

**EFFECT OF COMPETITIVE STRATEGIES ON GROWTH ON EMPLOYMENT BY
WOMEN ENTERPRISE FUNDED SMALL AND MEDIUM ENTERPRISES IN
KENYA**

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ABSTRACT

Many women-owned small and medium enterprises (SMEs) are being created every year but the sizes in terms of sales, profits and capitalization remain small majority employing one to two employees. The growth potential of enterprises is linked to access to and control over resources, including land, credit, technology, networks, information and markets. Women's limited access to each of these factors severely impairs the viability of their businesses, with the result that most women entrepreneurs are to be found in the smallest informal enterprises. The Government of Kenya set up the Women Enterprise Fund (WEF) as part of an integrated strategy on the promotion of women owned enterprises to provide accessible and affordable credit to support women start or expand business for wealth and employment creation. It is not well understood to what extent the loans to SMEs through WEF are contributing to growth of SMEs in Kenya. Most beneficiaries of WEF are low value enterprises therefore due to high level of competition they therefore need to develop and apply strategies which will make their businesses grow and survive competition. It has been suggested that certain strategic alternatives are typically more appropriate for a small firm, namely those that avoid direct competition with larger firms and that involve the development of close customer relationships and product adaptation. This paper examined the effect of competitive strategies on growth of women owned MSEs. Growth of SMEs means increase in sales, employees, production and service lines, this study focused only on growth measured through number of employees. Primary data was collected using questionnaires, which were analysed deployed descriptive and inferential statistics to facilitate the study findings. The results showed that the SMES that emphasized on market penetration strategy performed slightly better than those SMES which emphasized on market development and product development strategies.

Keywords: Competitive Strategies, SMEs, Employment, Growth, WEF.