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ENTREPRENEURIAL NETWORKS AND GROWTH OF MICRO AND SMALL AGRIBUSINESS ENTERPRISES IN NAIROBI COUNTY KENYA

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ABSTRACT

The agricultural sector is a significant contributor to Kenya's economy. Despite their importance, agribusiness MSEs faces considerable challenges. A World Bank survey in 2019 indicated that only 23% of agribusiness MSEs in Kenya has access to formal financial services, highlighting a significant barrier to growth. Furthermore, 45% of these enterprises struggle with accessing markets, both locally and internationally. The general objective of the study was to establish the influence of entrepreneurial Networks on Growth of Micro and Small Agribusiness Enterprises in Nairobi County Kenya. Specifically, the study seeks to find out the effect of strategic alliance on Growth of Micro and Small Agribusiness Enterprises in Nairobi County Kenya and to explore the influence of institutional networks on Growth of Micro and Small Agribusiness Enterprises in Nairobi County Kenya. This study was guided by: Game Theory and Institutional Theory. This study used a descriptive research design. The population of this study included all SMEs located in Nairobi City country. This number is large and hence can be considered infinite population.). Since the population was infinite, purposive sampling of 100 SMEs was used. In this study the unit of analysis was Small and Medium Size Organizations in Nairobi City County while the unit of observation was 100 SME owners/managers. Since the population was infinite, purposive sampling of 100 SMEs was used. Primary data was collected through use of questionnaires. Statistical Packages for Social Sciences (SPSS) version 26.0 was used for analysis and presentation. The data was analyzed using descriptive and inferential statistics. Descriptive statistics included the mean, standard deviation, coefficient of variation and percentages. Pearson Correlation analysis was used to determine the relationship between individual variables in the objectives Multiple Regression analysis was used in testing the research questions by establishing the influence of each independent variable on the dependent variable. The significance of the model was interpreted using a significance level of 0.05. The results were presented on frequency tables, charts, and graphs. The study concludes that strategic alliance has a significant effect on Growth of Micro and Small Agribusiness Enterprises in Nairobi County Kenya. The study also concludes that institutional networks have a significant effect on Growth of Micro and Small Agribusiness Enterprises in Nairobi County Kenya. The study recommends that the management of SMES should leverage social networks for knowledge sharing and collaboration. Establishing community-based groups or cooperatives can facilitate the exchange of best practices, resources, and market opportunities among agribusiness owners. These networks can provide valuable support systems, enabling entrepreneurs to learn from one another, share experiences, and access joint marketing efforts that increase visibility and customer reach

Key Words: Entrepreneurial Networks, strategic alliance, institutional networks, Growth of Micro and Small Agribusiness Enterprises in Nairobi County Kenya

Background of the study

Agribusiness plays a critical role in global economic development, particularly in developing countries. It encompasses all activities involved in the production, processing, and distribution of agricultural products. Across the world, micro and small agribusiness enterprises (MSEs) are recognized for their potential to spur economic growth, enhance food security, and create employment opportunities. However, these enterprises often face numerous challenges that hinder their growth and sustainability, including limited access to finance, technology, and markets. In recent years, the importance of entrepreneurial networks in mitigating these challenges and fostering the growth of agribusiness MSEs has gained increasing recognition globally.

Entrepreneurial networks refer to the web of relationships and connections that entrepreneurs build and maintain with various stakeholders, including other entrepreneurs, customers, suppliers, financial institutions, government agencies, and support organizations (Gunto, & Alias, 2020). These networks are vital for the success and growth of businesses, particularly micro and small enterprises (MSEs), as they provide access to resources, information, and opportunities that would otherwise be difficult to obtain. Entrepreneurial networks can be broadly categorized into informal and formal networks. Informal networks include family and friends who often provide emotional, financial, and logistical assistance, as well as local community connections that offer moral support and initial customer bases (Dobos, 2022). Formal networks consist of business associations, such as trade associations or chambers of commerce, which provide networking opportunities, advocacy, and access to industry-specific information. Professional networks involve connections with professionals like lawyers, accountants, and consultants who offer expert advice and services (Dauda, Namusonge, & Nyang'au, 2023).

In Jordan, Moghli and Muala (2022) found that entrepreneurial network relationships provide better access to outside resources and support. Businesses obtain resources and support through their networks. Businesses receive support and resources from various relationships and contacts, which provides support for the idea that entrepreneurs' social relationships are important, and they do not operate in isolation but within a social context. The capacity to innovate and plan for growth can lead to substantial and profitable business development. Building relationships are fundamental factors in determining the success of the business. Businesses face a number of difficulties such as lack of capital, market opportunities, and resources. As a result, these businesses have tendency to link with other businesses locally, sometimes, inter-regionally or globally.

In Nigeria, Dauda, Namusonge and Nyang'au (2023) found that SMEs in plastic manufacturing that had the ability to get referrals through business networking where owners engage in strategic question asking in their business networking and belong to business network had high potential of growing their enterprises. Therefore, entrepreneurs must have networking skills which include strategic question asking, ability to get referrals, value adding skills among other that will enable to secure that customer or investor that that will enhance the growth of the business. Networking skills are necessary in the growth of SMEs regardless of the sector or the level of development (Hoang & Antoncic, 2021).

Wanambisi, Namusonge and Samoei (2023) found that entrepreneurial networking relations had positive significant influence on growth of SMEs in Kenya. Accordingly, entrepreneurial networking relations determine how networking members interact, share resources and relate in future transactions. The study further concludes that weak entrepreneurial networking relations between an entrepreneur with a team of SME entrepreneurs or other businesses generated more entrepreneurial opportunities for growth of SMEs. The close entrepreneurial networking relations between an entrepreneur with close family members and close friends restricted an entrepreneur to forge new relation to access evolving or more resources to enhance growth of SMEs. The study

further concluded that close family members and close friends are vital in provision of resources and advice to nascent entrepreneurs that lack security to acquire resources from weak networking

Khalayi, Namusonge and Naikuru (2024) found that any successful business must have an opportunity to learn and grow among peers or well-endowed businesses their respective field of operations. Hence the importance of network ecosystem cannot be emphasized enough as it is reflected from the findings. The need to learn and exchange business ideas open doors for businesses to access new opportunities and expand to their market shares to great lengths. This explains why network ecosystem had a strong Pearson correlation value.

Statement of the Problem

The agricultural sector is a significant contributor to Kenya's economy. According to the Kenya National Bureau of Statistics (KNBS), it contributes approximately 33% to the country's GDP and employs over 70% of the rural population. However, urban areas like Nairobi also host a significant number of agribusiness activities, reflecting the sector's importance in both rural and urban economies (KNBS, 2019).

Despite their importance, agribusiness MSEs faces considerable challenges. A World Bank survey in 2019 indicated that only 23% of agribusiness MSEs in Kenya has access to formal financial services, highlighting a significant barrier to growth. Furthermore, 45% of these enterprises struggle with accessing markets, both locally and internationally. Technological gaps also pose a major challenge; the Kenya Agricultural and Livestock Research Organization (KALRO) reported in 2020 that 60% of agribusiness MSEs lack access to modern agricultural technologies, which hampers productivity and competitiveness (MSEA, 2022).

Entrepreneurial networks have shown potential in mitigating these challenges. Research by the International Food Policy Research Institute (IFPRI) in 2021 found that agribusiness MSEs involved in entrepreneurial networks were 35% more likely to adopt innovative practices compared to those operating in isolation. Additionally, a study by the African Development Bank (AfDB) in 2020 showed that enterprises engaged in networks had a 40% higher likelihood of securing new market opportunities and contracts (Wanambisi, Namusonge & Samoei, 2023).

Despite these promising figures, there remains a need for targeted research to quantify and understand the specific impacts of entrepreneurial networks on the growth of agribusiness MSEs in Nairobi County. This study aims to fill this gap by providing empirical evidence on how these networks can be effectively harnessed to support the growth and sustainability of agribusiness MSEs in this region (Khalayi, Namusonge & Naikuru, 2024). This study therefore sought to establish the influence of entrepreneurial Networks on Growth of Micro and Small Agribusiness Enterprises in Nairobi County Kenya.

Objectives of the Study

General Objective of the study

The general objective of the study was to establish the influence of entrepreneurial Networks on Growth of Micro and Small Agribusiness Enterprises in Nairobi County Kenya

Specific Objectives of the Study

This study was guided by the following specific objectives

i. To find out the effect of strategic alliance on Growth of Micro and Small Agribusiness Enterprises in Nairobi County Kenya.
ii. To explore the influence of institutional networks on Growth of Micro and Small Agribusiness Enterprises in Nairobi County Kenya.

Theoretical Framework

Game Theory

Game Theory developed by John von Neumann (1928) is a mathematical framework used to analyze strategic interactions among rational decision-makers. It provides tools to model situations where individuals or groups make decisions that affect one another, emphasizing how their choices can lead to various outcomes based on the actions of all involved parties. Originally developed in the context of economics, Game Theory has since expanded into numerous fields, including political science, biology, psychology, and sociology, making it a versatile tool for understanding competitive and cooperative behavior (Arundhati, Patel & Chandaria, 2022). At its core, Game Theory is concerned with the concept of "games," which are defined by players, strategies, payoffs, and outcomes. Players can be individuals, groups, or organizations, and their strategies represent the choices available to them in a given situation. The payoffs are the outcomes associated with the combination of strategies chosen by the players, reflecting their preferences and motivations. Game Theory categorizes games into various types, such as cooperative versus non-cooperative games, zero-sum games, and sequential versus simultaneous games, each with distinct implications for how players interact and strategize (Agaba, Turyasingura & Kabagambe, 2023).

One of the most famous concepts within Game Theory is the Nash Equilibrium, named after mathematician John Nash. This occurs when no player can benefit by unilaterally changing their strategy, assuming other players' strategies remain constant. In other words, each player's strategy is optimal given the strategies of the others. The Nash Equilibrium helps explain stability in strategic situations, providing insight into how competitive environments can reach a point where players have settled on a set of strategies that they are unlikely to deviate from (Musili & Deya, 2023). Another significant aspect of Game Theory is its application to dilemmas such as the Prisoner's Dilemma. This scenario illustrates how two individuals may not cooperate even if it appears that it is in their best interest to do so. Each player has the choice to either cooperate or betray the other, and the optimal collective outcome occurs when both cooperate. However, the fear of being betrayed often leads to a scenario where both choose to betray, resulting in a worse outcome for both. This example highlights the tension between individual rationality and collective benefit, a central theme in many strategic interactions (Muthoka & Oduor, 2020). This theory was relevant in finding out the effect of strategic alliance on Growth of Micro and Small Agribusiness Enterprises in Nairobi County Kenya.

Institutional Theory

Institutional Theory developed by John Meyer and Brian Rowan in the 1970s, within the context of organizational studies and sociology, examines how institutions—both formal (such as laws, regulations, and norms) and informal (such as customs, traditions, and cultural values)—shape organizational behavior, practices, and structures. At its core, Institutional Theory suggests that organizations are not only influenced by economic factors or market forces but are also deeply embedded within broader social and institutional contexts. These institutional contexts provide guidelines, norms, and expectations that influence how organizations operate, make decisions, and respond to external pressures (Rugengamanzi & Irechukwu, 2023).

One key concept within Institutional Theory is institutional isomorphism, which describes the tendency of organizations within a field or industry to become more similar over time. This occurs through three main mechanisms: coercive isomorphism (pressure from external entities such as governments, regulatory bodies, or powerful stakeholders), mimetic isomorphism (imitation of successful practices or behaviors observed in other organizations), and normative isomorphism (adoption of norms and values considered legitimate within the institutional environment). These

forces can lead to convergence in organizational structures, practices, and strategies, even among organizations that are otherwise competing in the same industry (Ekeh, Tsetim & Oguche, 2020). Furthermore, Institutional Theory emphasizes the role of legitimacy in organizational survival and success. Legitimacy refers to the perception that an organization's actions, structures, and practices are appropriate, acceptable, and in line with societal expectations and norms. Organizations strive to gain and maintain legitimacy because it enhances their credibility, reduces uncertainty among stakeholders, and facilitates access to resources and support. Legitimacy can be achieved by conforming to institutional expectations, aligning with prevailing norms, and demonstrating social responsibility (Otiende, *et al*, 2024). This theory was relevant in exploring the influence of institutional networks on Growth of Micro and Small Agribusiness Enterprises in Nairobi County Kenya.

Conceptual Framework

A conceptual framework is a logically developed, described and elaborated network of interrelationships among variables integral in the dynamics of a situation being investigated (Mugenda & Mugenda, 2019). It explains the theory underlying these relationships and describes the nature and direction of these relationships. A variable is a measurable characteristic that assumes different values among the subject.

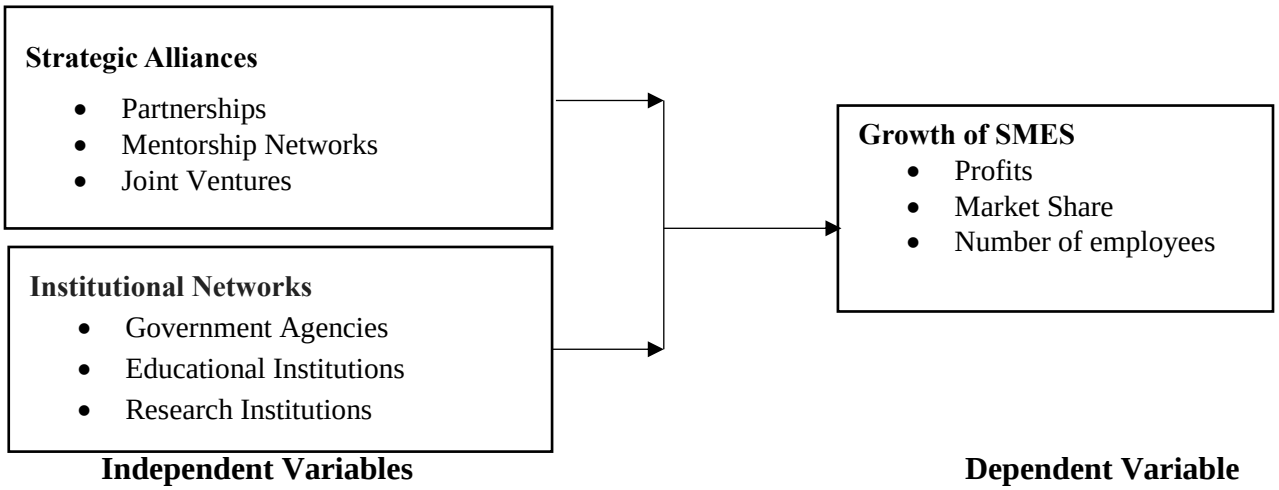

Figure 2. 1: Conceptual Framework

Strategic Alliances

Strategic alliances are formal agreements between two or more organizations to collaborate and achieve shared objectives while remaining independent entities. These partnerships can take various forms, including joint ventures, partnerships, or collaborative projects, and often involve pooling resources, knowledge, and expertise to leverage strengths and enhance competitive advantage (Njoroge & Mbugua, 2021). Partnerships are collaborative arrangements between two or more parties that work together towards common goals while sharing resources, risks, and rewards. These can take various forms, including general partnerships, limited partnerships, and strategic partnerships, depending on the degree of involvement and liability each partner assumes. Partnerships are particularly common in business, where entities combine their strengths to enhance competitiveness, such as sharing expertise, technology, or market access. The success of a partnership relies heavily on clear communication, mutual trust, and well-defined roles and responsibilities. By leveraging complementary skills and resources, partnerships can drive

innovation, expand market reach, and create value that individual entities might struggle to achieve alone (Arundhati, Patel & Chandaria, 2022).

Mentorship networks are structured groups that connect experienced professionals (mentors) with less experienced individuals (mentees) to facilitate personal and professional development. These networks often provide guidance, support, and knowledge transfer, helping mentees navigate career challenges, build skills, and expand their professional networks. Mentorship can take various forms, including one-on-one relationships, group mentoring, or peer mentoring, and can occur within formal organizations or informal settings. The benefits of mentorship networks extend beyond individual growth; they can also foster a culture of learning and collaboration within organizations, enhancing employee retention and engagement. Additionally, by bridging generational and experiential gaps, mentorship networks contribute to a more inclusive workplace environment where diverse perspectives are valued (Agaba, Turyasingura & Kabagambe, 2023).

Joint ventures are specific types of strategic alliances where two or more organizations come together to create a new entity or project, sharing both the risks and rewards associated with it. This arrangement allows the partners to combine their resources, expertise, and capabilities to pursue opportunities that may be too large or complex for any single entity to tackle independently. Joint ventures are often used to enter new markets, develop new technologies, or undertake significant projects that require substantial investment. While joint ventures can lead to significant synergies and innovation, they also present challenges, such as aligning goals, managing cultural differences, and navigating operational complexities. Clear agreements outlining the roles, responsibilities, and governance structures of the partners are crucial for the success of a joint venture, ensuring that all parties are aligned and working toward a common purpose (Musili & Deya, 2023).

Institutional Networks

Institutional networks are formal or informal connections between organizations, institutions, or entities that collaborate to achieve shared objectives and enhance their collective impact. These networks often involve various stakeholders, including government agencies, non-profit organizations, academic institutions, and private sector companies (Amoni, Singoro & Manini, 2020). Government agencies play a crucial role in shaping and implementing public policy, regulating various sectors, and providing essential services to citizens. These agencies operate at local, regional, and national levels, addressing a wide range of issues, including public health, education, transportation, and economic development. By creating frameworks for governance and accountability, government agencies facilitate the effective allocation of resources and ensure compliance with laws and regulations. They often collaborate with other entities, such as non-profits and private sector organizations, to enhance service delivery and address complex societal challenges. Additionally, government agencies are instrumental in collecting and analyzing data, which informs policy decisions and supports the overall functioning of the economy and society (Kyongo, *et al*, 2021).

Educational institutions, including schools, colleges, and universities, are foundational components of society, responsible for fostering knowledge, skills, and personal development. They serve as critical hubs for learning and research, shaping the future workforce and promoting innovation. By providing diverse educational programs, these institutions cater to a wide range of interests and career paths, helping individuals acquire the competencies needed in a rapidly changing job market. Furthermore, educational institutions often engage in partnerships with businesses and community organizations to enhance experiential learning opportunities, such as internships and research projects. This collaboration not only enriches the educational experience but also ensures that curricula remain relevant to the needs of the economy and society (Rugengamanzi & Irechukwu, 2023).

Research institutions are dedicated organizations that focus on generating new knowledge, advancing technology, and addressing pressing societal issues through rigorous investigation and analysis. These institutions can be affiliated with universities, government entities, or private organizations and often specialize in various fields, including science, technology, health, and social sciences. By conducting fundamental and applied research, they contribute to innovations that can enhance quality of life, inform public policy, and drive economic growth. Collaboration with industry, government, and academic partners is essential for research institutions, as it allows for the translation of research findings into practical applications and solutions. Additionally, their role in fostering a culture of inquiry and critical thinking is vital for the development of informed citizens and responsible leaders (Ekeh, Tsetim & Oguche, 2020).

Empirical Review

Strategic Alliances and Growth of SMES

Arundhati, Patel and Chandaria (2022) investigated on the impact of strategic alliances on competitive advantage among financial institutions in India. The paper used a desk study review methodology where relevant empirical literature was reviewed to identify main theme. The study found that strategic alliances had positive and significant influence on competitive advantage of firms in India. The study concluded that strategic alliances improve competitive advantage of firms.

Agaba, Turyasingura and Kabagambe (2023) researched on the effect of strategic alliances on organizational performance of Saccos in Southwestern Uganda. The study employed a case study research design. A sample of 140 respondents was selected using simple random sampling and purposive sampling techniques. The study found that strategic alliances are positively and significantly correlated with organizational performance. The study concluded that strategic alliances have a positive significant relationship with organizational performance.

Musili and Deya (2023) conducted a study on the influence of strategic alliances on performance of firms in the tourism sector in Nairobi County, Kenya. The study adopted a descriptive research design. The study targeted tourism partners comprising of 44 tourist rated hotels, 210 travel agents and 660 tour operators operating in Nairobi County and licensed by Tourism Regulatory Authority. One manager from each of the firm formed the unit of observation. Yamane sampling formula was employed to develop a sample of 273 respondents. The study found that technology alliances, marketing alliances, financial alliances and distribution alliances have a positive and significant influence on performance of firms in tourism sector operating in Nairobi County, Kenya. The study concluded that technology alliances, marketing alliances, financial alliances and distribution alliances positively and significantly influences performance of firms in the tourism sector and operating in Nairobi County, Kenya.

Institutional Networks and Growth of SMES

Ekeh, Tsetim and Oguche (2020) examined on the effect of institutional networks on performance of small and medium scale enterprises in Benue State, Nigeria. The study adopted the survey research design. The target population for this study consists of 708 owners/senior management staff of SMEs in Makurdi metropolis in Benue State, Nigeria. 256 respondents were sampled. The study found that institutional networks have significant effect on the performance of SMEs in Benue State. The study concluded that there is a significant effect of institutional networks on performance of Small and Medium Scale Enterprises in Benue State, Nigeria.

Otiende, *et al* (2024) researched on the influence of institutional networks on the performance of public universities in Kenya. The study used a mixed research design consisting of quantitative and qualitative approach. The target population was 489 heads of departments in 31 public universities in Kenya. The study found that institutional networks had a positive statistical

significance for the performance of public universities in Kenya. The study concluded that institutional networks lead to positive improvements in the performance of public universities in Kenya.

Amoni, Singoro and Manini (2020) investigated on institutional networks and organizational performance of the banking sector in Kenya. A descriptive survey design was used in this study. The target population comprised 36,212 employees in 43 commercial banks in Kenya from which a sample of 396 respondents was drawn. The study found that institutional networks had positive, linear and significant relationship with the organizational performance. The study concluded that there was a statistically significant positive relationship between institutional networks and organizational performance.

RESEARCH METHODOLOGY

Research Design

This study used a descriptive research design. This is a scientific method of investigation in which data is collected, processed, analyzed and presented in order to describe the current conditions, terms or relationships concerning a certain field (Mugenda, 2018). The choice of this research design was influenced by the fact that it caters for qualitative and quantitative data (Cooper & Schindler, 2019).

Target Population

The population of this study included all SMEs located in Nairobi City country. This number is large and hence can be considered infinite population.). Since the population was infinite, purposive sampling of 100 SMEs was used. In this study the unit of analysis was Small and Medium Size Organizations in Nairobi City County while the unit of observation was 100 SME owners/managers

Sample Size and Sampling Techniques

Since the population was infinite, purposive sampling of 100 SMEs was used. Purposive sampling refers to a group of non-probability sampling techniques in which units are selected because they have characteristics that the researcher need in your sample. In other words, units are selected "on purpose" in purposive sampling.

Data Collection Instruments

This research used a questionnaire to collect primary data. According to Patton *et. al (*2019), a questionnaire is appropriate in gathering data and measuring it against a particular point of view. It provides a standardized tool for data collection. Structured questions will be used to collect primary data from the field. Questionnaires were preferred because they are effective data collection instruments that allow respondents to give much of their opinions pertaining to the research problem (Dempsey, 2019). According to Kothari (2019), the information obtained from questionnaires is free from bias and researchers' influence and thus accurate and valid data was gathered. The preference for the questionnaire is based on the premise that it gives respondents freedom to express their views or opinions more objectively.

Pilot Test Study

A pilot study, or pilot test or pre-test is defined as small-scale preliminary research that is conducted to evaluate time, cost, and feasibility to improve on the design of a particular study prior to conducting the actual one or full-scale research project (Kultar, 2019). The researcher will carry out a pilot study to ensure the data collection tool is reliable and valid. The pilot test will help correct some of the challenges encountered before undertaking the final study. According to

Lancaster, Dodd, and Williamson (2019), the sample size for high precision pilot studies should be between 1% and 10%. The pretesting sample was made of 10 respondents, representing 10% of the sample size. The results from the pilot test were not used in the main study. In addition, the respondents used in the pilot test were excluded from the final study.

Data Analysis and Presentation

Quantitative and qualitative data was generated from the closed-ended and open-ended questions, respectively. Qualitative data was analyzed on thematic basis and the findings provided in a narrative form. Before the data can be analyzed, the researcher ensured the data was checked for completeness, followed by data editing, data coding, data entry, and data cleaning. Inferential and descriptive statistics was employed for analysis of quantitative data with the assistance of Statistical Package for Social Sciences (SPSS version 25). To summarize the respondent's responses in relation to their views on the various aspects of the variables, and the respondents' demographic information analysis was undertaken using descriptive statistics (Bhattacherjee, 2019).

Descriptive statistics such as frequency distribution, mean (measure of dispersion), standard deviation, and percentages were used. Descriptive statistics therefore enable researchers to present the data in a more meaningful way, which allows simpler and easier interpretation (Singpurwalla, 2019). Inferential data analysis was conducted by use of Pearson correlation coefficient, and multiple regression analysis. Inferential statistics are used to make judgments about the probability that an observation is dependable or one that happened by chance in the study.

DATA ANALYSIS AND FINDINGS

Descriptive statistics

Strategic Alliance and Growth of SMEs

The first specific objective of the study was to find out the effect of strategic alliance on Growth of Micro and Small Agribusiness Enterprises in Nairobi County Kenya. The respondents were requested to indicate their level of agreement on various statements relating to strategic alliance and Growth of Micro and Small Agribusiness Enterprises in Nairobi County Kenya. The results were as presented in Table 4.1.

From the results, the respondents agreed that forming partnerships positively impact the growth of their agribusiness (M=3.952, SD=0.821). In addition, the respondents agreed that they actively seek out partnerships that enhance their agribusiness capabilities (M=3.905, SD=0.854). Further, the respondents agreed that collaborative partnerships lead to increased access to resources for their agribusiness (M=3.873, SD=0.761). The respondents also agreed that mentorship networks provide valuable guidance for their agribusiness development (M=3.820, SD=0.756).

From the results, the respondents agreed that they regularly engage with mentors who support their agribusiness goals (M=3.798, SD=0.886). Further, the respondents agreed that mentorship helps them navigate challenges in their agribusiness (M=3.783, SD=0.676). The respondents also agreed that joint ventures allow them to access new markets and customers for their agribusiness (M=3.773, SD=0.542). In addition, the respondents agreed that collaboration through joint ventures lead to shared risks and rewards in their agribusiness (M=3.754, SD=0.789).

Table 4. 1: Strategic Alliance and Growth of SMEs

	Mean	Std. Dev.
Forming partnerships positively impact the growth of my agribusiness.	3.952	0.821
I actively seek out partnerships that enhance my agribusiness capabilities.	3.905	0.854
Collaborative partnerships lead to increased access to resources for my agribusiness.	3.873	0.761
Mentorship networks provide valuable guidance for my agribusiness development.	3.820	0.756
I regularly engage with mentors who support my agribusiness goals.	3.798	0.886
Mentorship helps me navigate challenges in my agribusiness.	3.783	0.676
Joint ventures allow me to access new markets and customers for my agribusiness.	3.773	0.542
Collaboration through joint ventures lead to shared risks and rewards in my agribusiness.	3.754	0.789
Aggregate	**3.832**	**0.761**

Institutional Networks and Growth of SMEs

The second specific objective of the study was to explore the influence of institutional networks on Growth of Micro and Small Agribusiness Enterprises in Nairobi County Kenya. The respondents were requested to indicate their level of agreement on various statements relating to institutional networks and Growth of Micro and Small Agribusiness Enterprises in Nairobi County Kenya. The results were as presented in Table 4.2.

From the results, the respondents agreed that government agencies provide valuable support for the growth of their agribusiness (M=3.928, SD=0.886). In addition, the respondents agreed that they are aware of the resources available through government programs for agribusinesses (M=3.911, SD=0.889). Further, the respondents agreed that the policies and regulations from government agencies positively impact them agribusiness operations (M=3.831, SD=0.779). The respondents also agreed that collaboration with educational institutions improves their business skills and knowledge (M=3.816, SD=0.674).

The respondents agreed that they have access to training programs offered by educational institutions that benefit their agribusiness (M=3.801, SD=0.787). Further, the respondents agreed that partnerships with educational institutions lead to innovative practices in their agribusiness (M=3.781, SD=0.577). The respondents also agreed that they utilize research findings to make informed decisions in their agribusiness (M=3.674, SD=0.776). In addition, the respondents agreed that collaboration with research institutions enhance their agribusiness competitiveness (M=3.664, SD=0.921).

Table 4. 2: Institutional Networks and Growth of SMEs

	Mean	Std. Deviation
Government agencies provide valuable support for the growth of my agribusiness.	3.928	0.886
I am aware of the resources available through government programs for agribusinesses.	3.911	0.889
The policies and regulations from government agencies positively impact my agribusiness operations.	3.831	0.779
Collaboration with educational institutions improves my business skills and knowledge.	3.816	0.674
I have access to training programs offered by educational institutions that benefit my agribusiness.	3.801	0.787
Partnerships with educational institutions lead to innovative practices in my agribusiness	3.781	0.577
I utilize research findings to make informed decisions in my agribusiness.	3.674	0.776
Collaboration with research institutions enhance my agribusiness competitiveness.	3.664	0.921
Aggregate	**3.801**	**0.786**

Correlation Analysis

The present study used Pearson correlation analysis to determine the strength of association between independent variables (strategic alliance and institutional networks) and the dependent variable (Growth of Micro and Small Agribusiness Enterprises in Nairobi County Kenya). Pearson correlation coefficient range between zero and one, where by the strength of association increase with increase in the value of the correlation coefficients.

Table 4. 3: Correlation Coefficients

		Growth of SMEs	Strategic Alliance	Institutional Networks
Growth of SMEs	Pearson Correlation	1		
	Sig. (2-tailed)			
	N	80		
Strategic Alliance	Pearson Correlation	.811**	1	
	Sig. (2-tailed)	.003		
	N	80	80	
Institutional Networks	Pearson Correlation	.856**	.098	1
	Sig. (2-tailed)	.002	.146	
	N	80	80	80

Further, the results revealed that there is a very strong relationship between strategic alliance and Growth of Micro and Small Agribusiness Enterprises in Nairobi County Kenya (r = 0.811, p value =0.003). The relationship was significant since the p value 0.003 was less than 0.05 (significant level).The findings are in line with the findings of Agaba, Turyasingura and Kabagambe (2023) that there is a very strong relationship between strategic alliance and growth of SMEs.

The results also revealed that there was a very strong relationship between institutional networks and Growth of Micro and Small Agribusiness Enterprises in Nairobi County Kenya (r = 0.856, p value =0.002). The relationship was significant since the p value 0.002 was less than 0.05

(significant level). The findings are in line with the results of Otiende, *et al* (2024) who revealed that there is a very strong relationship between institutional networks and growth of SMEs.

Regression Analysis

Multivariate regression analysis was used to assess the relationship between independent variables (strategic alliance and institutional networks) and the dependent variable (Growth of Micro and Small Agribusiness Enterprises in Nairobi County Kenya).

Table 4. 4: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.888	.789	.788	.10228

a. Predictors: (Constant), strategic alliance and institutional networks

The model summary was used to explain the variation in the dependent variable that could be explained by the independent variables. The r-squared for the relationship between the independent variables and the dependent variable was 0.789. This implied that 78.9% of the variation in the dependent variable (Growth of Micro and Small Agribusiness Enterprises in Nairobi County Kenya) could be explained by independent variables (strategic alliance and institutional networks).

Table 4. 5: Analysis of Variance

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	141.081	2	70.541	750.43	.000[b]
	Residual	7.234	77	.094		
	Total	148.315	79			

a. Dependent Variable: Growth of Micro and Small Agribusiness Enterprises in Nairobi County Kenya

b. Predictors: (Constant), strategic alliance and institutional networks

The ANOVA was used to determine whether the model was a good fit for the data. F calculated was 750.43 while the F critical was 2.494. The p value was 0.000. Since the F-calculated was greater than the F-critical and the p value 0.000 was less than 0.05, the model was considered as a good fit for the data. Therefore, the model can be used to predict the influence of strategic alliance and institutional networks on Growth of Micro and Small Agribusiness Enterprises in Nairobi County Kenya.

Table 4. 6: Regression Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	0.226	0.058		3.896	0.000
	strategic alliance	0.342	0.093	0.343	3.677	0.003
	institutional networks	0.360	0.094	0.359	3.830	0.001

a Dependent Variable: Growth of Micro and Small Agribusiness Enterprises in Nairobi County Kenya

The regression model was as follows:

$$\mathbf{Y = 0.226 + 0.342X_1 + 0.360X_2 + \varepsilon}$$

Furthermore, the results revealed that strategic alliance has significant effect on Growth of Micro and Small Agribusiness Enterprises in Nairobi County Kenya, β1=0.342, p value= 0.003). The relationship was considered significant since the p value 0.003 was less than the significant level of 0.05. The findings are in line with the findings of Agaba, Turyasingura and Kabagambe (2023) that there is a very strong relationship between strategic alliance and growth of SMEs.
In addition, the results revealed that institutional networks has significant effect on Growth of Micro and Small Agribusiness Enterprises in Nairobi County Kenya, β1=0.360, p value= 0.001). The relationship was considered significant since the p value 0.001 was less than the significant level of 0.05. The findings are in line with the results of Otiende, *et al* (2024) who revealed that there is a very strong relationship between institutional networks and growth of SMEs.

Conclusions

The study concludes that strategic alliance has a significant effect on Growth of Micro and Small Agribusiness Enterprises in Nairobi County Kenya. The study findings revealed that partnerships, mentorship networks and joint ventures influence Growth of Micro and Small Agribusiness Enterprises in Nairobi County Kenya.

The study also concludes that institutional networks have a significant effect on Growth of Micro and Small Agribusiness Enterprises in Nairobi County Kenya. The study findings revealed that government agencies, educational institutions and research institutions influence Growth of Micro and Small Agribusiness Enterprises in Nairobi County Kenya.

Recommendations

The study recommends the management of SMES should form strategic alliances with larger agricultural firms and organizations. These alliances can provide smaller enterprises with access to essential resources such as technology, expertise, and distribution networks that they may not possess independently. By partnering with established companies, micro and small agribusinesses can gain insights into best practices, improve their production processes, and enhance their market reach.

The study also recommends that the management of SMES should establish strong institutional networks. These networks should connect agribusinesses with government agencies, NGOs, and agricultural extension services that can provide valuable support and resources. By fostering collaboration between these institutions and local enterprises, small agribusiness owners can gain access to training programs, funding opportunities, and market information that are vital for their development.

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