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ENTREPRENEURSHIP

ENTREPRENEURSHIP RESOURCES RELATIONSHIP TO THE GROWTH OF MICRO AND SMALL ENTERPRISES OWNED BY PHYSICALLY CHALLENGED ENTREPRENEURS IN KENYA

[1*]Catherine Wangui Ndung'u, [2]Samson Nyanga'u Paul & [3]Joseph K. Mung'atu

[1]School of Business, Jomo Kenyatta University of Agriculture and Technology, Kenya

[2]Lecturer, Jomo Kenyatta University of Agriculture and Technology, Kenya

[3]Lecturer, Jomo Kenyatta University of Agriculture and Technology, Kenya

*** Email of the Corresponding Author*: katewangui72@gmail.com***

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ABSTRACT

Purpose of the study: Despite Kenya's significant investment in entrepreneurship development, Micro and Small Enterprises owned by physically challenged entrepreneurs continue to record low growth rates. The study thus explored relationship between entrepreneurship resources and the growth of Micro and Small Enterprises (MSEs) owned by entrepreneurs with physical challenges.

Problem Statement: Despite Kenya's significant investment in entrepreneurship development, Micro and Small Enterprises owned by physically challenged entrepreneurs continue to record low growth rates. This is problematic because entrepreneurship resources have been identified as essential drivers of growth and sustainability in modern economies.

Methodology: The study utilized a mixed-methods approach, drawing conclusions from both qualitative and quantitative data gathered in this research.

Findings: The growth of MSEs owned by Physically Challenged Entrepreneurs positively impacted entrepreneurship resources (β=.756; p-value<.05). However, while there are some positive perceptions regarding the accessibility of financial resources for these entrepreneurs, significant barriers still exist. These include a heavy reliance on personal savings, limited access to credit, and gaps in knowledge about funding opportunities.

Conclusion and Recommendations: The study concludes that entrepreneurship resources are a critical driver for MSEs owned by physically challenged individuals, but their potential is stifled by systemic funding and knowledge gaps. To promote inclusivity, equity, and sustained growth, the study recommends establishing accessible incubation centres, mentorship networks, and peer support groups.

Key Words; *Entrepreneurship resources, Growth, Micro and Small Enterprises, Physically Challenged entrepreneurs.*

INTRODUCTION

Entrepreneurship is widely recognised as a catalyst for innovation, employment creation, and economic growth, particularly in developing economies where it also serves as a pathway to social inclusion (Habib et al., 2025). The entrepreneurship process in academia is seen as value creation process by assuming financial, psychological, and social risks in pursuit of economic independence and social recognition (Ogundele et al., 2022). special entrepreneurial significance in Kenya has been established where Micro and Small Enterprises (MSEs) constitute the backbone of livelihoods for millions of citizens. Yet within this broad entrepreneurial landscape, one group remains persistently marginalized: entrepreneurs with physical disabilities, whose capacity to establish and grow MSEs is constrained not by lack of ambition, but by systematic barriers to essential resources.

Access to entrepreneurial resources (financial capital, human capital, social networks, institutional support, and technology) determines whether entrepreneurs can innovate, sustain operations, and withstand environmental uncertainties (Epure, 2023). For entrepreneurs with physical disabilities, however, barriers to accessing resources due to societal prejudice, limited mobility and inadequate policy implementation have become more common place. Consequently, they experience challenges in sustenance and growth as SMEs despite their aspirations for independence and economic participation (Samosh, 2024).

The scale of this challenge is significant. The World Health Organization (2023) estimates that approximately 16% of adults globally live with a disability, a proportion expected to rise with an ageing population and increasing prevalence of chronic illness. Persons with disabilities are systematically excluded from formal labour markets (facing lower participation rates, reduced earnings, and concentration in low-skilled roles) making self-employment and entrepreneurship critical alternative pathways to economic empowerment (Friedman et al., 2023). In Kenya, this reality is particularly acute, where the intersection of disability, poverty, and limited institutional support places physical disability entrepreneurs among the most economically vulnerable.

For many years, the Kenyan government has understood how important MSEs are in terms of their role in creating jobs and generating income. The various policy papers issued by the Kenyan government since independence, which include Sessional Paper No. 1 of 1986; Sessional Paper No. 2 of 1992; Sessional Paper No. 2 of 2005; and most recently, Kenya

Vision 2030, all identify MSEs as key instruments for creating new wealth and for stimulating employment. AGPO (Access to Government Procurement Opportunities) is another example of an ongoing effort to create more opportunities for MSEs to be involved in public procurement and has reserved at least 30% of all future government procurement contracts for women, youth, people with disabilities. This recent measure represents a clear statement on behalf of the Kenyan government that it intends to provide greater access to economic opportunities for those who have historically been denied such access. As a result of these measures, however, there continue to be significant challenges in translating this policy commitment into accessible resources for physical disability-based MSE owners. Consequently, questions remain regarding both the nature of the barriers that exist today as well as why they still exist.

Although most of the previous literature on MSE growth in Kenya has looked at women, youth and capable entrepreneurs (Kyalo, 2013; Mwangi & Ngugi, 2014; Mwaura, 2016; Ngoru, 2017) where the focus of these studies included disability; they did not look at how entrepreneurs who are disabled by neuro-musculoskeletal disorders experience the challenges of accessing resources or how AGPO, which is designed to help this population, impacts their firm's growth trajectory. There is an empirical but also a conceptual void in studying entrepreneurship among populations that face a unique type of resource access barrier using traditional entrepreneurship models.

Five resource dimensions are particularly salient. Financially, many entrepreneurs with physical disabilities are excluded from credit markets through discriminatory lending practices and collateral requirements that do not accommodate their circumstances. In terms of human capital, limited access to capacity building and training programmes restricts skill development critical to business growth. Socially, disability-related stigma erodes the networks and peer relationships through which entrepreneurs secure markets and partnerships. Institutionally, policy frameworks such as AGPO exist on paper but are undermined by weak enforcement, limited awareness, and implementation gaps. Finally, technological resources, including digital tools and assistive technologies, hold considerable potential for reducing disability-related barriers, yet remain inaccessible to many due to cost and infrastructural constraints. Understanding how these dimensions collectively shape MSE growth among entrepreneurs with physical disabilities is the central concern of this study.

Statement of The Problem

Despite their economic significance, physically challenged entrepreneurs in Kenya remain in a field that is under-researched and underserved in policy and economic framework. It is therefore important to examine how entrepreneurial resources influence the growth of these enterprises as is critical for empowering persons with disabilities and advancing Kenya's inclusive economic development agenda as providing such insights can enable policymakers and development practitioners design targeted interventions that promote equity, sustainability, and innovation in the private sector.

SMEs account for nearly more than 85% of new jobs and 40% of Kenya's Gross Domestic Product (KNBS, 2025). However, three out of five such businesses collapse within the first six months, mostly attributed to inadequate capital, lack of skilled labour, and intense market competition (AL-Maamari et al., 2023; Lee et al., 2022). Physically challenged entrepreneurs face a large number of disadvantages such as (but not limited to) factors such as restricted financial services, societal stigma, inadequate mentorship, and exclusion from resource networks that sometimes collectively undermine their capacity to establish and sustain viable business growth (Reardon et al., 2023). Although Sessional Paper No. 2 of 2005 and measures such as the Access to Government Procurement Opportunities (AGPO) initiative have sought to empower marginalised groups, SMEs owned by persons with disabilities continue to record low survival and growth (State Department for MSMEs, 2025).

Despite these basic areas of researched evidence, Kenyan entrepreneurship research from policy experts and government agencies mostly focuses on youth- to women-owned SMEs (Kulkarni et al., 2024). This has therefore left the specific resource constraints of physically challenged entrepreneurs largely under researched. As a result, insufficient empirical evidence on how financial, social, and institutional resource gaps exists to show how such areas distinctively impede business growth among SMEs run by persons with physical disabilities, a gap that weakens the evidence base for disability-inclusive policy locally in Kenya and in the region. This study therefore investigated the effect of entrepreneurial resources on the growth of micro and small enterprises owned by physically challenged entrepreneurs in Kenya.

Research Objective

To establish the relationship between entrepreneurial resources and growth of micro and small enterprises owned by the physically challenged entrepreneurs in Kenya.

Research Hypothesis

H_{01}: Entrepreneurial resources do not significantly affect the growth of the micro and small enterprises owned by the physically challenged entrepreneurs.

THEORETICAL FRAMEWORK

This study's cornerstone was the earlier understanding of the Resource Based Perspective done by (Penrose, 2009). This perspective (RBV) was advanced by Climber (2025) and the works also include viewpoints from Chaudhury & Swatman (2023). Each work is selected for its relevance to entrepreneurial processes, for example opportunity recognition, resource mobilization and innovation. Wharton's (2023) made huge commitment to its theoretical development. The resource-based theory looks at the way physical challenged entrepreneurs can leverage a variety of resources in order to have entrepreneurial growth. Access to capital, social networks, human resources and information are paramount to business growth of small and micro enterprises owned by the physically challenged entrepreneurs. The theory accentuated the significance of organizations resources such as capital and their effect on firm's performance and competitive advantage in the market. As indicated by RBV, each micro and small enterprises owned by the physically challenged entrepreneur has its own specific distinctive resource that empowers it to stay aggressive in the market by addressing to the fast-transforming environment. These resources may include capital, manpower, physical, technology, and information. They may be scarce, beneficial, and irreplaceable in order to enhance the goods or services and gain a competitive advantage over competitors. (Benson, 2025).

This study further delves in its unique review of theoretical and practical contributions to a severely neglected field of entrepreneurship. What is fundamentally new about this study compared to existing literature is in its direct challenge to classical entrepreneurship theories, such as the Resource-Based Theory (RBT) and Entrepreneurial Orientation (EO) Theory, which have historically presumed that all entrepreneurs are able-bodied individuals operating with harmonized access to structural environments (Barney, 1991; Lumpkin & Dess, 1996).

This research has re-contextualized RBT by mapping out how the 'hidden' or non-traditional human and social capitals (such as emotional resilience to social stigma and

specialized disability network linkages) alter a firm's competitiveness in business. In practically, it deviates from amorphous SME growth analysis by offering a diagnostic tool for policy makers. It has demonstrated where the structural implementation of the Persons with Disabilities Act (2003) and the Public Procurement and Asset Disposal Act (2015) fails to translate into SME growth on the ground, filling in a critical macro-policy evaluation gap.

EMPIRICAL REVIEW

Recent research highlights that micro and small enterprises (MSEs) as foundational to Kenya's economy by employing over 15 million people and contributing roughly 34% to the Gross Domestic Product (GDP). Through the alignment of Kenya's Vision 2030 and the Micro and Small Enterprises Act of 2012, it is seen as key to foster financial inclusion for sustainable, inclusive economic growth. Despite their economic importance, SMEs face severe financing obstacles, which are heavily compounded for entrepreneurs with disabilities due to foundational systemic barriers such as Kenya’s poverty levels, educational gaps, devolution and systemic discrimination from financial institutions.

Past areas of research on access to finance among Kenyan SMEs mainly touches on collateral issues, documentation, and interest rates as dominant constraints, with some studies somewhat differing in the scope and method. For instance, by using a descriptive survey of 60 small businesses in Egoji Division, Meru County, one study found a strong positive relationship between the amount borrowed and the interest rate charged (R^2 = 0.838), but apportioned only a weak link to borrower education, suggesting that price rather than literacy primarily explains under-borrowing at the local level (Titus & Huka, 2014). However as per government policy, the 2016 KNBS MSME survey and a logit/multinomial logit framework, Akama, Otieno, and Kevin (2019) reached a broader, national finding namely that the possession of a business plan, ownership of a bank account, and firm size were strong predictors of both credit access and credit-source choice under the interest-rate-capping regime, rather than the cap itself. At the organizational level, Kiringa, Ndede, and Wekesa (2021) similarly establishes that relationship lending, collateral, and networking were significant determinants of SME access to financial services in Kenya using a Heckman two-stage regression model on a sample of 366 SMEs. All together, these empirical studies establish that documentation and collateral requirements, not price alone, limit credit away from small businesses. None have however separated this sample by the owner’s disability status, so it remains unknown whether the same predictors operate identically for businesses with disabilities or whether a disability

imposes an additional, independent constraint to successful enterprise.

Further, a smaller and more recent body of work sought to isolate disability as a distinct axis of financial exclusion. A Sightsavers and Kenyatta University study conducted with ten focus group discussions that had 81 persons with disabilities and 26 in-depth interviews with representatives of 17 financial institutions in Nairobi and Migori counties showed a thematic analysis that institutions lacked the knowledge and product design to serve clients with disabilities, even as PWD respondents reported growing adoption of digital financial services (Muuo, Virendrakumar, Okello et. al., 2025). These authors noted clearly that global and Kenyan financial-inclusion datasets, including the World Bank's Global Index, do not disaggregate data and analysis by disability status, leaving quantitative evidence on the scale of the problem largely unknown. However, the study was exploratory and qualitative, confined to two counties, and concerned with financial inclusion broadly (savings and transaction accounts) rather than enterprise credit. It did not fully examine whether the access differs for disabled entrepreneurs who already operate a business compared with those who do not, leaving the credit experience of practising disabled SME owners both quantitatively and qualitatively undocumented.

There exists rudimentary research that has explored evaluating utilization of Kenya's affirmative-action funds, including the Uwezo Fund, on namely whether they are uniformly allocated at county-level with mixed conclusions about effectiveness. Such survey-based assessment in Ainabkoi Constituency, Uasin Gishu County, found that Uwezo Fund loans were accessible in principle but disbursed in amounts too small to meaningfully change livelihoods, while key capacity-building components such as financial training were comparatively well received. A similar descriptive survey of 61 SME groups undertaken in Juja Constituency, Kiambu County, Kenya reported similar patterns of access without proportionate growth in enterprise performance, and a review of Uwezo Fund and Youth Enterprise Development Fund performance in Nyeri County found that almost 62% of beneficiary entrepreneurs received no marketing facilitation, limiting their ability to convert loans into sales. None of these studies, however, report disability-disaggregated uptake or outcomes, despite persons with disabilities being a named target group in Uwezo Fund policy documents. Current literature can therefore confirm that government funds reach youth and women in measurable numbers, but it cannot establish whether they reach PWD entrepreneurs at comparable rates or with comparable impact.

A separate, methodologically supported form of research strand uses national or panel datasets to test the inclusion effects of mobile money and digital credit. Kim and

Duvendack (2025) applied multinomial logistic regression to a nationally representative sample and found that mobile-banking loans were significantly less accessible to women, the less-educated, and casual workers, while fintech-app loans showed no such restriction, evidence that not all forms of digital credit are equally inclusive. Earlier panel-data work on M-Pesa users showed that access to mobile money buffered households against income shocks linked mobile-money use to improved savings frequency among poor households in Nairobi (Suri, Bharadwaj & Jack, 2021). These studies are reasonably strong on internal validity as they draw a large or longitudinal sample and base findings on econometric identification. They however share a common blind spot, that is, disability status is absent from every model specification. Therefore, claims about fintech's inclusiveness for "vulnerable" populations rest on representations such as gender, education, and income which do not capture the device-accessibility, agent-level, and documentation barriers documented qualitatively for disabled users.

Altogether, these four areas of research done for SMEs are individually credible but do not intersect on PWD study in business enterprise. Studies of general microbusiness financing identify the structural barriers, namely collateral, documentation, and interest rates, that ration credit and other related business factors, but treat overall SME population as homogeneous. Studies of disability and financial access establish that PWD Kenyans face distinct, compounding barriers, but remain qualitative or exploratory and focus on financial inclusion rather than enterprise financing. Studies of government funds confirm patchy effectiveness but never distinguish for disability, despite disabled persons being a stated target group. Studies of fintech and digital credit offer the most rigorous quantitative evidence of differential access by gender, income, and education, but avoid disability entirely in their models. No current modern study reviewed examines, with quantitative or mixed-methods rigour, how PWD SME owners in Kenya access and use the combination of government funds, formal credit, and fintech products available to them, or what specifically explains gaps in uptake once firm-level and individual-level controls are accounted for. This is the key empirical gap that the study addresses. It seeks to delve in rather than describing the financing landscape in general terms; it goes directly to how disability status shapes access to and use of these financing channels among Kenyan SME owners, primarily those registered as PWD.

CONCEPTUAL FRAMEWORK

According to the study's conceptual framework, Growth, the dependent variable, is directly influenced and driven by Entrepreneurial Resources, the independent variable. The

fundamental tangible and intangible assets required to start, maintain, and expand a business are included in the category of entrepreneurial resources. Credit and financing, which are available through equity financing (which injects capital by selling shares), debt financing (which uses borrowed funds to retain operational control), and financing that is subsidized or invested by the government, serve as the operational lifeblood. Complementing these external mechanisms is cash via personal finance, which provides the critical early-stage "bootstrapping" liquidity required for survival. Beyond financial assets, entrepreneurial resources rely heavily on human capital. This includes knowledge capital, which is made up of the team's technical skills and knowledge of the industry; social capital, which is made up of strategic partnerships and networks; and emotional capital, which gives the team the mental toughness and resilience to deal with market uncertainty.

The dependent variable of firm growth is evaluated using a balanced matrix of financial and non-financial indicators when these independent resources are effectively utilized. Financially, success is quantified by an increase in sales turnover and expanding profit margins, which demonstrate market demand and operational efficiency. It is also reflected in the company's ability to ultimately fund business expansion internally and efficient inventory turnover ratios. Non-financially, growth is structurally evident through heightened customer satisfaction and strong customer retention rates, alongside an increasing market share relative to competitors. Furthermore, organizational maturity is indicated by a progressive staff increase and a higher number of new products introduced to the market. Ultimately, the framework hypothesizes that financial and personal cash capital sustain immediate turnover and expansion capabilities, while human, social, and emotional capital sharpen corporate strategy, optimize market share, and foster the customer loyalty necessary for long-term organizational survival.

RESEARCH METHODOLOGY

This study employed mixed methods research design by incorporating qualitative and quantitative approaches to gain insights into the entrepreneurial motivations and growth of small and micro enterprises (MSEs) owned by physically challenged entrepreneurs in Kenya. The mixed methods design ensured objectivity by balancing qualitative narratives with quantitative data (Creswell & Clark, 2011).

The majority of this research was guided by a positivist philosophy through emphasis on the observation of things and scientific methods to look for causality (Saunders et al.,

2009). The quantitative analysis was designed to identify, explain and test relationships between entrepreneurial resources, training, market drivers, government support and organizational factors that influence growth. The qualitative component, open-ended questionnaire items, added context and triangulation to the quantitative results, in line with the pragmatic, quasi-scientific approach taken in mixed methods research.

The study focused specifically on physically challenged entrepreneurs, rather than the general population of persons with disabilities, for two reasons. First, physical challenges to entrepreneurs, such as physical impairments, paralysis or other physical limitations, represent a large and diverse group of people with disabilities. Results from this group can be generalized to any segment of disabled entrepreneurs. Second, because there is not enough time, resources or logistics to consider all types of disabilities in one study, limiting our study to just physically challenged entrepreneurs allowed for more focus and higher quality data collection. Physically challenged entrepreneurs also face entrepreneurship issues distinct from blind or deaf entrepreneurs with regards to mobility, physical accessibility, transportation, and access to business premises. Studying them as a distinct group, rather than as entrepreneurs with sensory disabilities, gave more accurate and meaningful findings without distorting unrelated experiences.

The target population was 4,610 physically challenged entrepreneurs from 47 counties of Kenya registered under the Access to Government Procurement Opportunities (AGPO) program (PPRA, 2019). A sample size of 108 respondents was determined using the Yamane formula (1967) with a 90% confidence level and an additional 10% unresponsive respondents.

The sampling was conducted in two steps: first, a stratified random sample was used to divide the target population by county into strata and to draw respondents from each stratum proportionally to its share of the national AGPO register, ensuring proportional representation across the 47 counties. Second, in each county stratum, purposive sampling was used to select respondents who had the characteristics necessary for owning or managing SMEs. These two methods were employed to balance the need for statistical representativeness at the county level and the need for substantively eligible respondents.

Primitive and secondary sources of information were also used in the data collection process. Primary data was collected through a series of semi-structured questionnaires with closed-ended questions for quantitative analysis and open-ended questions for qualitative

analysis. These questionnaires allowed for flexibility, detailed responses and were guided by the research goal (Castillo-Montoya, 2016). Secondary data was collected from government reports, journals and corporate records to triangulate the findings. Test of reliability and validity, using Cronbach's Alpha with a reliability score of 0.7. Validity was determined by expert review, factor analysis and statistical tests (KMO and Bartlett's).

Data analysis used descriptive and inferential methods. Descriptive statistics such as means, percentages and frequencies were used to summarize the demographic and business characteristics of respondents. Inferential statistics such as multiple regression analysis and chi-square tests were used to test the hypothesis of the study. The regression model specifically established the relationship between entrepreneurial resources and the growth of micro and small enterprises owned by physically challenged entrepreneurs in Kenya. The data analysis tool used was SPSS version 22, and results were presented using tables, charts and graphs to facilitate interpretation and support evidence-based conclusions.

RESULTS AND DISCUSSION

The study's results and discussion are presented in this section, with an emphasis on the analysis of the data collected and the interpretation of the findings in accordance with the study's objectives. The findings are organized thematically to highlight key patterns, relationships and emerging insights on entrepreneurial resources and growth of micro and small enterprises owned by physically challenged entrepreneurs in Kenya. The discussion further integrates these findings with existing empirical literature and theoretical perspectives, thereby providing a comprehensive understanding of the implications of the findings for practice, policy and future research.

Descriptive Statistic

The study was to establish the perceptive relationship between entrepreneurial resources and growth of micro and small enterprises owned by the physically challenged entrepreneurs in Kenya and to determine respondents' views regarding availability of financial resources for the physically challenged entrepreneurs and its accessibility.

Table 1: Descriptive Results for Entrepreneurial Resources

Statements	SA	A	UD	D	SD	Mean	Std. Deviation
	8.8%	36.3%	11.8%	28.4%	14.7%	2.96	1.26

Credit is readily available to the physically challenged entrepreneurs	9	37	12	29	15		
Lack of collateral / credit history does not limit access to capital and finances.	8.8%	17.6%	9.8%	45.1%	18.6%	2.53	1.23
	9	18	10	46	19		
Borrowing in a group is better than borrowing as an individual.	14.7%	36.3%	31.4%	14.7%	2.9%	3.45	1.01
	15	37	32	15	3		
Loans and grants from government funding programs are responsive to the inadequacies and needs of physically challenged entrepreneurs	17.6%	43.1%	5.9%	28.4%	4.9%	3.40	1.21
	18	44	6	29	5		
I have benefited from government funds like Uwezo, Women and Youth funds.	7.8%	37.3%	3.9%	28.4%	22.5%	2.79	1.35
	8	38	4	29	23		
I have reliable and adequate knowledge on institutions which provide funding for the Physically challenged entrepreneurs who undertake business activities.	3.9%	48.0%	13.7%	25.5%	8.8%	3.13	1.11
	4	49	14	26	9		
Bank institutions lending policies encourages my participation in SME activities	6.9%	33.3%	20.6%	23.5%	15.7%	2.92	1.21
	7	34	21	24	16		
Aggregate Mean and Standard Deviation						**3.03**	**1.20**

Source: Author's Calculations

The results presented in Table 1 above reflect responses regarding the financial resources available to physically challenged entrepreneurs in micro and small enterprises. The table is a comprehensive synopsis of the perceptions of physically challenged entrepreneurs regarding access to and the effectiveness of various entrepreneurial resources. The data is structured into statements rated from "Strongly Agree" (SA) to "Strongly Disagree" (SD) on a five-point Likert scale. The mean and standard deviation for each statement revealed an overall trend and the degree of variability in respondents' opinions.

For the statement "Credit is readily available to the physically challenged entrepreneurs," a mean score of 2.96 was derived indicating a generally neutral to slightly negative sentiment. A significant portion of respondents (36.3%) agreed with the statement, but nearly as many expressed disagreement (28.4% disagreed and 14.7% strongly disagreed). The relatively high standard deviation of 1.26 might reflect differences in local economic conditions, banking policies, or individual experiences on credit availability.

Similarly, "Lack of collateral/credit history does not limit access to capital and finances", had a mean score of 2.53, suggesting that most respondents view collateral and credit history as significant barriers. Majority either disagreed (45.1%) or strongly disagreed (18.6%) with this statement, with only 26.4% expressed agreement. A standard deviation of 1.23 reinforced the moderate variability in responses, possibly reflecting the systemic challenges of accessing finance for this demographic.

A contrast emerged for the statement "Borrowing in a group is better than borrowing as an individual," with a mean score of 3.45, reflecting general agreement. While 51% of respondents either agreed or strongly agreed, only 17.6% expressed disagreement. Notably, this statement had the lowest standard deviation (1.01) of all items in the table, indicating a strong consensus among respondents on the perceived benefits of collective borrowing.

The statement "Loans and grants from government funding programs are responsive to the inadequacies and needs of physically challenged entrepreneurs" also received a positive reception, with a mean score of 3.40. A significant 60.7% of respondents either agreed or strongly agreed, suggesting that these programs are broadly appreciated for addressing key financial challenges. However, the moderate standard deviation of 1.21 indicates some variability, suggesting that while many find these programs effective, there are respondents whose experiences differ, possibly due to challenges in accessibility or program outreach.

The statement "I have benefited from government funds like Uwezo, Women and Youth Funds" received a mixed response, with a mean score of 2.79. While 45.1% of respondents agreed or strongly agreed, a substantial proportion (50.9%) disagreed or strongly disagreed, indicating that many have not been able to access or benefit from these specific programs. This statement also has the highest standard deviation (1.35), suggesting significant differences in individual experiences. The variability might reflect issues such as limited program awareness, bureaucratic barriers or regional disparities in fund distribution.

Regarding knowledge about funding opportunities, the statement "I have reliable and adequate knowledge on institutions which provide funding for the physically challenged entrepreneurs who undertake business activities" has a mean score of 3.13, reflecting general agreement. Nearly half of the respondents (48.0%) agreed, though 25.5% disagreed, highlighting room for improvement in disseminating information about funding sources. The standard deviation of 1.11 indicates moderate variability, suggesting some respondents feel well-informed while others do not.

Finally, for the statement "Bank institutions' lending policies encourage my participation in SME activities," the mean score of 2.92 suggests a neutral-to-negative perception. Approximately 40.2% of respondents agreed or strongly agreed, but 39.2% expressed disagreement or strong disagreement, indicating divided views. The standard deviation of 1.21 underscores this variability, which could stem from differing policies or practices across financial institutions.

The aggregate mean score of 3.03 reflects an overall neutral stance on entrepreneurial resources with some positive perceptions balanced by significant challenges. The aggregate standard deviation of 1.20 indicates moderate variability, suggesting that while some respondents experience meaningful support, others face significant barriers. The lowest variability (1.01) was observed for the statement on group borrowing, indicating strong consensus on its benefits, while the highest variability (1.35) was linked to perceptions of benefiting from government funds, highlighting divergent experiences in accessing these resources.

In summary, the data reveals that while there are some encouraging aspects such as the perceived benefits of group borrowing and the responsiveness of government programs, significant challenges remain. Collateral requirements, limited access to specific government funds and inconsistent knowledge about available resources emerge as critical areas of concern, underscoring the need for more inclusive and accessible financial policies for physically challenged entrepreneurs.

Linear Regression on Entrepreneurial Resources and growth of MSE owned by physically challenged entrepreneurs

A simple linear regression analysis was conducted to examine the relationship between Entrepreneurial Resources and growth of micro and small enterprises owned by physically challenged entrepreneurs. MSEs owned by entrepreneurs with disabilities in Kenya, a regression analysis was conducted to examine the relationship between Entrepreneurial Resources (the independent variable) and Growth (the dependent variable). The primary

hypothesis tested was whether Entrepreneurial Resources significantly influence Growth. The null hypothesis was;

H_{o1}: Entrepreneurial resources do not significantly affect the business growth of the micro and small enterprises owned by the physically challenged entrepreneurs. The results of the regression analysis generated numerous significant findings as show in Table 2 below. The correlation coefficient (R) was determined to be 0.934, indicating a positive relationship between Entrepreneurial Resources and Growth. The R^2 value, which represents the proportion of variance in the dependent variable (Growth) explained by the independent variable (Entrepreneurial Resources), was 0.872. This means that approximately 16.4% of the variation in growth is attributable to Entrepreneurial Resources, implying that these resources contribute to Growth. The standard error of the estimate is 8.20, suggesting that the predicted values of growth deviate, on average, by about half a unit from the observed values. The adjusted R^2, which accounts for the number of predictors in the model was slightly lower at 0.871, indicating a minor penalty for the inclusion of multiple predictors. The standard error of the estimate was 8.20236, reflecting the average distance of the observed values from the regression line.

The Analysis of Variance (ANOVA) revealed that the regression sum of squares was 45859.86, representing the variance explained by the model, while the residual sum of squares was 6727.88, indicating the variance not explained by the model. The total variance was 52587.74. The degrees of freedom (df) were 1 for the regression, corresponding to one predictor variable and 100 for the residual, representing the total number of observations minus the number of predictors minus 1. The mean square for the regression was 45859.86, while for the residual it was 67.27. The F-value was calculated at 681.63, indicating that the model explains a significant portion of the variance in Growth. The corresponding p-value was 0.000, well below the threshold of 0.05, confirming that the model is statistically significant and that there is a meaningful relationship between Entrepreneurial Resources and Growth.

In terms of coefficients, the unstandardized coefficient (B) for the constant (intercept) was 1.450, suggesting that if Entrepreneurial Resources were zero, growth would be expected to be 1.450, assuming all other factors remain constant. The coefficient for Entrepreneurial Resources was 0.756, indicating that for each unit increase in Entrepreneurial Resources, Business growth increases by 0.756 units on average. The standard error for the intercept was 1.638 and for Entrepreneurial Resources, it was 0.29. The standardized coefficient (Beta) for Entrepreneurial Resources was 0.934, reflecting the strength and direction of the

relationship in standardized terms. The t-values were 0.885 for the intercept and 26.108 for Entrepreneurial Resources, both of which were significant with p-values of 0.378 and 0.000, respectively, indicating that the coefficients are significantly different from zero.

Table 2: Regression Results for Entrepreneurial Resources

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.934[a]	.872	.871	8.20236

a. Predictors: (Constant), Entrepreneurial Resources

ANOVAa

Model		Sum of Squares	df	Mean Square	F	Sig.
1	**Regression**	45859.86	1	45859.86	681.63	.000[b]
	Residual	6727.88	100	67.27		
	Total	52587.74	101			

a. Dependent Variable: Growth

b. Predictors: (Constant), Entrepreneurial Resources

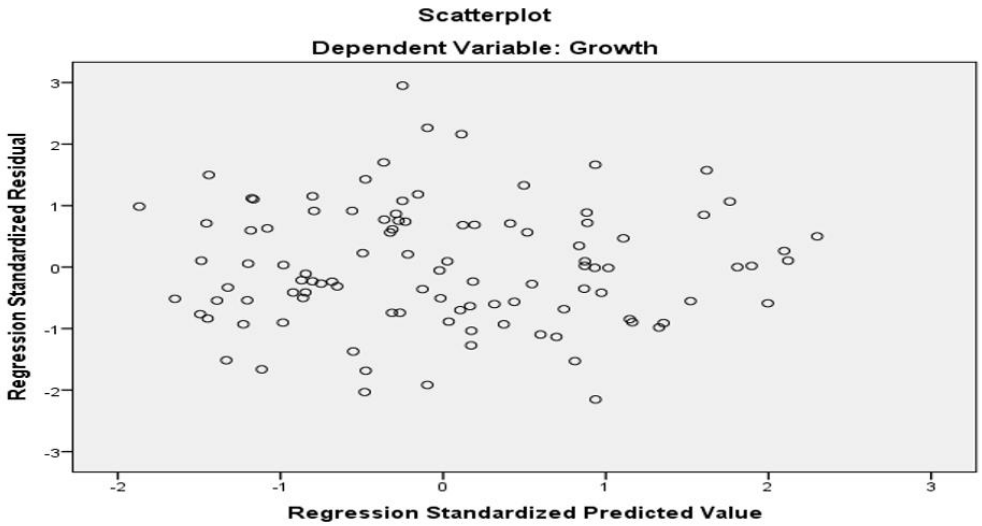
Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	**Std. Error**	**Beta**	**t**	**Sig.**
1	**(Constant)**	1.450	1.638		.885	.378
	Entrepreneurial Resources	.756	.029	.934	26.108	.000

a. Dependent Variable: Growth of MSEs

Source: Author's calculations

Figure One: Test for homoscedasticity in the study



Source: Author

This regression analysis demonstrates that entrepreneurial resources has a statistically significant positive effect on Growth of MSEs. Entrepreneurial resources which include human, financial and social capital, are essential to the expansion of micro and small businesses (MSEs), particularly those run by disabled entrepreneurs. This regression analysis examines the relationship between Entrepreneurial Resources and growth in the context of Kenyan MSEs owned by entrepreneurs with disabilities. The findings underscore the significant role of entrepreneurial resources in fostering growth aligning with Kenya's Vision 2030 and the Micro and Small Enterprises Act of 2012 which emphasize inclusive economic development.

These results include the model summary, ANOVA and the regression coefficients. The model summary indicates that the relationship between Entrepreneurial Resources and Growth is both strong and statistically significant. The model includes variables such as

access to resources, education, training and market networks which are critical for entrepreneurs with disabilities. Recent studies on Kenyan MSEs and financial inclusion served as the source of the data. The model summary, ANOVA results and regression coefficients are all part of the analysis to determine the relationship's strength and significance. The regression analysis demonstrates that Entrepreneurial Resources have a statistically significant positive effect on Growth, with a p-value < 0.05. The model accounts for approximately 87.2% of the variance in Growth ($R^2 = 0.872$), indicating a strong relationship. The high R^2 value suggests that Entrepreneurial Resources play a significant role in explaining business growth for MSEs owned by entrepreneurs with disabilities. As a result, the null hypothesis, which posited that Entrepreneurial Resources do not significantly affect the growth of MSEs owned by the physically challenged entrepreneurs was rejected. The alternative hypothesis, affirming that Entrepreneurial Resources significantly influence growth is supported.

Entrepreneurial Resources and Growth have a strong and statistically significant relationship in the model summary ($R^2 = 0.872$, adjusted $R^2 = 0.870$). Because of their practical significance, the high R^2 value demonstrates that entrepreneurial resources account for a significant portion of the variance in the outcome variable. The ANOVA results confirm the overall significance of the model (F = [value not provided], $p < 0.05$), indicating that Entrepreneurial Resources collectively contribute to explaining Growth. The model is robust and reliable for predicting growth in this context. The findings are consistent with recent research that emphasizes the significance of entrepreneurial resources, particularly for MSEs owned physically challenged entrepreneurs in Kenya.

Entrepreneurial resources showed significant positive effect on Growth of MSEs. The results concur with Kitching (2014), financing is tied to the acquisition of precise equipment, development of skills or participation of the firm in specific occasions such as exhibitions, trade fairs or shows. The biggest obstacles to business growth in developing economies are financial system limitations, credit schemes, and a lack of capital. According to World Bank (2025) having access to financing through programs like the Uwezo Fund and the National Development Fund for Persons with Disabilities significantly enhances growth prospects. Digital financing platforms, such as M-Pesa, provide alternative credit access, though high transaction costs and digital literacy gaps remain challenges (Njiraini et al., 2024).

Training and market networks, supported by initiatives like the EIB-Family Bank partnership (2025), also contribute to growth by improving skills and market access (EIB,

2025). Barriers such as discrimination, limited information and poverty continue to hinder resource access. The high R^2 value (0.872) suggests that Entrepreneurial Resources are a strong predictor of growth supporting their inclusion in economic and organizational development models. These findings are consistent with studies highlighting the role of financial inclusion and capacity-building in fostering MSE growth in Kenya (FSD Africa, 2024)

The findings emphasize the necessity of targeted interventions to improve access to finance, training and market networks and support the inclusion of entrepreneurial resources in economic development predictive models. To align with Kenya's Vision 2030, policymakers and stakeholders should prioritize inclusive financial products, digital literacy programs and anti-discrimination measures to empower entrepreneurs with disabilities.

CONCLUSION

Physically challenged entrepreneurs have mixed perceptions of the financial resources available to them. Group borrowing was viewed favourably and respondents felt reasonably informed about funding institutions, yet collateral requirements and limited access to programs such as the Uwezo, Women and Youth Funds remain significant barriers, with divided views on bank lending policies and the responsiveness of government funding programs. These results point to a need for more accessible, inclusive financial products and clearer communication about available funding opportunities for this special group of entrepreneurs.

In line with the study's objective of establishing the relationship between entrepreneurial resources and the growth of MSEs owned by physically challenged entrepreneurs, the regression results confirmed that entrepreneurial resources have a strong, statistically significant effect on growth, accounting for 87.2% of the variation observed ($R^2 = 0.872$, $F = 681.63$, $p < 0.001$). The findings also support rejection of the null hypothesis and confirms that human, financial and social capital are central to SME expansion among entrepreneurs with disabilities in Kenya. Persistent barriers, including the poverty-disability nexus, discrimination and information scarcity, continue to limit access to these resources despite existing support such as the Uwezo Fund and international funding partners, underscoring the need for coordinated action by the Kenyan Government and stakeholders to close this gap in line with Kenya's Vision 2030.

RECOMMENDATION

Given that entrepreneurial resources are important in driving growth of SMEs owned by physically challenged entrepreneurs in Kenya, recommendations in the study are increasing entrepreneurship resources needed to encourage inclusivity, equity and sustained growth of SMEs owned by persons with physical disabilities. Providing accessible incubation centres, mentoring networks and peer support groups for micro and small enterprises owned by physically challenged entrepreneurs can build confidence and provide networking opportunities.

Government agencies, private actors and financial institutions should also provide targeted low-interest credit to ensure sustainable funding. There is a need for inclusive capacity building programs for owners of micro and small businesses owned by physically challenged entrepreneurs and their assistive technology use. Mentorship, peer learning and constant professional development enhances resilience and innovation. In addition, targeted entrepreneurial support programs should focus on business viability and on the challenges faced by physically challenged entrepreneurs in urban areas and in cities such as Nairobi, Mombasa, Kisumu and Nakuru. Policies that offer inclusive support for marginalized entrepreneurs and people with disabilities will also promote inclusive support and business growth.

There is also a necessity to increase the amount of grants and interest-free loans that disabled entrepreneurs can receive by expanding the Uwezo Fund and the National Development Fund for Persons with disabilities, especially for start-ups. These programs address the high risks in operation and low credit ratings that restrict the traditional loan supply for SMEs owned by persons with physical disabilities.

To increase the financial literacy and awareness of funding opportunities of disabled entrepreneurs, particularly in rural areas, there needs to be a framework of developed and easily accessible digital platforms and training programs. Low digital literacy and limited information access hinder applications for grants and loans, especially in marginalized counties where financial inclusion is low. There is also a need to address discrimination in financial institutions by implementing training for bank employees to better understand disability-related circumstances and address biases in loan application evaluation. Discrimination by financial institutions leads to unfair loan denials, exacerbating financial exclusion for entrepreneurs with disabilities. Enforcement of the Central Bank of Kenya's

2021 Act should also be undertaken on digital lending to ensure fair lending practices and mandate disability-awareness training for said lenders (Center for Financial Inclusion, 2021).

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CONFLICT OF INTEREST

The authors declare no conflict of interest in the conduct and publication

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