket (secondary) stakeholders are people or groups who—although they do not engage in direct economic exchange with the firm—are affected by or can affect the functions of the firm. These nonmarket stakeholders include the communities, governments, general public, business support groups, media and non-governmental organizations (Friedman, 2002). The analysts of the stakeholder theory state that all parties with legitimate interests in the company shall get benefits and there is no priority in terms of these interests and benefits (Donaldson & Preston, 1995).

A further revision of the theory has made a distinction between stakeholder analysis and stakeholder management. It argues that Stakeholder management is premised on a relationship anchored on communication, negotiation, contracting, managing relationships and motivation between the management and the stakeholders. While the previous studies have only focused on stakeholder analysis (Freeman et al., 2004; Harrison, J. S., Bosse, D. A., & Phillips, R. A. 2010), the current study utilized this theory to segment the various stakeholders that have been affected by the implementation of CIDP for the study period

1.3 Resource-Based View Theory

The Resource-Based View theory (RBV) by Barney (1991) is concerned with the idea that a firm's internal resources can become a direct source of sustained competitive advantage for the firm (Alonso &Kok, 2018). RBT explains that the sustained performance of an organisation derives from the resources an organisation controls that are valuable, rare, imperfectly imitable, and not substitutable. These resources can be viewed as bundles of

tangible and intangible assets (Barney, Wright &Ketchen, 2011). The resources are tangible and intangible resources (factors) that determine and limit strategic corporate decisions (Sciarelli, 2008). Therefore, the objective is to bring together a range of tangible and intangible resources which when combined and deployed strategically can create a competitive advantage for the organization (Davis, & Simpson, 2017).

The tangible resources include various types including buildings; machinery; stock, investments, cash reserves and operating capital; and the intangible include the human capital that includes the knowledge, qualifications, skills, and experience of employees, among others collectively segmented into leadership. These resources become valuable when they are used to enable the organization to implement its business strategy. It is through the implementation of business strategy that sustained competitive advantage can be achieved (Davis, & Simpson, 2017). Hence, performance is a result of an organisation's specific resources. The resource-based view (RBV) indicates that successful organisations will find their future success on the development of distinctive and unique capabilities which may often be implicit or intangible in nature. Therefore, the essence of an organisational strategy is or should be defined by the organisation's unique resources and capabilities. Furthermore, the value-creating potential of strategy, that is the organisation's ability to establish and sustain success, critically depends on the rent generating capacity of its underlying resources and capabilities (Theriou, Aggelidis & Theriou, 2009). The RBV theory will therefore provide a basis for explaining how the intangible resources have been used to influence the growth of SMEs in Busia County following the implementation of CIDP.

1.4 Dynamic Capability Innovative Theory

According to Helfat & Raubitschek (2018) Capabilities, in general, are defined as the capacity to carry out activities, and therefore, capabilities are dormant until they are put in practice. Dynamic capabilities denote a subset of capabilities absorbed to strategic change, both at the organizational and individual levels. The recent scientific discussion in the field of strategic management broadly favours the idea of dynamic capabilities to overcome the potential rigidities of organizational capability building (Schreyögg & Kliesch-Eberl 2007). Teece et al. define dynamic capabilities as "the ability to integrate, build, and reconfigure internal and external competencies to address rapidly changing environments", which became a dominant research agenda on how to sustain advantages in a complex and volatile environment (Teece Pisano & Shuen 1997).

Although dynamic capability theory and resource-based view theory are focused on resources and share the same assumption, dynamic capability theory is different from resource based in the following two ways. First, resource-based view theory is static by nature meaning that it is not sensitive to changes in the environment whereas dynamic capability is addressing issues to do with the changing environment. Secondly, resource-based view theory is focusing on the best way of utilizing the firm's resources bundle whereas dynamic capabilities is concentrating on the preeminent way of mixing, renovating, reconfiguring, and recreating the resources bundle.

Teece, Pisano and Shuen (1997) stated that resource-based view theory perspective, firms create wealth through the selection of rational alternatives among the potential set of

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investments. For this reason, the focus of resource-based view theory is using specific resources of the firm or assets to create wealth. On the other hand, dynamic capabilities are premeditated to create wealth for the firms operating under environments of rapid technological change with the objective of sustaining competitive advantage by changing the resource base.

According to Ambrosini and Bowman (2009), the dynamic capability theory is different from the resource-based view theory because it extends its attention to aspects of environmental changes which suggest that dynamic capabilities is focusing on the creation of competitive advantage by conducting renewal and modification of resources. The idea of dynamic capabilities exists due to dynamic interfaces between the capabilities of the firm and the surrounding, and the focus of withstanding competitive advantage via capability building. The reason is that dynamic capabilities examine the environments and restructure the resource base for the purposes of improving or gaining better performances in the future (Arthurs and Busenitz 2006). In a dynamic market, it is easier to sustain a competitive advantage even during volatile situations. This is because of the already established management practices that can maintain resources without any significant variations (Cirjevskis 2019).

A study by Wu (2010) concluded that dynamic capability can renew resource base as per market demand to create competitive advantage. This empirical finding supports the concept of dynamic capability by Teece (1997) that resource-based view theory is less superior to dynamic capabilities. Therefore, good performances in the market are not because of resources alone (Wu 2006). Successful firms are reflected by their capability as it affects their strategies in utilizing assets such as the available resources and knowledge (Forbes 2008). Capability is not transferable and is not available for anybody but does not last for long due to regular changes in the environment (Makadok 2001). Examples of these business capabilities include the know-how, process of learning, the secrets of business and reputation. All these capabilities create a competitive advantage to the respective firms because it is extremely hard to be acquired by others easily (Chen and Lee 2009).

2.0 STUDY AREA

The study was conducted in Busia County. Busia county was chosen specifically because the area has a large number of small-scale enterprises such as fish mongering. It also has high agricultural potential and is a border county, which has cross-border trade. The area also has good transport interlink varying from road transport and water and blessed with a high population which is cosmopolitan. It is one of the forty-Seven counties in Kenya. The County is situated in the extreme western region of Kenya and borders Bungoma to the North, Kakamega to the East and Siaya to the South East, Lake Victoria to the South West and the Republic of Uganda to the West. It lies between latitude 0º and 0º 45 North and longitude 34º 25 East. The County can be accessed through Kisumu International Airport which is 112 Km away. Busia County is situated in western Kenya and serves as the gateway to Kenya's regional neighbours Uganda, Rwanda, Burundi, DRC Congo, and Southern Sudan, with two border crossing points at Busia and Malaba Towns.

2.1 Sample size

The study utilized a sample of 386 respondents determined by Yamane (1967) formula from a population of 11296 SMEs owners, at 95% confidence interval level the formula was generally stated as follows;

n= N/(1+N(e^2))……..……..…… (2.1)

Where n is the sample size, e is the sampling error at 95% confidence interval level at is equal to 0.05. It is shown that the target population for this study was 11296 SMEs

3.0 DATA ANALYSIS AND INTERPRETATIONS

3.1 Factor analysis (FA)

Constructs in the study were conceptualised as unobserved and latent, each being measured by several observed (manifest or indicator) variables. It was important to conduct a factor analysis (FA) to reduce the large set of measured variables into a few composite variables that could retain as much information from the original variables as possible and also confirm whether they represent the underlying constructs. In the study, four steps were followed in conducting FA: assessing the factorability of data; deriving factors and assessing overall fit; interpreting factors and factor labelling; and computing factor scores that were used in subsequent statistical analysis (Heir et al., 2006). The factorability of the data (determining whether the data is suitable for factor analysis) was determined using several criteria. To ensure no multicollinearity among the factors, the determinant was inspected to ensure that it is not zero. The Kaiser-Meyer-Olkin (KMO) measure of sampling adequacy was estimated to see whether it was above 0.5 while Bartlett's Test of Sphericity was checked to see whether it is significant (at $p < 0.05$), which indicates the correlation matrix of the original variables is not an identity matrix, thus suggesting that a factor model is appropriate.

The diagonals of the anti-image correlation matrix were inspected to see whether they are all above 0.5, which shows some underlying (latent) structure among the observed variables. Finally, correlations among variables were checked to see whether they correlate at least 0.3 with at least one other item (which will indicate some latent construct) and that none of the correlations is above 0.9 (which will show no singularity in the data). The KMO equation that was estimated as;

〖MO〗 _j=(∑_(i≠j)▒r_ij^2)/(∑_(i≠)▒r_ij^2 +∑_(i≠)▒j^u)
……..……. (3.4)

Where; R = r_ij is the correlation matrix and U_ij is the partial covariance matrix.

KMO values between 0.8 and 1 indicate that the sample is adequate. If the KMO value is less than 0.6, it is an indication that sampling is not adequate and needs remedial action to be undertaken.

PCA was then used to extract the components or factors from the data. The method allows for the extraction of as many components so long as each has an eigenvalue (the amount of variance each component explained) greater than one. Both an oblique method, Promax (which forces components to be correlated) and an orthogonal procedure, Varimax (one that

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forces the components to be uncorrelated) rotations were used and the one that give the best component structure was adopted. The resultant component structures of the factors were left as they are when they make a lot of theoretical sense and explain a lot of the variance in the observed variables (a threshold of 50%) or simplified by dropping variables that appeared unspecified due to either having a standardized loading larger than 1 or in having high cross-loading (Mann, 1995).

The recommended loading for an item according to Hair et al., (2014) is a factor loading of 0.50. Factor dimensionality is relevant when the factor loading is higher. A negative value indicates an inverse impact on the factor. The loadings for factor 1 were positive for each of the variables in question. In simple terms, low loading means the construct is unique to other constructs in explaining the main variable (for example growth of SME's, organizational culture and leadership style). The study extracted factors for each variable. For example, the growth of SME's had five factors, organizational Culture and Leadership style each had four factors. Table 4.9 below summarises the outcome of factor loadings:

Table 4. 9: Factor Loadings

Variables	
Growth of SME's	Loadings
I have experienced increase in profit	.882
There is increase in the capital growth	.920
I have increased the number of employees	.859
The volume of trade sales and production has been increasing	.901
The number of customers and sales regions has been increasing	8.78
CIDP organizational Culture	
The CIDP organizational culture is dynamic and flexible to SMEs needs	.815
The CIDP is client-focused on SMEs growth	.897
The CIDP's goals and mission affect SMEs growth	.870
The CIDP organizational culture is responsive to the SMEs needs	.838
CIDP Leadership Style	
I belief that the delegated CIDP leadership affect the SMEs growth.	.846
The CIDP management influences SMEs growth	.876
The CIDP is delicate and affects the SMEs growth positively	.739

The implementation of strategies affects the SMEs growth in the county	.844
CIDP Information Communication Technology	
ICT is clear and easy to understand	.853
ICT is affordable	.882
ICT is effective to use	.884
ICT is regularly reviewed/ updated	.850
CIDP Resource Allocation	
The county has enough personnel and are always available when you visit their offices	.797
There is enough and accessible resource to the SMEs in the county	.897
The county has provided SMEs with adequate loans during budgetary allocation	.825
The CIDP provides conducive environment to start, operate and enhance growth of SMEs	.871

Extraction Method: Principal Component Analysis.

a. 1 components extracted.

Source: Field Research 202

3.2 Model Estimation

Regression analysis was carried out to assess the effect of Busia County CIDP on the growth of SMEs. The equation that was estimated took the following form:

$Y=\beta_0+\beta_1 X_1+\beta_2 X_2+\beta_3 X_3+\beta_4+\varepsilon$……………………………………..……. (3.5)

Where; Y is the dependent variable (SMEs growth), X_1- is the organizational culture, X_2- is the leadership style, X_3-ICT communication, X_4- resource allocation, β_i-coefficient of the regression and ε represents the error term.

3.3 Regression Analysis

Multiple regression analysis was then carried out after conducting a diagnostics test that revealed that data was normally distributed. When data are normally distributed, the appropriate for making a statistical inference is a multiple regression model. The model summary is indicated in table 4.12 below:

Table 4. 12: Model Summary

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Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.857[a]	.734	.728	.993	1.683

a. Predictors: (Constant), CIDP_Resource_Allocation, CIDP_Information_Tec, CIDP_Org_Culture, CIDP_Leadership_Style

Table 4. 13: Analysis of Variance

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	85.727	4	21.432	21.723	.000[b]
	Residual	363.066	368	.987		
	Total	448.792	372			

a. Dependent Variable: CIDP_SME_Growth

b. Predictors: (Constant), CIDP_ Resource_ Allocation, CIDP_Information_Tec, CIDP_Org_Culture, CIDP_Leadership_Style

Table 4.12 above indicates the model summary results. R, the multiple correlation coefficient, is the linear correlation between the observed and model-predicted values of the dependent variable. It indicates a moderate relationship (0.437) between the predictor variables combined and the dependent variable. CIDP Resource allocation, CIDP Information Tec, CIDP Org Culture, CIDP Leadership Style predict up to 43.7% of SME Growth in Busia county.

The R Square (0.191) is the coefficient of determination and is the squared value of multiple correlation coefficients. It shows that 19.1% of SME Growth is explained by the model. The other 80.9% is attributed to other variables, not under the current study. The adjusted R Square of (0.182) ; 18.2% shows that the model can be corrected or adjusted by inclusion of other factors that contribute to SME Growth and they can only reduce predicting power of the model to 18.2%.

Further analysis was conducted to establish the reliability of the model to be used for prediction

The ANOVA table 1.13 below indicates an F value of 21.723 which is associated with a p value of 0.000 which is strongly significant. This implies that the model is reliable and could be dependent upon as a good predictor of SME growth considering the variables used in the current study.

3.4 Discussion of Regression results

The study was guided by four objectives namely; CIDP Org Culture, CIDP Leadership Style, CIDP Information Tec and, CIDP Resource allocation on SME Growth. The results are discussed per objective expressed in the form of prior maintained hypothesis and as summarized in table 4.14 below:

Table 4. 14: Regression coefficients

Model		Unstandardized Coefficients		Standardized Coefficients			Collinearity Statistics	
		B	Std. Error	Beta	t	Sig.	Tolerance	VIF
1	(Constant)	1.654	.237		6.992	.000		
	CIDP_Org_Culture	.107	.049	.117	2.168	.031	.754	1.327
	CIDP_Leadership_Style	.142	.065	.126	2.189	.029	.665	1.503
	CIDP Information_Tec	-.024	.046	-.026	-.516	.606	.890	1.123
	CIDP_Resource_Allocation	.324	.056	.310	5.823	.000	.775	1.291

a. Dependent Variable: CIDP_SME_Growth

3.4.1 Test of Research Hypotheses

The first research hypothesis was then tested and the results indicated that organizational culture has a significant positive influence on the growth of SMEs with a β value of 1.07 standard error of 0.49 t value of 2.168 and p-value 0.031 < 0.05. This implied that organisational culture is seen to improve growth due to the harmonious relationships and synergy of positive and progressive culture in organizations that enhance cordial working relationships. A unit improvement in organization culture enhances the growth of SME by 10.7% hence creating more resilient organizations.

The t-statistic was positive and significant hence, the null hypothesis was rejected. These findings agree with the views of Sackmann (2003) who defined organizational culture as basic beliefs held and learned by a group that govern the group members" perceptions, thoughts, feelings and actions, and that are typical for the group. It can be defined as a system of values, assumptions, norms, attitudes manifested through symbols that members of an organization have developed and adopted and which would help them to determine the meaning of the world surrounding them and how to behave in it (Janićijević, 2011). It also indicates that the Majority of the entrepreneurs in the county have shared values, underlying assumptions and behavioural expectations that govern decision-making (Cameron & Quinn, 2011). And that they use, culture to create social order, continuity, and collective identity that generates commitment to rules about how they do things, and how they carry out their businesses (Pearce and Robinson 2006). This finding is also consistent with the studies of Nazir and Zamir (2015) and Oparanma (2010) who posits that organizational lifestyle has a strong direct effect on organizational performance and that organizational subculture is an important variable to be taken into consideration with organizational performance in consideration and in this context the implementation of the CIDP of Busia county.

The second hypothesis of the study was stated as: Leadership style does not influence the growth of Small and Medium Enterprises in Busia County, Kenya. Results from table 4.14

above reveal that leadership style positively and significantly influenced the growth of SMEs with a $\beta = 0.142$, standard error of 0.065; t-value of 2.189 and p-value $0.029 < 0.05$. CIDP leadership style, therefore, promotes the growth of SME and leaders need to adapt well to suit the kind of organizations and people they lead. A unit improvement in leadership style accelerates SME growth by 14.2%. The t – value is positively significant and therefore the null hypothesis was rejected. Good leadership is key to the success of and concern as it motivates the followers and gives direction to navigate the turbulent business environment.

This, therefore, implied that the null hypothesis was rejected and alternative hypothesis accepted meaning leadership style significantly determines the growth of SMEs in Busia County, Kenya. This finding concurs with the studies of Hill and Jones (2010): Galbraith and Kazanjian (2006) posit that in order to successfully execute the developed plan, senior leadership is key. In addition, this finding supports the study of (Rejas et al., 2011) who observed that transformative leadership has a tremendous effect on SME performance. This implies that Busia County utilizes elements of transformative leadership in the implementation of CIDP with respect to small and medium enterprises.

The third research hypothesis was stated as Information Communication Technology do not affect the growth of Small and Medium Enterprise in Busia County, Kenya. Unlike the first and second objectives that showed positive and significant influence on the SMEs growth, the third research objective was negatively and insignificantly related to the Growth of SMEs (β= -0.024; t = - 0.516; p = 0.606). CIDP Information Technology, therefore, curtails SME growth. Hence the null hypothesis was accepted. This finding may be attributable to lack of training, acquisition costs, installation, commissioning, acceptability to users among others. In addition, there may be a lack of an elaborate enabling framework for the adoption of the ICT in the County. This, therefore, calls for the County Government to look for ways to improve on this as technology is a major driver of business growth the world over. This will accordingly reverse the negative effect as seen from this finding. These findings depart from the studies of Kibe (2014) and Neves and Eisenberger, 2012) who observed that open communication brings in effective organizational performance and it must be endorsed.

The fourth hypothesis was stated as: Resource allocation does not have a significant effect on the growth of Small and Medium Enterprises in Busia County, Kenya. The regression weight for CIDP Resource Allocation on SME Growth was positively significant at 0.324 with a p-value of < 0.05. This gives a trajectory that a unit increase in resource allocation improves the growth of SME in Busia County by 32.4%. County Governments should therefore channel more resources to foster the growth of SMEs. The t- statistic of 5.823 which is > 1.96 (critical t-value at 95% confidence level) with a p-value of 0.000 strongly rejects the null hypothesis in favour of the alternate.

This finding concurs with Hotice (2010) who showed that human capital is measured in terms of employees' productivity precious and extraordinary product. Further, the company's technical skills, studies and development assets and technical position emerge decisively in bringing inventiveness and well-thought merchandise in the market, subsequently the enterprise greater overall performance (Hakala, 2011). In addition, this finding affirms the use of the resource-based view theory.

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Besides, it concurs with the findings of Clark (2000) that the heterogeneity of the firm is based on the resources with varying degrees of specialization and the limited transferability of corporate resources. The resource-based view also conceptualizes firms as unique collections of resources and routines from which competitive advantages can be drawn when they are valuable, rare, inimitable, and non-substitutable (Barney, 1991). The logic of the resource-based view has been taken further in the competence approach to formulating strategies. This view, developed by Prahalad and Hamel (1990), argues that unlike the physical assets of a firm, which diminish over time, the core competencies of a firm are enhanced as they are applied and used, and are the source of sustainable competitive advantage.

3.5 Predictive Regression Model

Regression analysis was carried out to assess the effect of Busia County CIDP on the growth of SMEs. The equation to be estimated will take the following form. The estimated regression equation is $Y=\beta_0+\beta_1 X_1+\beta_2 X_2+\beta_3 X_3+\beta_4 X_4+\varepsilon$. The empirical model is expressed as;

$$Y=1.654+0.107X_1+0.142X_2-0.024X_3+0.324X_4$$

Where; Y is the dependent variable (SMEs growth), X_1- is the organizational culture, X_2- is the leadership style, X_3-ICT communication, X_4- resource allocation, β_i-coefficient of the regression and ε represents the error term.

4.0 CONCLUSIONS

Since the study aimed to analyze the effect of the Implementation of CIDP on the growth of SMEs in Busia County, the specific objectives were hypothesized as follows.

The first research hypothesis was stated as H_{01}: Organizational culture has no effect on the growth of Small and Medium Enterprises in Busia County, Kenya. The Null hypothesis was rejected and alternate accepted. In conclusion, Organization culture is seen to improve the growth of SMEs due to the harmonious relationships and synergy of positive and progressive culture in organizations. Culture enhances cordial working relationships between the implementation team and SME owners.

The second research hypothesis was stated as H_{02}: Leadership style does not influence the growth of Small and Medium Enterprises in Busia County, Kenya. The finding concludes that the CIDP Leadership style promotes the growth of SMEs and leaders need to adapt well to suit the kind of organizations and people they lead. Good leadership is key to the success of and concern as it motivates the followers and gives direction to navigate the turbulent business environment. The null hypothesis was rejected and alternate accepted.

The third research hypothesis was stated as H_{03}: Information communication technology does not affect the growth of Small and Medium enterprises in Busia County, Kenya. The finding concludes that ICT is negatively and insignificantly related to the Growth of SMEs as such, the null hypothesis was accepted.

The fourth research hypothesis was stated as H_04: Resource allocation does not have an effect on the growth of Small and Medium Enterprises in Busia County, Kenya.it was concluded that CIDP Resource Allocation positively and significantly influence the growth of SMEs in Busia County.

The study established that CIDP Resource allocation, CIDP Information Tec, CIDP Org Culture, CIDP Leadership Style predict up to 43.7% of SME Growth in Busia county. The R Square (0.191) being the coefficient of determination and the squared value of multiple correlation coefficients implies that 19.1% of SME Growth is explained by the model. The other 80.9% is attributed to other variables, not under the current study. The adjusted R Square of (0.182);18.2% shows that the model can be corrected or adjusted by the inclusion of other factors that contribute to SME Growth and they can only reduce predicting power of the model to 18.2%.

4.1 Recommendations

4.1.1 Recommendation to the practice

The study established that ICT is negatively and insignificantly related to the Growth of SMEs. To reverse this trend, the following is recommended for the practice of strategic management.

The County Governments could consider establishing Information Technology Hubs in each of their respective sub-county units. This will provide a common platform for information sharing by SMEs cutting on their costs of owning ICT infrastructure.

County Governments develop business-specific incentives to accelerate the utilization of ICT. This may include seed money for acquisition, installation and training for small and Medium Enterprises owners.

4.1.2 Recommendation for future studies

Future studies could examine the impact of Information Communication Technology Hubs on the performance of SMEs in selected Counties in Kenya.

Different County Governments have different resources in terms of economic activities and business opportunities. Therefore, a similar study could be done to evaluate the effect of culture and information communication technology on the growth and performance of SMEs by application of panel data techniques.

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