

**NON-GOVERNMENT ORGANIZATION INTERVENTIONS ON
PERFORMANCE OF REFUGEE LED SMALL AND MEDIUM ENTERPRISES
IN NORTHERN KENYA**

**By
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MASTER OF SCIENCE IN DEVELOPMENT FINANCE

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**A DISSERTATION SUBMITTED IN PARTIAL FULFILLMENT OF THE
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DEVELOPMENT FINANCE IN THE SCHOOL OF BUSINESS AT KCA
UNIVERSITY**

OCTOBER 2025

DECLARATION

I declare that this dissertation is my original work and has not been previously published or submitted elsewhere for award of a degree. I also declare that this contains no material written or published by other people except where due reference is made and author duly acknowledged.

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Date: 27/10/2025

I do hereby confirm that I have examined the master's dissertation of

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And have certified that all revisions that the dissertation panel and examiners recommended have been adequately addressed.

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ABSTRACT

The significant obstacle for SMEs in Northern Kenya is the absence of collateral or credit record, which makes it difficult for refugees to obtain capital. Navigating the legal and bureaucratic landscape is particularly challenging for refugees, that may not be familiar with local laws and regulations governing business operations. Competing with established local businesses is difficult especially in areas where market dynamics are already saturated. This is coupled with refugees facing discrimination or bias that can hinder their ability to attract customers. This prompted a study on the effect of non-government organization interventions on performance of refugee led small and medium enterprises in Northern. This research is significance to policy, significance to practice, significance to theory and significant to other researchers. The study was anchored to Market Orientation Theory with other supporting theories. This research sought to use Correlation research design. Targeted respondents were obtained from business entrepreneurs in Kakuma and Dadaab Camps. There were 1102 business entities run as sole proprietors or joint companies. From these, a unit of observation was 1102 businesses and unit of analysis was individual business proprietors. The sampling frame of the study consisted of grocery stores, food stalls, restaurants/cafes, and M-Pesa kiosks both at Kakuma and Dadaab refugee camps. The research employed a stratified random sampling technique. The study's sample size was 10% of target population giving 110 as sample size. Questionnaires with predetermined formats were used to assist in the collection of primary data. For the purpose of this investigation, questionnaires were utilized, in addition to being validated by validity and reliability testing. For reliability test, a Cronbach alpha value exceeding 0.7 was considered to exhibit strong internal consistency. The data was analyzed by adopting quantitative techniques such as descriptive analysis and inferential analysis. For descriptive, output such as mean, standard deviation, was derived. For inferential analysis, correlation analysis and regression analysis was adopted. Findings were therefore, presented by use of tables. From the findings, the study established that market orientation is positively correlated with performance ($r = .509$, $p < .01$), suggesting that the more refugee SMEs adopt market-oriented interventions, the better their performance. Microfinance services also show a positive correlation with performance ($r = .535$, $p < .01$), meaning that access to financial support enhances growth and sustainability. Networking opportunities are positively related to performance ($r = .518$, $p < .01$), highlighting the role of collaborative linkages in improving business outcomes. Capacity building for fundraising has the strongest positive relationship with performance ($r = .572$, $p < .01$), implying that when refugee entrepreneurs are equipped with financial mobilization skills. The study recommends that policymakers and NGOs design context-specific interventions to strengthen refugee-led SMEs in Northern Kenya. Flexible market orientation programs, supported by affordable financing, simplified registration, and partnerships with host communities, would enhance competitiveness and resilience. Inclusive microfinance models with lower interest rates, blended capital, and integrated financial literacy training can expand access to sustainable financing. Networking opportunities should move beyond NGO-managed forums to empower entrepreneurs to engage in regional trade, digital markets, and independent partnership building. Finally, capacity building should be linked with direct funding through micro-grants, low-interest credit, and hybrid support models with financial institutions and donors, ensuring that training translate into measurable business outcomes.

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DEDICATION

I present my sincere dedication to my supporting family that stood with me throughout my academic study period. They were very helpful in assisting me with my academic engagements. They gave consistent encouragement despite the demanding schedule encompassing professional and educational commitments. I express genuine gratitude for the assistance provided by them.

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LIST OF ABBREVIATION AND ACRONYMS

AGOA	African Growth and Opportunity Act
BOA	Bank of Agriculture
CRRF	Comprehensive Refugee Response Framework
DCA	Danish Church Aid
DECIDE	Delivering Expertise, Capacity and Investment to Developing Enterprise
FDPs	Fibrin Degradation Products
LIFT	Livelihoods and Inclusion for Transformation in Kenya
MFI	Microfinance Institutions
MSMEs	Micro, Small, and Medium Enterprises
NGOs	Non-Government Organizations
NORAD	Norwegian Agency for Development Cooperation
OECD	Organization for Economic Cooperation and Development
RLEs	Refugee-Led Enterprises
SMEs	Small and Medium Enterprises
SRC	Smart Regional Consultants
SSEs	Small Scale Enterprises
UN	United Nation
UNDP	United Nation Development Program
UNHCR	United Nation Humanitarian Commission for Refugee
US	United States

OPERATIONAL DEFINITION OF TERMS

Business Performance	Constitute how effectively company achieves its goals, operates efficiently, and maintains financial health over a specific period (Shah <i>et. al.</i> 2020).
Capacity Building for Fund Raising	In order to boost fundraising efforts and long-term sustainability, it is the process of enhancing an organization's capacity to efficiently collect and manage financial resources for the development of systems, structures, strategies, and skills (Holba, 2023).
Market Orientation Intervention	Refers to a strategic effort by businesses, organizations, or policymakers to enhance a firm's ability to understand and respond to market demands (Azmat, 2023).
Microfinance Services	It is the range of financial products and services provided to underserved communities, new businesses, and low-income individuals who lack access to traditional banking establishments (Ginting, 2019).
Networking Opportunities	It constitutes the situations, events, or platforms where individuals or organizations can connect, build relationships, and exchange information for personal, professional, or business growth (Hart & Roper, 2021).

Non-Government Organization Interventions Refer to the actions, programs, and strategies implemented by NGOs to address social, economic, environmental, and humanitarian challenges aimed at improving the well-being of communities, promote sustainable development, and provide solutions where government efforts may be insufficient (Spark, 2021).

CHAPTER ONE

INTRODUCTION

1.1 Background to the Study

The performance of Micro, Small, and Medium Enterprises (MSMEs) is becoming a significant global concern. This is ascribed to the beneficial influence of MSMEs on a nation's economic growth. Refugee-led SMEs can profoundly influence local economies by generating employment and revitalizing business activity (Loku & Loku, 2020). Refugees frequently possess distinctive abilities and an entrepreneurial mindset, enabling them to address market deficiencies and create innovative products and services. This entrepreneurship impetus is essential in areas where conventional possibilities for employment may be constrained by economic instability or elevated unemployment rates (Manji, 2019).

A considerable proportion of small enterprises are held by refugees. The 2019 research by New American Economy indicated that refugees exhibited stronger entrepreneurship rates compared to other immigrant demographics and U.S.born individuals, generating \$5.1 billion in business income that year. Their local influence is evident in areas such as Columbus, Ohio, where firms owned by refugees have produced annual revenue of \$605.7 million. This achievement is particularly noteworthy given the substantial obstacles faced by refugees in establishing a new firm, such as language difficulties, securing start-up capital without a credit history, and a lack of localized understanding of market navigation and unfamiliar regulatory frameworks (Holba, 2023).

In Syria, small and medium-sized enterprises (SMEs) in rural regions are reported to contribute 45% to the national economy and are recognized for their significant potential to

foster sustainable growth, as indicated by Spark (2021) in regard to a report on access to credit. A report by Global Compact Network-UK (2024) concerning the Ukraine catastrophe: An Urgent Call for Business Action stated that the UK urges the business community to intervene and assist civilians affected by the severe humanitarian catastrophe in Ukraine. The private sector has faced sanctions against Russia, supply chain cost inflation, and general instability; nevertheless, it is imperative for businesses to prioritize human rights and environmental due diligence, centering their actions on refugees, displaced individuals, and the planet. In the United Kingdom, small and medium-sized enterprises (SMEs) have demonstrated enhanced performance, contributing 47% of national revenue and playing a crucial role in boosting productivity (Hart & Roper, 2021).

Small enterprises in Africa by 2015 had employed around 80% of the subcontinent's workforce (Cariolle, 2020). Chowdhury and Wolf (2019) noted that in East Africa, particularly, MSMEs not only enhance value but also play a crucial role in the economy and the manufacturing sector, employing over 50% of the labor force on average in Kenya, Uganda, and Tanzania. According to Osano (2019), around 80% of enterprises in Kenya are micro, small, and medium-sized enterprises (MSMEs), which account for roughly 40% of the nation's GDP. Refugees in various African nations, including Uganda, Ethiopia, and Tanzania, encounter considerable obstacles in their efforts to engage in commercial activities.

A significant number of refugees are from conflict-affected regions, like Somalia, Sudan, and Congo, where economic instability and climatic change drastically constrain their resources and networks (Boma, 2021). Moreover, refugees frequently face legal obstacles that impede their capacity to establish firms or obtain financial services, so exacerbating their entrepreneurial challenges. Furthermore, the prevailing economic

conditions in host nations may be detrimental, characterized by elevated poverty rates and inadequate governance, hence hindering the assimilation of refugees into local economy. These elements collectively establish a formidable environment for refugee entrepreneurship in Africa (Disse & Sommer, 2020).

Kenya is among the largest refugee-hosting nations in Africa, facing both enduring and active refugee crises. The nation is presently accommodating approximately 560,000 refugees and asylum seekers. The bulks (84 percent) reside in the refugee camps of Dadaab and Kakuma, and 16 percent are urban refugees primarily located in Nairobi. The predominant origins for these refugees and asylum seekers are Somalia (53 percent), South Sudan (25 percent), the Democratic Republic of the Congo (9 percent), and Ethiopia (6 percent), whereas the remaining individuals primarily hailing from Burundi, Sudan, Uganda, Eritrea, and Rwanda (International Labor Organization, 2022). The refugee camps and communities in Kenya reside in generally poor and neglected counties, marked by food shortages, restricted access to essential social services and economic infrastructure, and constrained livelihood prospects. The two host counties, Garissa and Turkana, are predominantly desert, and neither refugee and community members contend with finding a viable pathway out of deprivation (Mwobobia, 2022).

Conversely, urban refugees are largely left on their own. Neither the UNHCR nor the GoK directly assist them. When needed, a few UNHCR partner groups tried to provide assistance, but this is not a consistent source of support. They are therefore forced to participate in some kind of economic activity, mostly for survival. These refugees have demonstrated resilience and succeeded to make a living through refugee entrepreneurial initiatives despite institutional impediments to economic engagement, restricted economic regulations, and limited or nonexistent financial access (Luseno & Kolade, 2022). For many

years, Kenya has been and continues to be a welcoming host nation for refugees. Nevertheless, there is still no clear legislation governing refugees' assimilation into the host society or even a route for refugees to become citizens of Kenya. Additionally, there are other obstacles that prevent refugees from participating in economic activity. This also applies to Kenyan nationals (Minto-Coy & McNaughton, 2021).

In relocation settings such as Kakuma Refugee Camp, medium-sized businesses (SMEs) generated livelihood possibilities and enhanced incomes for both refugees and host communities, while also maintaining a robust informal market economy valued at \$56 million (Manji, 2019). In refugee environments, significant obstacles include restricted opportunities for marketplaces financing, and property possession; elevated informality rates; inadequate educational attainment; poor understanding of finance; minimal savings; and expensive business operational costs (Manji, 2019).

A report from UNHCR (2023) regarding the mandate of the Office of the High Commissioner for Refugees said that refugees in Dadaab Camp encounter several obstacles in their efforts to engage in commercial activities. Access to capital is limited, as many lack savings or financial support, making it difficult to start ventures. Furthermore, legal restrictions often impede their ability to register businesses or obtain permits. The camp's market saturation means high competition for similar goods, reducing profit margins. Additionally, refugees do encounter social stigma or discrimination from local communities, affecting customer relations. These challenges collectively restrict entrepreneurial opportunities, making it harder for refugees to achieve economic stability and improve their circumstances in Dadaab.

Refugee-led micro, small, and medium enterprises (MSMEs) in Kenya continue to face significant challenges that hinder their growth and sustainability. Despite the enactment of the Refugee Act in 2021, which aimed to enhance refugees' rights to work and engage in business activities, practical implementation remains limited. Many refugees struggle to obtain work permits and face bureaucratic hurdles in registering businesses, leading to a predominance of informal enterprises. In regions like Turkana County, over 95% of employment is within the informal economy, with refugee businesses often lacking access to credit, formal registration, and social protections (International Labour Organization, 2022).

Financial inclusion is notably low since only 2% of loans accessed by refugees come from formal financial institutions, primarily due to stringent documentation requirements (UNHCR & World Bank, 2021). The restrictions on movement and the non-recognition of refugee identification documents by financial institutions further impede economic activities. Gender disparities also persist, with refugee women facing greater obstacles in accessing employment and financial services (Vuni & Buhendwa, 2023). These systemic issues underscore the need for comprehensive policy implementation and support mechanisms to empower refugee-led MSMEs in Kenya.

1.1.1 Non-Government Organization Interventions

Non-Governmental Organizations (NGOs) are essential to social and economic growths are acknowledged as significant contributors to the nation's well-being and general welfare (Azmat, 2023). As stated by Lolita (2023), NGOs have established themselves within society by making substantial contributions to human development and poverty reduction. By supporting small firms, the NGOs have enhanced the sustainability of their programs, projects, and services for the impoverished. According to UNHCR (2022), involving

beneficiaries in small enterprises enhances their empowerment and ensures more sustained income. A small firm, fundamentally a community-based project for the impoverished, fosters self-reliance and generates sustained revenue, so enhancing living standards, diminishing criminal activity, and contributing to national development through NGO interventions.

Farm Africa (2023) reports that the Norwegian Agency for Development Cooperation (NORAD) funded the Delivering Expertise, Capacity and Investment to Developing Enterprise (DECIDE) initiative, which helped 30 horticultural MSMEs across 10 areas in Tanzania. Of these, 56% were firms owned by females. The assisted MSMEs faced obstacles due to restricted access to financial services, particularly loans, equipment, and operating capital. This has constrained the development of numerous MSMEs and restricted the expansion of their enterprises. A study by Amnesty International (2023) in Kampala states that the Global Compact on Refugees, enacted by the UN General Assembly in December 2018, acknowledged the crucial role of refugee-led organizations in addressing the protection and livelihood requirements of refugee communities. This was corroborated in 2019 at the Global Refugee Forum, where refugee-led groups worldwide advocated for international entities to endorse refugee-led initiatives and community-based organizations in refugee operations. The potential exclusion of refugees from government-led interventions for the most disadvantaged underscores the critical importance of refugee-led organizations.

Marketplaces are regularly established near assistance distribution stations, where refugees sell goods from carts. These enterprises provide a range of products, including wedding dresses and smartphones, and are projected to create a yearly turnover of approximately 25 million USD (Okoth 2022). The financial health of refugee camps is

unexpected, given that humanitarian help is freely available to all people living there, camp architecture lacks facilities for businesses or marketplaces, and in Kenya, regulations limits refugees' access to jobs and business permits (Betts et al. 2021).

Building on these initiatives, NGOs in Northern Kenya have gradually moved away from providing only humanitarian aid and toward development-focused initiatives that encourage self-sufficiency among refugees and host communities. In Turkana and Garissa counties, organizations including the UNHCR, Danish Church Aid (DCA), Norwegian Refugee Council (NRC), and BOMA Project have implemented entrepreneurial support and livelihood programs. For example, UNHCR's Kalobeyei Integrated Socio-Economic Development Plan (KISED P) integrates refugees and hosts into shared economic systems that promote self-reliance (UNHCR, 2023), while BOMA's Livelihoods and Inclusion for Transformation (LIFT) program offers seed capital and mentorship to women and youth entrepreneurs (BOMA, 2021). These efforts have laid the groundwork for NGO interventions that specifically target small and medium enterprises (SMEs), which are the focus of the next section.

1.1.2 Non-government Organization Interventions for SMEs

Non-governmental organizations (NGOs) Interventions for Small and Medium-sized Enterprises (SMEs) constitutes targeted actions or programs designed to support the growth, development, and sustainability of these businesses. According to Mymunah (2022) Non-governmental organizations (NGOs) play a critical role of providing resources, training, and advocacy, NGOs contribute significantly to the sustainability and growth of SMEs, which are vital for economic development and job creation. One of the primary interventions by NGOs is capacity building. This involves enhancing the skills and knowledge of SME

owners and employees through training programs. NGOs often conduct workshops and seminars that focus on essential business skills such as financial management, marketing and sales and technology adoption.

Non-Governmental Organizations (NGOs) play a significant role in supporting Small and Medium Enterprises (SMEs) by facilitating market orientation interventions. These interventions are designed to help SMEs align their operations with market demands, enhance competitiveness, and improve overall business sustainability (Azmat, 2023). NGOs conduct market studies to identify opportunities, customer preferences, competitive trends, Product Development and Diversification, networking opportunities and gaps in the market. By offering holistic support, NGOs play a vital role in enabling SMEs to thrive in competitive markets, ultimately contributing to sustainable economic development (Mymunah, 2022).

The OECD (2021) asserts that SMEs are vital for economic development, job creation, and poverty reduction; yet, they frequently encounter obstacles such as restricted access to funding, technical competence, and market opportunities. Non-governmental organizations tackle these difficulties by offering microfinance services and supplementary support systems customized for small and medium-sized enterprises. Sammira (2024) asserts that NGOs give microloans to SMEs that are unable to obtain conventional banking services due to insufficient collateral or credit score. Numerous NGOs implement collaborative lending methods in which SMEs collaborate to obtain loans jointly. This method provides peer accountability, mitigating the likelihood of loan defaults while fostering a sense of community and mutual support among SME proprietors.

The Livelihoods and Inclusion for Transformation in Kenya (LIFT) facilitates possibilities for 15,600 individuals residing in extreme poverty. The LIFT specifically targets women, youth, refugees, and dislocated individuals, assisting them in establishing and developing 3,650 eco-friendly firms in Samburu and Turkana counties, Kenya. Boma (2021) states that refugees, displaced individuals, and local community people surrounding Kakuma Refugee Camp and Kalobeyei Refugee Settlement constituted 30 percent of LIFT participants, with 3,200 refugees and 1,750 host community members. LIFT aimed not only to empower these populations with sustainable livelihoods but also to improve their economic acumen through the promotion of structural and cultural transformation.

In collaboration with the IKEA Foundation, BOMA, Smart Regional Consultants (SRC), and Danish Church Aid (DCA) are working to enhance the lives of individuals severely affected by the conflict and climate crises by providing essential livelihood possibilities in Northern Kenya. The effort, executed in collaboration with county governments and local community organizations, was projected to assist around 93,000 individuals in Northern Kenya within two years (Boma, 2021). The Norwegian Refugee Council (2024) reported that the Kenya Refugee Act 2021 was enacted in February 2022. The Act has been lauded by many as progressive, particularly regarding economic inclusion and, by consequently, self-reliance for refugees, which is an essential element of local integration as a sustainable solution. Furthermore, in accordance with the Comprehensive Refugee Response Framework (CRRF), the Government of Kenya has established a Refugee "Shirika plan." The strategy represents a transition in policy from relying on aid to fostering self-sufficiency alongside growth among refugees.

1.1.3 Performance of Refugee Led Small and Medium Enterprises

The performance of business enterprises refers to the extent to which a business achieves its goals and objectives. It encompasses the ability of an enterprise to generate profits, sustain growth, create value for stakeholders, and contribute positively to its broader environment (Norhasni, 2024). Holba (2023) claim that measurable indicators of the performance of Refugee-Led Enterprises (RLEs) can help assess their growth, sustainability and impact. These indicators are typically categorized into financial, operational, social and environmental metrics. Tracking such indicators regularly can provide a comprehensive view of the performance of Refugee-Led Enterprises and inform strategies for their support and development.

Refugee entrepreneurship is a developing domain in which UNHCR has provided support for over a decade to enhance growth, self-sufficiency, protection, and the achievement of sustainable solutions for refugees. UNHCR has implemented market-oriented, outcome-focused performance strategies to improve the self-sufficiency of those in need. Following the endorsement of the Global Compact on Refugees in 2018, the UNHCR's primary function is to serve as an advocate, facilitator, and coordinator among pertinent stakeholders to foster conducive environment and promote the economic integration of refugees and other forcibly displaced individuals into national and developmental services and programs (Mymunah, 2022)

The performance of refugee-led SMEs in Kenya is a complex interplay of challenges and opportunities. While they face significant hurdles, their potential to contribute to the economy is substantial. Continued support from the government, NGOs, and the private sector is essential to enhance their performance and ensure their integration into the broader

economic framework (Githua, 2023). Spark (2021) stated that while refugee-led SMEs face considerable challenges, targeted support and resources can enhance their performance and enable them to thrive, ultimately benefiting both the refugee population and the host communities. By fostering an environment conducive to entrepreneurship, stakeholders can help unlock the economic potential of refugees and promote sustainable development in the region.

Kenyan urban development has significant obstacles. Municipal authorities require additional resources to deliver key services and infrastructure, hence enhancing governance efficacy in metropolitan regions. This situation necessitates an integrated strategy to integrate humanitarian efforts with urban development in regions hosting refugees, in light of the opportunities presented by the Refugee Act of 2021, as highlighted in the Refugee International (2024) report on the New Refugee Act in Kenya and its implications for refugees. Halakhe et al. (2024) assert that Kakuma Municipality: Momentum Towards Implementation of Refugee Act 2021 emphasizes the fact that development partners, such as the World Bank and UN-Habitat in Kenya, should recognize this as a crucial opportunity for working together with the national government and relevant counties and municipalities to enhance the abilities of the local government in delivering integrated services that benefit host and refugee communities.

1.1.4 Small and Medium Enterprises in Northern Kenya

In the context of this study, small scale enterprises are largely ‘one person businesses’ or sole proprietorships operating in firm and non-firm domains of livelihoods, and depending on family and non-family members for labor support in economic production. These small scale enterprises [SSEs] operate as part of the private sector, described as a sector free from

government control and driven by individuals and firms for profit. Sub-Saharan Africa is known to be home to mass private business activity, the majority of which are SSEs providing trade and services (Schulpen & Gibbon, 2022).

Small and Medium Enterprises (SMEs), particularly, play a crucial role in the economy of Northern Kenya. They are vital for job creation, contributing significantly to employment and income generation in the region. SMEs account for approximately 85% of non-farm jobs in Kenya, translating to around 15 million jobs out of an estimated 18 million in the workforce (UNDP, 2020). Recent initiatives have aimed to bolster the MSME sector in Northern Kenya. For instance, a total of Sh3.37 billion (approximately \$26.1 million) in micro loans has been disbursed to support these enterprises, announced during the Northern Kenya Impact Investment Conference. This funding is part of broader efforts to enhance equitable financing and support the growth of MSMEs in this marginalized region (Northern Kenya Impact Investment Conference, 2023).

Potential repercussions of not participating in revenue-generating activities have a detrimental effect on the refugees, which in turn causes them to become dependent on aid, which is typically not transparent enough to be trusted. Starvation and, in the worst cases, hunger-related deaths result from the unpredictability of the amount of relief aid provided to the refugees (Little, 2023). Dependency on relief weakens initiative and can lead to indolence, which feeds a vicious cycle and keeps people in a persistent reliance. Social disputes and criminal activity are certain to occur in such circumstances (Swift & Timas, 2024).

Despite their importance, SMEs in Northern Kenya, they face several challenges, including limited access to credit, which hampers their ability to scale operations and

improve productivity. The region's unique socio-economic conditions often lead to disparities in resource allocation and investment, making it essential for targeted interventions to support these businesses (AGOA:Infor, 2022). In Kenya, there are approximately 7.4 million MSMEs, with a significant portion being micro enterprises that employ fewer than 10 people. The medium enterprises represent only about 0.2% of the total MSMEs, indicating a predominance of smaller businesses. This landscape highlights the need for policies that not only support the growth of existing MSMEs but also encourage the development of medium-sized enterprises as shown in a report by Tralac (2022) on building capacity to help Africa trade better.

As per AGOA Infor (2022), Kenya's regulations aimed at the advancement of SMEs originate from Sessional Paper No. 10 of 1965, titled “African Socialism and its Relevance to Planning in Kenya,” which underscored African ownership, enterprise management, skills enhancement, and cooperative development. The Policies led to the establishment of the Small and Medium Enterprises (MSEs) Act No. 55 of 2012, which advocated for a regulatory framework resulting in the enactment of the MSEs Act No. 55 of 2012. This legislation empowers the Micro Small Enterprise Authority to promote, develop, and regulate the MSE sector in Kenya.

The effectiveness of refugee-led SMEs in achieving its outcomes are tied to the nature and quality of NGO interventions implemented in their operating environment. Market orientation initiatives enable entrepreneurs to better understand customer needs, adapt to competition, and respond to market dynamics, thereby improving profitability. Financial inclusion programs, through microfinance and savings groups, enhance access to credit and working capital critical for sustaining and scaling businesses. Capacity building initiatives equip entrepreneurs with managerial, financial, and marketing skills necessary for

operational efficiency and innovation. These interrelated interventions collectively shape the performance and sustainability of refugee-led SMEs in Northern Kenya.

1.2 Statement of the Problem

Refugee-led SMEs in African countries face significant challenges that hinder their growth and sustainability. In Northern Kenya, particularly in the Kakuma and Kalobeyi settlements, restrictive governmental policies limit refugees' freedom of movement and access to formal employment, thereby constraining the operational scope of NGOs and the economic activities of refugees (Refugee Life, 2020). Infrastructural deficiencies, such as unreliable electricity and inadequate road networks, further impede business operations, making it difficult for NGOs to implement sustainable economic programs (AP News, 2025). Financial constraints are compounded by limited access to credit; traditional banks often deny refugees loans due to lack of collateral and formal identification, forcing many to rely on informal lenders with high interest rates (International Labour Organization, 2022). NGOs also face internal challenges, including coordination issues among various organizations, leading to overlapping programs and inefficient resource utilization (UNHCR & World Bank, 2021). These compounded challenges underscore the need for comprehensive policy interventions and support mechanisms to strengthen the resilience and growth of refugee-led SMEs in the region.

Despite these challenges, refugee-led SMEs hold considerable potential for economic contribution and community development. Their contribution derives from their talents, experience, capabilities, and motivation to assimilate into their new surroundings and economy (OECD, 2021). Entrepreneurship and the management of SMEs provide

refugees with a pathway to self-sufficiency, and refugee-led SMEs require the support of the host community for their development (Muriithi, 2020).

Several studies have addressed aspects of NGOs and refugee-led SMEs. Norhasni (2024) focused on empowering communities through NGOs in business, education, and welfare development in Malaysia and Pakistan. Similarly, Sammira (2024) examined the role of selected NGOs in enhancing food security among women in refugee and host communities in the Adjumani District of Northern Uganda. However, there is a contextual gap, as these studies are based on foreign contexts whose practices and policies may differ from Kenya's in relation to NGOs and refugees.

In Kenya, Githua (2023) analyzed challenges facing urban refugees in running small-scale businesses, using the Great Lakes refugee population in Nairobi County, and found that refugees face legal restrictions that limit their ability to start and operate businesses. Ogechi (2020) examined factors influencing strategies used by NGOs for business development of SMEs in Kenya and established that access to financial resources is a major hurdle.

Therefore, to address contextual, conceptual, and empirical gaps, this research aims to establish the effect of NGO interventions on the performance of refugee-led SMEs in Northern Kenya, incorporating market orientation interventions, microfinance services, networking opportunities, and capacity building for fundraising.

1.3 Objectives of the Study

This research is directed by these objectives;

1.3.1 General Objectives

This research aimed at examining effect of non-government organization interventions on performance of refugee led small and medium enterprises in Northern Kenya.

1.3.2 Specific Objectives

- i. To assess the effect of market orientation intervention on performance of refugee led small and medium enterprises in Northern Kenya.
- ii. To establish the effect of microfinance services on performance of refugee led small and medium enterprises in Northern Kenya.
- iii. To evaluate the effect of networking opportunities on performance of refugee led small and medium enterprises in Northern Kenya.
- iv. To determine the effect of capacity building for fund raising on performance of refugee led small and medium enterprises in Northern Kenya.

1.4 Research questions

- i. How does market orientation intervention affect performance of refugee led small and medium enterprises in Northern Kenya?
- ii. To what extent does microfinance services affect performance of refugee led small and medium enterprises in Northern Kenya?
- iii. What effect does networking opportunities have on performance of refugee led small and medium enterprises in Northern Kenya?
- iv. How does capacity building affect fund raising on performance of refugee led small and medium enterprises in Northern Kenya?

1.5 Significance of the Study

The study is useful to;

1.5.1 Policymakers in Non-Government Organization

Studies about non-government organization (NGO) interventions for small and medium-sized enterprises (SMEs) are significant to policymakers in NGOs as they provide evidence-based insights into what strategies effectively promote SME growth, sustainability, and resilience. These studies help policymakers identify gaps in existing support systems, tailor programs to local economic contexts, and allocate resources efficiently. Moreover, they offer data on the socio-economic impact of interventions such as training, access to finance, and market linkages, enabling NGOs to design inclusive policies that foster entrepreneurship, reduce poverty, and boost employment. Ultimately, such research enhances accountability and strategic planning; ensuring interventions are impactful and aligned with broader development goals.

1.5.3 Owners of Refugee Led Small and Medium Enterprises

Studies about non-government organization (NGO) interventions for small and medium enterprises (SMEs) are significant to owners of refugee-led SMEs because they highlight the types of support that have proven effective in overcoming the unique challenges refugees face, such as limited access to capital, legal barriers, and market exclusion. These studies provide refugee entrepreneurs with valuable information on successful models of training, mentorship, and financial inclusion, enabling them to make informed decisions and seek out relevant support. The findings can empower refugee business owners to advocate for targeted assistance, participate in programs with a higher chance of success, and strengthen their enterprises, ultimately contributing to their self-reliance and economic integration.

1.5.4 The Government of Kenya

Studies about non-government organization (NGO) interventions for small and medium enterprises (SMEs) are significant to the Government of Kenya as they offer critical insights into complementary development efforts that support the country's economic growth and poverty reduction goals. These studies reveal best practices, successful models, and impact-driven strategies implemented by NGOs, which the government can adopt, scale, or integrate into national policies. They also help identify gaps in regulatory frameworks, infrastructure, and access to finance that hinder SME growth, particularly in underserved or marginalized communities. By understanding the outcomes of NGO interventions, the government can foster more effective public-private partnerships, align its SME support initiatives with proven methods, and ensure more inclusive and sustainable economic development across the country.

1.5.5 Significant to Other Researchers

The effectiveness of non-governmental organization (NGO) activities that are explicitly aimed at small and medium-sized enterprises (SMEs) has not been adequately researched. Many studies have concentrated on larger corporations or have overlooked the unique challenges faced by SMEs. By investigating NGO interventions, researchers can fill these gaps, contributing to a more balanced understanding of organizational dynamics across different sectors. This can lead to new insights and theories that are applicable to both NGOs and SMEs. By exploring how NGOs impact SMEs, researchers can contribute to interdisciplinary knowledge, fostering collaboration among different fields. This can lead to innovative approaches and methodologies that enhance the overall quality of research.

1.6 Scope of the Study

The purpose of the study was to establish effect of non-government organization interventions on performance of refugee led small and medium enterprises in Northern Kenya, thus, repentant content scope. The geographical scope of the study was business enterprises situated in Northern Kenya consisting of Dadaab and Kakuma. The conceptual scope entailed determining the influence of grant provision, microfinance services, networking opportunities and capacity building for fund raising on performance of refugee led small and medium enterprises in Northern Kenya. The methodological scope entailed adoption of descriptive research design; the population of study were business owners of selected enterprises in Dadaab and Kakuma, Northern Kenya. Upon completion of the study, it was covered in a period five months to completion.

CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction

This chapter presents the theoretical review outlining all theories applicable in this research work. The chapter also presents empirical review covering the study objectives; there were summary and research gaps, conceptual framework and operationalization of variables.

2.1 Theoretical Review

A theoretical review is a critical examination of existing theories that involves identifying, analyzing, and comparing different theories to understand how they explain the phenomena under study. The purpose was to provide a solid foundation for the research by demonstrating how the study was grounded in established knowledge and how it contributed to or challenges existing theoretical perspectives. The study was therefore anchored on Market Orientation Theory, Financial Inclusion Theory, Social Capital Theory and Human Capital Theory.

2.1.1 Market Orientation Theory

Market Orientation Theory was developed by marketing scholars such as Kohli and Jaworski (1990) and Narver and Slater (1990). It emerged in the late 20th century as businesses shifted from production-centric to customer-focused strategies (Kohli & Jaworski, 1990). The theory states that organizations should prioritize customer needs, competitor awareness, and interdepartmental coordination to achieve long-term success. It emphasizes market intelligence generation, dissemination, and responsiveness as key

elements for competitive advantage, fostering innovation, customer satisfaction, and profitability in dynamic market environments.

According to Prifti and Alimehmeti (2017), Market Orientation Theory assumes that businesses operate in dynamic environments where customer preferences and market conditions constantly change. It presumes that market intelligence gathering, internal communication, and responsive strategies enhance business performance. Additionally, the theory assumes that organizations adopting a market orientation approach foster long-term customer relationships, outcompete rivals, and sustain profitability. It also posits that successful market interventions require aligning organizational resources with consumer demands, thereby ensuring adaptability, innovation, and continuous value creation in competitive markets (Kohli & Jaworski, 1990).

Despite its advantages, Market Orientation Theory faces criticism for its overemphasis on customer needs, which can hinder radical innovation. Critics argue that excessive focus on current consumer demands may lead businesses to overlook disruptive technologies and future trends. Additionally, implementing a market-oriented approach requires substantial resources, making it challenging for small businesses with limited capital (Gotteland et al., 2007). Some scholars also contend that market orientation alone is insufficient, as organizational culture, leadership, and external macroeconomic factors significantly influence business success.

Market Orientation Theory is highly relevant for small-scale businesses aiming for growth and sustainability. It helps entrepreneurs understand customer preferences, adjust marketing strategies, and compete effectively. Small businesses can apply this theory by conducting informal market research, engaging with customers, and leveraging social media

for consumer insights. However, due to resource constraints, small enterprises may need cost-effective approaches like word-of-mouth marketing and community engagement. Ultimately, adopting a market orientation fosters customer loyalty, innovation, and long-term business viability.

2.1.2 Financial Inclusion Theory

Theory of Financial Inclusion was formulated by economists and policymakers, notably influenced by scholars such as Thorsten Beck and Asli Demirgüç-Kunt in the early 2000s. It arose as a reaction to financial exclusion, especially in emerging economies. The emergence of Financial Inclusion Theory does not have a specific date, as it has grown throughout time through many economic, social, and policy-oriented discourses (Ozili, 2020). The theory posits that access to inexpensive financial services, including credit, savings, insurance, and payment systems, fosters economic growth, alleviates poverty, and advances social fairness. It underscores the importance of financial institutions, technology, and governmental policy in facilitating equitable financial access for everyone.

Financial Inclusion Theory assumes that access to financial services enables individuals and small businesses to improve economic stability and productivity. It presumes that microfinance institutions (MFIs) bridge financial gaps by offering low-income individuals' credit, savings, and insurance services (Kling et al., 2020). The theory also assumes that digital financial services and policy interventions enhance financial accessibility. Additionally, it posits that financially included populations can engage in entrepreneurial activities, accumulate assets, and mitigate economic shocks, ultimately fostering inclusive economic development and social empowerment.

According to Reis (2021), being the critic, argues that Financial Inclusion Theory oversimplifies the impact of financial access on poverty reduction. Some studies suggest that microfinance services can lead to debt cycles, as high interest rates from MFIs burden borrowers. Additionally, Ozili (2020) claim that financial inclusion does not automatically translate to economic empowerment without adequate financial literacy. Skeptics also highlight the role of structural inequalities, such as gender and regional disparities, which limit financial access despite policy interventions. Furthermore, reliance on digital banking may exclude technologically illiterate populations.

The Theory of Financial Inclusion is highly applicable to NGOs that act as financial intermediaries between SMEs and financial institutions, as it emphasizes the importance of broadening access to financial services for underserved populations. NGOs play a critical role in bridging the gap between SMEs especially refugee led small and medium enterprises in marginalized or high-risk communities and formal financial systems by facilitating access to credit, savings, and financial literacy. Through this theory, NGOs can design interventions that address barriers such as lack of collateral, limited financial knowledge and regulatory exclusion, thereby enabling SMEs to participate more fully in the economy.

2.1.3 Social Capital Theory

Social Capital Theory was developed by sociologists Pierre Bourdieu (1980), James Coleman (1988), and Robert Putnam (1993). Bourdieu viewed social capital as resources derived from social relationships, while Coleman emphasized its role in facilitating collective action. Putnam linked it to civic engagement and economic development. The theory states that networks, trust, and shared norms enable individuals and groups to access resources, opportunities, and support. It highlights how social connections influence

economic, social, and political outcomes by fostering cooperation, knowledge sharing, and mutual assistance in various societal and business contexts (Machalek & Martin, 2015).

According to Thomas and Gupta (2021), Social Capital Theory assumes that social networks provide individuals and businesses with valuable resources, such as information, mentorship, and financial support. It presumes that trust and reciprocity within these networks enhance collaboration and create mutually beneficial opportunities. The theory also assumes that strong social ties facilitate access to exclusive markets, partnerships, and professional growth (Foa, 2024). Moreover, it posits that weak ties casual or indirect relationships are equally important, as they provide new insights and connections beyond one's immediate social or business circle.

Critics argue that Social Capital Theory overlooks power imbalances within networks, where dominant groups control access to resources, excluding marginalized individuals. Some scholars contend that excessive reliance on social capital can lead to nepotism and favoritism, hindering merit-based opportunities. Additionally, strong social ties may create closed networks that resist innovation or external influences (Thomas & Gupta, 2021). Critics also point out that social capital does not always guarantee economic success, as external factors like market conditions and government policies significantly impact business opportunities.

Social Capital Theory is crucial for small-scale businesses in building and leveraging professional networks for growth. Entrepreneurs can use personal and community relationships to gain market insights, attract customers, and access funding. Business associations, networking events, and digital platforms like LinkedIn help establish valuable connections. Social capital fosters mentorship, knowledge sharing, and collaborations that

enhance business opportunities. Participation in local trade groups and community organizations strengthens trust and credibility, leading to referrals and long-term partnerships. By strategically expanding networks, small businesses improve market access, competitiveness, and sustainability.

2.1.4 Human Capital Theory

Human Capital Theory was developed by economists Theodore Schultz (1961) and Gary Becker (1964) to explain the economic value of education, skills, and experience. The theory states that investments in human capital such as education, training, and health enhance individual productivity, leading to economic growth (Hung & Ramsden, 2021). It suggests that skilled and knowledgeable workers contribute more effectively to organizational success and national development. Businesses and economies that prioritize human capital development achieve greater innovation, efficiency, and competitiveness in an increasingly knowledge-based global market (Mayilyan & Yedigaryan, 2022).

Human Capital Theory assumes that individuals and businesses benefit from continuous learning and skill development. It presumes that education and training increase worker productivity, leading to higher income and business success (Maringe, 2023). The theory also assumes that investment in employees' knowledge and capabilities enhances innovation and adaptability in competitive markets. Additionally, it posits that well-trained employees improve business efficiency, customer satisfaction, and overall firm performance. For small and medium enterprises (SMEs), capacity building through human capital investment fosters long-term growth, operational resilience, and increased access to market opportunities (Hung & Ramsden, 2021).

Critics argue that Human Capital Theory overemphasizes education and training without considering structural factors like labor market inequalities and economic conditions. Some scholars contend that access to education and skill development is not equal, limiting opportunities for marginalized groups. Others highlight that increased human capital does not always guarantee better employment or higher wages, as job availability depends on broader economic factors (Mayilyan & Yedigaryan, 2022). The theory tends to overlook the role of informal learning, social capital, and institutional barriers in shaping economic opportunities and business success.

Human Capital Theory is essential for small-scale businesses seeking funding, as well-trained entrepreneurs are better equipped to secure financial resources. Business owners can enhance their fundraising capacity by developing financial literacy, proposal writing, and negotiation skills. Training in digital marketing, financial management, and networking improves credibility and attracts investors. Workshops and mentorship programs help entrepreneurs understand investment trends and build investor confidence. Additionally, small businesses that invest in continuous learning are more adaptable to financial challenges, increasing their chances of securing grants, loans, and venture capital for sustainable growth and expansion.

2.1.5 Integration of Theoretical and Empirical Review

The researched theories provide a solid conceptual foundation for understanding the relationship between NGO interventions and the performance of refugee-led SMEs. Social Capital Theory emphasizes the importance of networks and trust in allowing access to information, resources, and market opportunities, findings that are congruent with empirical research such as Omata (2021) and Ali et al. (2023), which stress the relevance of

networking in business expansion. Similarly, Human Capital Theory supports evidence that training and capacity-building activities improve managerial competence and entrepreneurial effectiveness. Overall, these theoretical views support the empirical findings, indicating that NGO interventions aimed at increasing social and human capital have a major impact on the sustainability and success of refugee-led SMEs in Northern Kenya.

2.2 Empirical Review

Empirical literature in research refers to the body of studies and scholarly work that relies on empirical evidence, which is information gained through observation, experimentation, or data collection. This type of literature focused on verifiable data and evidence rather than theories, speculation, or conceptual analysis (Kothari, 2019).

2.2.1 Market Orientation Intervention and Performance of SMEs

A study by Yaskun et al. (2023) examined the impact of market orientation, entrepreneurial orientation, innovation, and competitive advantage on the business performance of Indonesian MSMEs, Lamongan region of East Java. This study employed a case study research methodology and quantitative technique. The study involved 302 owners and managers of MSMEs, analyzed using SPSS-AMOS 22 for Structural Equation Modeling (SEM). Results: The study's findings indicate that while innovation does not greatly influence the success of MSMEs, market orientation, entrepreneurial orientation, and competitive advantage all have a substantial impact. However, although the study encompasses Indonesian MSMEs, it reveals a contextual gap, since it is grounded in a foreign nation whose market orientation techniques may not be applicable to the market orientation employed by NGOs for SMEs in Kenya. This necessitates an investigation into

the impact of market orientation interventions on the performance of refugee-led small and medium enterprise in Northern Kenya.

A study conducted by Hassen and Singh (2020) examined the impact of market orientation on the performance of small and medium firms in the Amhara Region of Ethiopia. A questionnaire was used to gather primary data from 250 SMEs owners. The data was examined using a multivariate data analysis method that included modeling of structural equations. The findings showed that inter-functional cooperation and customer orientation have a major and favorable impact on small and medium-sized business performance. The results indicated that in order to achieve better performance, small and medium-sized businesses need to adopt an additional market-centric approach. However, environmental gap is evident since the study was conducted in Ethiopia and did not include SMEs affected by NGO assistance. This study aims to investigate the impact of market orientation interventions by NGOs on the performance of refugee-led small and medium enterprises in Northern Kenya.

Bamfo and Kraa (2019) conducted an analysis examining the relationship between market orientation and the performance of small and medium firms in Ghana. A total of 500 SMEs participated in the survey, and 391 of them responded, yielding a 78.2% response rate. To find the SMEs, convenience and purposeful sampling techniques were used, and questionnaires were used to gather data. The research design used was explanatory. As stated in the hypothesis, the study examined a number of connections and used Structural Equation Modeling (SEM) for data analysis. The results showed that while competition orientation also positively predicts performance, albeit to a lesser degree, customer orientation, a market

orientation variable, considerably and positively predicts performance. The performance of SMEs in Ghana is negatively and insignificantly impacted by the inter-functional strategy.

Kipkirui and Omwenga (2023) investigated the relationship between competitor orientation and the performance of small and medium firms in Kenya. The study focused on small and medium-sized businesses (SMEs) and used a cross-sectional survey approach. The 100 top small and medium-sized businesses were surveyed. Both descriptive and inferential statistics were used. According to the study, putting aggressive competitor tactics into practice improves organizational performance. The association among competitive orientation and SME success is positively, although marginally, impacted by technology-related skills. The results showed that firms focused on competition quickly create new goods and use powerful branding techniques to hold onto their market leadership. However, the use of a cross-sectional survey study approach results in a methodological gap. Descriptive research was used in this investigation to produce descriptive data about how market orientation interventions affect the performance of small and medium-sized businesses run by refugees.

Sigey et al. (2023) conducted a study on the relationship between entrepreneurial orientation and the performance of small and medium firms in Kenya. The resource-based view hypothesis served as the foundation for the investigation. The study focused on small and medium-sized businesses (SMEs) and used a cross-sectional survey approach. In 2017, Nation Media Group and KPMG Audit and Management conducted a survey of the top 100 small and medium-sized businesses, which made up the sample population. To gather primary data, self-administered semi-structured questionnaires were used. Both descriptive and inferential statistics were used in the analysis. The study showed that an entrepreneurial

mindset has a positive but negligible impact on SMEs' performance. The results showed that the impact of entrepreneurial orientation on SME performance is negligible when information technology proficiency is present. According to the research, in order to improve performance, SMEs must have entrepreneurial traits.

A research by Kimani (2020) examined market orientation and company success in Kenyan SMEs. Through the use of a questionnaire, the study employed an explanatory and descriptive methodology to investigate the causal connection between the performance of SMEs in Nairobi County and the aspects of Market Orientation. From a target population of 1,600 employees, a sample of 160 employees (10%) was taken from a compilation of SMEs found in the Kenya Business Directory. The success of micro and small businesses in Nairobi County was found to be positively correlated with market orientation. The results of the regression analysis showed that performance was positively correlated with every one of the four market-oriented dimensions, and that performance would improve if each component was upgraded. The findings showed that the association between market orientation and performance was modified by education and business age.

2.2.2 Microfinance Services and Performance of SMEs

A study conducted by Sewwandhi and Kurupparachchi (2021) examined the influence of microfinance on the financial performance of SMEs, specifically in the Kurunegala District of Sri Lanka. A carefully designed questionnaire disseminated using Google Forms was used. The SMEs in the Kurunegala region were the target audience. Using SPSS, the data was analyzed using regression analysis, correlation analysis, ANOVA, and descriptive analysis. The study's findings support earlier research by showing a strong positive correlation between microcredit and SMEs' financial performance. However, despite

focusing on MSMEs in Sri Lanka, the study highlights a contextual gap because it is based in a foreign country whose microfinance practices might not be comparable to those of NGOs offering microfinance services to SMEs in Kenya. This calls for research on how microfinance service interventions affect the operations of small and medium-sized businesses in Northern Kenya run by refugees.

The study conducted by Audu et al. (2021) examined the impact of microfinance institutions' services on the performance of small and medium firms in Gombe State, Nigeria. In this study, a cross-sectional survey method was utilized, and primary data was gathered by means of a structured questionnaire from a sample of 360 small and medium-sized enterprises (SMEs). Using the SPSS program, a regression model was used to analyze data collected. The results indicated that services related to microfinance, which include microloans, micro savings, and training, had a significant impact on the performance of small and medium-sized enterprises (SMEs) in terms of sales growth, profitability and market share. The statistical analysis reveals that the correlation coefficient (R^2) is 0.665, the F-value (3, 50.16) is 235.237, and the p-value is less than .001. The results of the study indicate that training and microloans have the most significant influence on the performance of small and medium-sized enterprises (SMEs) in the region that was investigated.

A study conducted by Nahamya et al. (2021) examined the influence of microfinance service provision on the expansion of SMEs in Uganda. The study employed both quantitative and qualitative data analysis methods, utilizing multiple regression to assess the influence of socioeconomic determinants on SME development. The findings indicate that, although the MFIs are underperforming according to established benchmarks due to widespread industry problems, they have significantly improved access to credit for SMEs.

However, there is a gap in the context because the research was carried out in a different country, and the study did not directly examine the influence of non-governmental organization interventions through microfinance services on the performance of small and medium businesses in Northern Kenya that are managed by refugees.

Amran and Mwasiaji (2019) conducted a study on microfinance services and the performance of women-owned small-scale business businesses in Nairobi City County, Kenya. The study was grounded on microfinance theory and the game theory. A descriptive design was used in the research. Women-owned businesses that operated in Nairobi City County's 17 sub-counties made up the research population. A semi-structured questionnaire was primary data. Descriptive statistics, including frequencies, percentages, mean scores, and standard deviation, were used to analyze the data. These were run through SPSS and presented in tables, charts, and graphs. The study's conclusions showed that while loan rates have a detrimental impact on small businesses' performance, financial accessibility, savings mobilization, and financial literacy greatly improve it. Nonetheless, a theoretical gap is evident as the foundational theories of the research pertain to women's empowerment theory, game theory of microfinance, and microfinance theory, in contrast to the current research which emphasizes Market Orientation Theory, Financial Inclusion Theory, Social Capital Theory, and Human Capital Theory.

Njuguna and Ali (2022) conducted a descriptive study to analyze the financial services and performance of small and medium firms in Changamwe Sub-County, Mombasa County, investigating the link between the variables. The 312 registered SMEs in Changamwe Sub-County with at least five employees and more than five years of operation made up the target population. Using Fisher's formula, a basic random sampling technique

was used to choose a sample size of 175 respondents. The study used a quantitative methodology, and a structured survey that aligned with the objectives of the research was used to collect primary data. Version 25 of the Statistical Package for Social Sciences (SPSS) was used to analyze the data. The data was analyzed using descriptive and inferential statistics, and the findings were shown in frequency tables. The findings showed that microfinance institutions charge high interest rates and administrative costs when lending money to small businesses.

The research conducted by Mumbua (2020) focused on microfinance services and the financial performance of small and medium enterprises in Kitui County, Kenya. Three ideas were included in the study: the theories of microfinance, games, and reducing poverty. These ideas seek to shed light on whether microfinance has significantly increased employment in the SMEs sector. A descriptive design was used in this investigation. Questionnaires were used in this study to collect data from the chosen participants. The accuracy, competency, and comprehensiveness of the completed questionnaires were assessed and modified. The Statistical Package for Social Sciences (SPSS version 23) was used to encode and record the response. Regression analysis was used to demonstrate the type and strength of correlations between the independent, intervening, and dependent variables using inferential statistics. The results showed that the financial performance of SMEs in Kitui County was positively and significantly impacted by the availability of credit facilities, a saving culture, and financial literacy. However, there is a clear theoretical gap because the current research focuses on Market Orientation Theory, Financial Inclusion Theory, Social Capital Theory, and Human Capital Theory, whereas the foundational theories of the research relate to microfinance theory, game theory, and poverty reduction theory.

2.2.3 Networking Opportunities and Performance of SMEs

A study by Ginting (2019) examined network resources as a crucial factor influencing the export performance of small and medium firms (SMEs) in Indonesia. Verification employed as an analytical method. Hypotheses were assessed by multivariate statistical analysis with SEM Lisrel. The samples comprise 140 small and medium firms within the creative industries of West Java Province. The results indicate that network resources significantly affect the level of internationalization and performance. The increased utilization of network resources correlates positively with the extent of internationalization and performance outcomes. Nonetheless, due to the constrained scale of SMEs, this study indicates that the extent of internationalization does not significantly affect SME performance. The study's findings highlight the importance of information access and market prospects for the success of small and medium-sized firms in utilizing network resources.

Mankgele's (2020) research investigated the relationship between networking and sustainable performance in small and medium enterprises in South Africa. The data collection process was carried out using a quantitative technique, and the questionnaire was self-administered by the participants. In order to determine the nature of the connection that exists between networking and sustainable performance, multiple regression and correlation analyses were performed out. In order to determine the degree of reliability, Cronbach's alpha was utilized. The results of the study showed that networking has a favorable effect on the long-term performance of small and medium-sized enterprises (SMEs). Through networking, SMEs acquire essential industry insights, technology advancements, and

financial prospects that improve their operational efficiency and sustainability. Robust business networks empower SMEs to establish strategic alliances, enhance supply chain resilience, and access new client segments, thereby augmenting competitiveness.

A study by Ojotu et al. (2019) examined the impact of networking on the performance of small and medium-sized firms in Benue State, Nigeria. Because of its simplicity and quick access to data, the analysis used a survey research methodology. A total of 708 SMEs' owners and top managers in the Makurdi metropolitan region of Benue State, Nigeria, were the subject of the study. A sample of 256 people was gathered. The study's instrument for gathering data was the questionnaire. Multiple regression analysis was performed using SPSS version 21 to evaluate the impact of network characteristics on SME performance. The findings of the study showed that network governance has a significant impact on the performance of SMEs in Benue State, whereas network structure has a significant impact.

A study by Maalu (2024) examined the influence of networking on the link between entrepreneurial training and the performance of small and medium enterprises in manufacturing firms in Nairobi County, Kenya. The study used a positivist methodology and a descriptive design. With the help of key informants from these companies, 504 SMEs in Nairobi County's manufacturing sector were given a semi-structured questionnaire. For hypothesis testing and other statistical evaluations, the data was examined using descriptive and inferential statistics, particularly regression analysis and Pearson's Product Moment Correlation. The study made a unique contribution to theory, practice, and policy by demonstrating that networking significantly and favorably impacted the relationship between entrepreneurial training and business performance ($R^2=.805$, $p=0.00$).

The study by Ali et al. (2023) examined the impact of networking capabilities on the performance of small and medium firms in Kenya. The Resource-Based View and Social Capital theoretical frameworks served as the foundation for the investigation. Using self-administered questionnaires, 4,596 Small and Medium Businesses registered in Uasin Gishu, Transzoia, and Nandi Counties were used to generate a sample size of 323. Hayes Process Macro-based hierarchical and multiple regression models were used to analyze the data and evaluate the hypothesis. Cronbach's alpha was calculated and factor analysis was used to assess the variables' validity and reliability, respectively. The study found that entrepreneurial self-efficacy and networking skills have a major impact on business effectiveness.

2.2.4 Capacity Building for Fund Raising and Performance of SMEs

A study by Ramadani et al. (2020) examined capacity building for SMEs in Malaysia. A standardized questionnaire that asked about the training required and offered to SMEs in several business sectors was part of the study. A total of 344 respondents were polled, and descriptive statistics and SPSS software were then used for analysis. By examining the discrepancies between the training that was provided and what SMEs required, the training gap was assessed. The findings showed a strong relationship between the training provided and SMEs' training needs. An increased demand for training was correlated with an increased amount of training. Most respondents stated that they currently and in the future needed training in all of the indicated categories. Compared to previous standards, there was an increase in the training requirements.

A study by Baloyi and Khanyile (2022) examined creative strategies to enhance financial availability for black-owned small and medium firms in South Africa. Purposive

sampling was used in this study, along with 160 survey items and 24 in-depth interviews. The study utilized a mixed-methods strategy to integrate both qualitative and quantitative procedures. The integrated SME finance model and the SME risk reduction strategy are the research's key results. Private lending institutions' risk tolerance is increased when loan instruments are structured to include both public and private financial resources. The results highlight a risk mitigation approach and a unified SME financing architecture, with a focus on structured loan instruments that combine public and private financial resources to increase private lenders' risk tolerance.

A study by Ibeme (2020) examined the impact of human capacity development and the sustainable management of SMEs in Enugu State, Nigeria. In order to gather information from five sample units Enugu Zonal Office, Bank of Agriculture (BOA), Enugu, SME Center, Enugu, SME Cluster, New Haven Enugu were used using a validated questionnaire. To gather information from participants, the study used a structured questionnaire with 21 closed-ended research questions on a 5-point Likert scale. The questionnaire's reliability test results showed a Cronbach's Alpha index (CAI) of 0.82, which is deemed suitably high and suitable for the study. While the data was analyzed using descriptive statistics, such as frequency units, tables, and percentages, the three study hypotheses were evaluated using Multiple Regression Analysis using SPSS software. The study found those employees' technical abilities, knowledge, and competences in SMEs were not significantly improved by an authoritarian leadership style.

A study by Kariuki et al (2022) examined the relationship between capacity-building strategic renewal and the performance of youth-owned agro-processing small and medium firms in specific counties in Kenya. The study used a descriptive cross-sectional survey

approach and was based on transformational learning theory. Youth-run small and medium-sized agro-processing businesses that are registered with the Ministry of Trade and Industry and the four County Governments Nyeri, Kirinyanga, Murang'a, and Nyandarua were the focus of the study. A semi-structured questionnaire was used to collect primary data for the study. Descriptive and inferential statistics were used to convey the study's findings. With an R² value of 0.498 from the study's comprehensive model, capacity-building tactics were able to account for 49.8% of the performance variance. The findings show that attempts to increase capacity have a significant impact on SME performance, explaining 49.8% of its variance.

A study by Mwendwa (2019) examined the impact of capacity building on the growth of selected Micro, Small, and Medium Enterprises in Uasin Gishu County, Kenya. A descriptive design was used. Approximately 700 MSMEs who participated in market accelerator programs between 2015 and 2017 and received various forms of capacity-building assistance made up the target group for this study. Eleven percent of the 350 people in the population made up the sample size. Purposive sampling was used in the study, and descriptive statistics were used to examine the data. As a result of capacity-building initiatives, the MSMEs showed consistent development paths from 2014 to 2018. The study found that legislative and competitive frameworks had a major impact on how capacity building facilitated MSMEs' growth.

A study by Afande (2019) examined the impact of human capacity building on the performance of small and micro firms in Kisumu City, Kenya. The sample comprised 320 participants selected from owners and employees of SMEs in Kisumu municipality. Semi-structured questionnaires were used to gather primary data from the SMEs' owners and

managers. Descriptive statistics, including measures of central tendency, variability, and frequency, among others, were used to assess the study's findings. According to the study's findings, the most common training tactics used by SMEs are: only formal training methods, just on-the-job training methods, only job-specific training methods, and a combination of informal and on-the-job training methods. However, because the study focuses on human capacity building in SMEs in Kisumu, it shows an empirical gap. The purpose of this research is to examine how capacity building opportunities affect the effectiveness of small and medium-sized businesses in Northern Kenya that are run by refugees.

2.3 Summary of Research Gaps

A study by Yaskun et al. (2023) examined the impact of market orientation, entrepreneurial orientation, innovation, and competitive advantage on the business performance of Indonesian MSMEs. A study conducted by Sewwandhi and Kurupparachchi (2021) examined the influence of microfinance on the financial performance of SMEs, specifically in the Kurunegala District of Sri Lanka. Finally, a study conducted by Hassen and Singh (2020) examined the impact of market orientation on the performance of small and medium firms in the Amhara Region of Ethiopia. Primary data was collected from 250 proprietors/managers of small and medium enterprises through a standardized questionnaire. Nonetheless, although the studies on Indonesian MSMEs and Sri Lanka provide insights, they reveal a contextual gap, as they are based in foreign nations whose market orientation practices may not be applicable to the market orientation employed by NGOs for SMEs in Kenya, and they also exclude SMEs that are influenced by NGO interventions. This necessitates an investigation into the impact of market orientation interventions on the performance of refugee-led small and medium companies in Northern

Kenya.

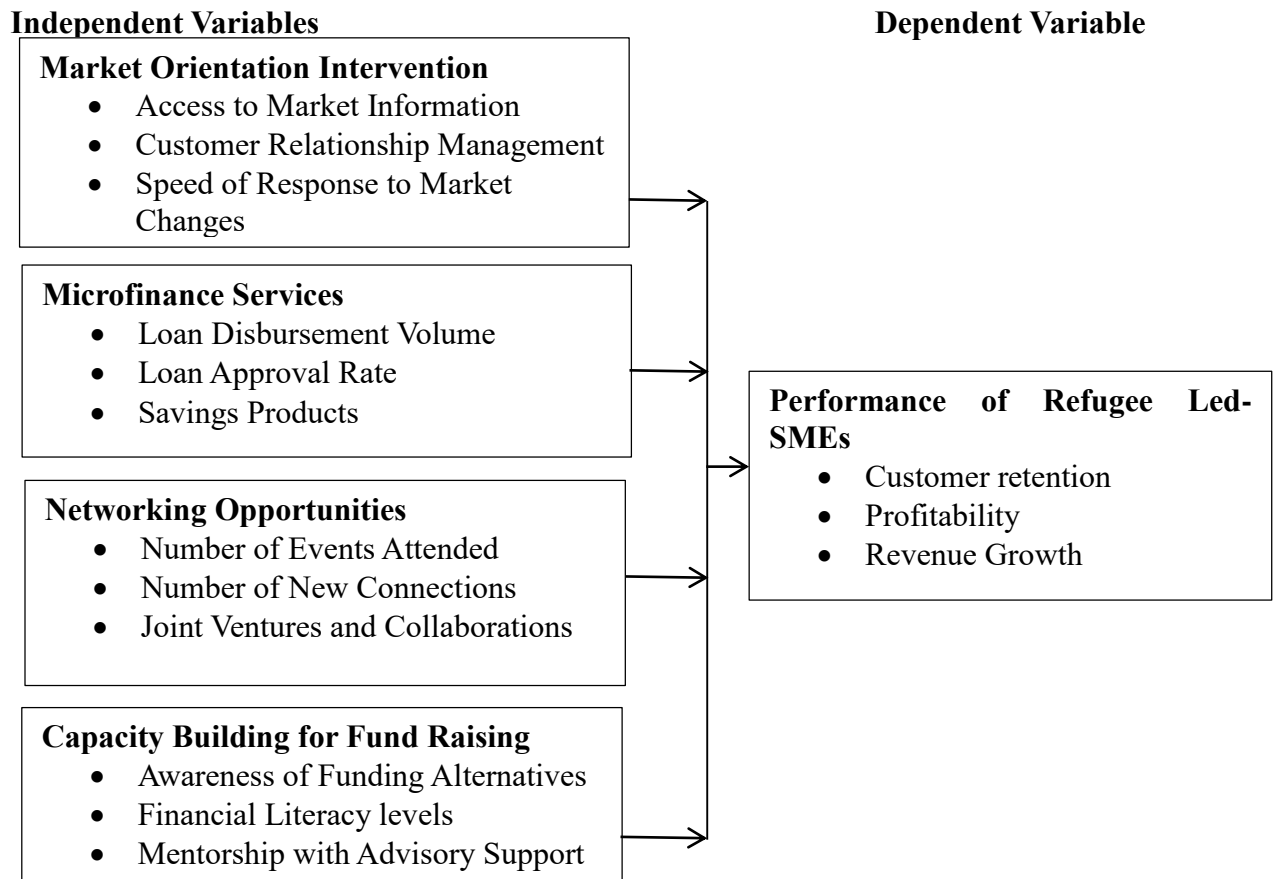
In previous studies, research by Kipkirui and Omwenga (2023) investigated competitor orientation and the performance of small and medium firms in Kenya. The research employed a cross-sectional survey methodology, focusing on small and medium-sized firms (SMEs). Nonetheless, a methodological gap exists due to the adoption of a cross-sectional survey study strategy. The present research employed descriptive research to generate descriptive statistics regarding the impact of market orientation interventions on the performance of refugee-led small and medium companies. Amran and Mwasiaji (2019) conducted a study on microfinance services and the performance of women-owned small-scale business businesses in Nairobi City County, Kenya. The study was founded on three theoretical frameworks: the notion of women's empowerment, game theory in microfinance, and microfinance theory. Nevertheless, a theoretical gap is evident as the foundational theories of the research pertain to women's empowerment theory, game theory of microfinance, and microfinance theory, in contrast to the current research, which emphasizes Market Orientation Theory, Financial Inclusion Theory, Social Capital Theory, and Human Capital Theory.

The research conducted by Mumbua (2020) focused on microfinance services and the financial performance of small and medium enterprises in Kitui County, Kenya. The study encompassed three theories: microfinance theory, game theory, and poverty alleviation theory. Nonetheless, a theoretical gap is evident as the foundational theories of the research pertain to microfinance theory, game theory, and poverty reduction theory, in contrast to the current study, which emphasizes Market Orientation Theory, Financial Inclusion Theory, Social Capital Theory, and Human Capital Theory. A study by Afande (2019) examined the impact of human capacity building on the performance of small and micro firms in Kisumu

City, Kenya. The study, however, reveals an empirical gap as it focuses on human capacity building in SMEs in Kisumu. This study aims to investigate the impact of networking opportunities on the performance of refugee-led small and medium enterprises in Northern Kenya.

2.4 Conceptual Framework

A conceptual framework is a structured set of concepts, assumptions, expectations, beliefs, and theories that guide research or analysis. It provides a theoretical foundation for understanding how different variables interact within a study (Glass & Hopkins, 2018).



Source: Research Data (2025)

Figure 2.1 Conceptual Framework

2.5 Operationalization of Variables

This involves the delineation and assessment of variables in a research study to guarantee their quantifiability and testability. It involves specifying how abstract concepts (such as job satisfaction or employee performance) was translated into measurable indicators (Holborn & Langley, 2019).

Table 2.1
Operationalization of Variables

Variables	Indicators	Scale	Data Collection Instruments
Market Orientation Intervention	<ul style="list-style-type: none"> • Access to Market Information • Customer Relationship Management • Speed of Response to Market Changes 	Likert Scale	Questionnaires
Microfinance Services	<ul style="list-style-type: none"> • Loan Disbursement Volume • Loan Approval Rate • Savings Products 	Likert Scale	Questionnaires
Networking Opportunities	<ul style="list-style-type: none"> • Number of Events Attended • Number of New Connections • Joint Ventures and Collaborations 	Likert Scale	Questionnaires
Capacity Building for Fund Raising	<ul style="list-style-type: none"> • Awareness of Funding Alternatives • Financial Literacy levels • Mentorship with Advisory Support 	Likert Scale	Questionnaires
Performance of Refugee Led-SMEs	<ul style="list-style-type: none"> • Customer retention • Profitability • Revenue Growth 	Likert Scale	Questionnaires

Source: Research Data (2025)

CHAPTER THREE

RESEARCH DESIGN AND METHODOLOGY

3.0 Introduction

In this chapter, the research approach was discussed. This included the research design, the target population, the sampling techniques, the instrumentations as well as data collection procedures. The chapter also examined the reliability and validity of the research instruments, pilot test and data analysis, lastly, diagnostic tests.

3.1 Research Design

The research design is a strategy employed by the researcher to address the research questions utilizing empirical data. It included the overarching plan or strategy for executing a research study designed to investigate particular testable research questions of interest (Glen, 2020). Kitchenham and Pfleeger (2020) define research design as the systematic organization of circumstances for data collection and analysis, intended to align with the study process and objectives.

This study aimed adopted the use of descriptive research design. Kerlinger (2019) asserts that descriptive research design enables researchers to systematically collect data and delineate the characteristics of the target population without imposing assumptions or hypotheses, thereby facilitating the acquisition of data that offered an accurate representation of the subject under investigation. This aided in comprehending the attributes of a specific population, circumstance, or phenomena. Therefore, the research aimed to describe and uncover effect of non-government organization interventions on performance of refugee led small and medium enterprises in Northern Kenya.

3.2 Target Population

Glass and Hopkins (2018) characterize the study population as the entirety of individuals, objects, or events that a researcher intended to investigate and derive conclusions from in a research engagement. It encompasses all elements that possess particular qualities pertinent to the study subject.

The population of study was drawn from business entrepreneurs in Kakuma and Dadaab Camps. According to the UNHCR (2024) report on Kakuma and Dadaab as a Marketplace, there are 1,102 business entities run as sole proprietors or joint companies. From this, it can be deduced that the unit of observation was the businesses themselves, while the unit of analysis was the individual business proprietors.

The population of study is provided Table 3.1.

Table 3.1
Target Population

Category	Target Population	Percentage
Retail Shops (General stores, Clothing shops, Cosmetic shops & Electronic shops)	332	30
Food outlets Points (Mini-supermarkets, Restaurants & food kiosks, Bakeries & snack shops & Butcheries)	402	36
Services Trades (Barber shops & salons, Tailoring & dressmaking shops, Cybercafés & printing services)	118	11
Transport Services	220	20
Health services (Pharmacies & Small fitness centers)	30	3
Total	1102	100%

Source: UNHCR (2024)

3.3 Sample Size and Sampling Techniques

3.3.1 Sampling Frame

A sampling frame in research denotes a comprehensive list or database of all elements or units within the population from which a sample was extracted. It offers exhaustive representing the population and serves as the basis for selecting a sample intended to represent the entire population. Veal and Darcy (2021) gives a simplified view, presenting a sample frame as a compressed reflection of the population that was of attention. The sampling frame of the study consisted of grocery stores, food stalls, restaurants/cafes, and M-Pesa kiosks both at Kakuma and Dadaab refugee camps.

3.3.2 Sampling Techniques

Sampling techniques refers to strategies applied by researchers during statistical sampling process (Berg, 2020). This research employed a stratified random sampling technique. The strategy involved segmenting the target population into smaller groups or strata during the sampling procedure, facilitating the analysis of study data. According to Holborn and Langley (2019), stratification is the process of dividing the population into groupings that are composed of individuals that have similar characteristics before sampling of the population. It was necessary for the strata to be mutually exclusive, which means that every component of the population must be a member of only one stratum. Still, the strata should be exhaustive in their aggregate sense. This typically results in an increase in the representation of the sample because it reduces the amount of sampling error.

Veal and Darcy (2021), justifies the use of stratified random sampling technique on the populations with diverse characteristics, stratified random sampling ensures that all key

subgroups (strata) are adequately represented. As a result, it prevents the dominance of one group over others, leading to more balanced and reliable results.

The procedure for Stratified Random Sampling involved defining the population; determine strata; determine the sample size; determine the sample size for each stratum through proportional stratified sampling, then randomly select individuals from each stratum lastly combine the subsamples. Therefore, 1 representative from each of the 1102 businesses outlets was stratified into category as shown in table 3.2.

3.3.3 Sample Size

Sample size refers to the number of people, items, or observations that are included in the study. It is a subset of the population selected for investigation in attempt to draw generalizations about the entire population. It was vital to emphasize that a well-defined sample size ensures that the study's findings are credible and in accordance with the wider population (Kitchenham & Pfleeger, 2020).

According to Krejcie and Morgan (2010) who focused on determining sample size for research activities suggest that 10% is often considered an acceptable rule of thumb, particularly in large populations, provided it meets statistical validity requirements. Therefore, in this study, a total of 10% of target population of 1102 generated a sample size of 110 respondents as provided in Table 3.2.

Table 3.2
Sample Size

Category	Target Population	Sample Size Ratio (10%)	Sample Size
Retail Shops (General stores, Clothing shops, Cosmetic shops & Electronic shops)	332	0.1	33

Food outlets Points (Mini-supermarkets, Restaurants & food kiosks, Bakeries & snack shops & Butcheries)	402	0.1	40
Services Trades (Barber shops & salons, Tailoring & dressmaking shops, Cybercafés & printing services)	118	0.1	12
Transport Services	220	0.1	22
Health services (Pharmacies & Small fitness centers)	30	0.1	3
Total	1102	0.1	110

Source: Author (2025)

The sample of 110 respondents, representing 10% of the population, was selected to ensure a representative cross-section of businesses across all categories, capturing variations in type, size, and sector. While formulas such as Yamane (1967) or Cochran (1977) can calculate precise sample sizes, the 10% approach is widely accepted for small to medium populations and provides a practical, reliable, and generalizable sample for the study.

3.4 Instrumentation and Data Collection

The research utilized primary data obtained from questionnaires. Lehman and Hatcher (2020) define a questionnaire as a collection of inquiries or items designed to gather information regarding respondents' attitudes, experiences, or opinions. Questionnaires are effective for collecting quantitative data; hence, they are the predominant method for conducting studies and polls in the social sciences, owing to their user-friendliness and elevated accuracy rates. They also offer a consistent approach for data collection, guaranteeing uniformity among respondents.

Patton (2022) asserts that questionnaires often adhere to a structured framework, with items systematically arranged to facilitate respondents' navigation through the survey process. This framework promotes clarity and consistency in the responses. Moreover,

Howell (2019) asserts that structured surveys guarantee that all participants are presented with a same set of questions in a consistent sequence. This standardization reduces variability in data gathering, facilitating the comparison of responses among participants and enabling the derivation of trustworthy conclusions. Structured questionnaires are comparatively simple to administer, whether in a paper format or via internet surveys. Researchers can reach a large number of participants efficiently, making this method suitable for studies with large or geographically dispersed populations.

The questionnaire is divided into two subsections. The first sub section is the general information which comprises of demographic information such as duration in business operations, education level, age and gender. This was under first (I) section. The other section was on independent variables comprising of market orientation intervention, microfinance services, networking opportunities and capacity building for fund raising. Lastly, the dependent variable was on performance of refugee led small and medium enterprises in Northern Kenya.

The study adopted structured questionnaire by incorporating 5-point Likert scale which involved formulating questions by providing options. The options were in form of 5=strongly agree (SA), 4=Agree (A), 3=Neutral (N), 2=Disagree (D) and 1=Strongly Disagree (SD).

Data collection procedure is the process of collecting and measuring accuracy insights for research using standard validated techniques (Bhandari, 2021). For the data collection procedure, a letter from graduate school-KCA was generated seeking authorization to carry out the data collection. Upon approval, the questionnaires were then

dropped off to the respondents and were collected later for analysis in Kakuma Camp area and Dadaab Camp area.

3.5 Pilot Study

A pilot study is a preliminary, small-scale investigation undertaken prior to the major research to evaluate the feasibility, methodology and efficacy of research instruments, procedures, and data gathering methodologies. This helps identifying potential challenges, such as unclear questions, logistical issues, or unforeseen variables, allowing researchers to make necessary adjustments (Folde, 2021). According to Patton (2022), this justified a pilot study indicating that it lays in its ability to enhance the validity and reliability of the main study. This involved refining research tools, ensuring clarity in survey questions and improving data collection efficiency. It also helped in estimating the time, cost, and resources required for the full study. By identifying and mitigating risks early, a pilot study increases the likelihood of obtaining accurate, reliable, and generalizable results in the main research.

According to Orodho and Kombo (2020), 10% of the sample size (110) should come from the pilot study's participant pool. In this case, the sample for the pilot study consisted of 11 entrepreneurs in Ifo refugee camp. During the final stage of data collection, the 11 responses were not included in the final data collection exercise.

3.5.1 Validity and Reliability of Research Instruments

The validity of a data collection instrument refers to its capacity to accurately measure the intended construct. Content validity assessed whether the measure utilized in this study comprehensively encompassed all aspects of the underlying construct (Nado, 2020). The researcher ensured that the measured content encompassed all relevant domains. Face

validity refers to the apparent validity of findings as perceived through an individual's interpretation of the questionnaire items (Kothari, 2019). Construct validity refers to the extent to which inferences are drawn linking concepts to observations. To augment construct validity, the researcher furnished evidence that the data corroborates the theoretical framework. Internal validity refers to the degree to which an independent variable is reliably said to cause the observed effect (Mugenda & Mugenda, 2003).

The researcher thoroughly reviewed the independent variables with the supervisor to confirm their suitability for the study. External validity refers to the degree to which the findings of a study are extrapolated beyond the sample (Folde, 2019). Reliability denotes a questionnaire's capacity to produce consistent data when conducted again under identical settings. An initial inquiry was conducted prior to the primary study. Pre-testing was conducted to verify the reliability of the study instrument (Kothari, 2019).

Reliability testing in research entailed evaluating the consistency and dependability of measurement tools to guarantee steady and reproducible outcomes. The procedure commenced with test–retest reliability, wherein the identical instrument was presented to the same respondents at different intervals to assess consistency. Subsequently, internal consistency reliability was assessed using Cronbach's alpha to determine the extent to which several items within a scale measured the same construct (Mugenda & Mugenda, 2003). The pilot test data were analyzed using SPSS Version 26 to obtain Cronbach's alpha values. According to Kerlinger (2019), a Cronbach's alpha value above 0.7 is acceptable, while a coefficient above 0.8 signifies strong reliability; thus, a research study should aim for a reliability coefficient between 0.8 and 1.0. The results indicated satisfactory internal consistency with the following values; Market Orientation Interventions (0.84),

Microfinance Services (0.81), Networking Opportunities (0.86), Capacity Building for Fundraising (0.88), and Performance of Refugee-Led SMEs (0.90).

3.6 Data Analysis and Presentation

Data analysis entails the methodical examination, organization, transformation, and interpretation of raw data to derive significant insights, discern trends and facilitate making choices. Incorporates many methodologies, such as statistical analysis, qualitative analysis, and data visualization, to encapsulate results and derive conclusions (Lehman & Hatcher, 2020).

This study adopted quantitative techniques to analyze data and it was aided by Statistical Package for the Social Sciences (SPSS) version 26. The research data was examined using descriptive statistics and inferential analysis. The descriptive statistics comprised of the mean, standard deviation, frequencies and percentage ratings. Quantitative data was presented by statistical methodologies, including tables, graphs and charts.

The study utilized correlational analysis for inferential evaluation to ascertain the degree of relationship among the variables. A matrix of relationships was constructed to examine the correlations between the independent and dependent variables. A correlation value of zero indicates the absence of a relationship between the dependent and independent variables. A correlation of ± 1.0 indicates a perfect positive or negative relationship. The values were assessed on a scale from 0 (no relationship) to 1.0 (perfect relationship). The research employed regression analysis. The regression analysis was employed to determine the cumulative impact on the research's variables.

The regression analysis model is specified as follows;

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \epsilon$$

Where:

Y= Performance of refugee led SMEs;

β_0 = Constant term

β = Beta Coefficients of determinants

X₁ = Market Orientation Intervention,

X₂= Microfinance Services

X₃ = Networking Opportunities

X₄ = Capacity Building for Fund Raising

ε -=Error item

3.7 Diagnostic Tests

Diagnostic tests denote statistical methods employed to evaluate the validity, reliability, and assumptions of a research model prior to further investigation. These tests helped to ensure that data and models meet the necessary statistical requirements for accurate conclusions (Cooper & Schindler, 2020).

Diagnostic tests improved the accuracy and reliability of statistical outcomes, verify that a model's assumptions are met for correct interpretation, and aid researchers in avoiding incorrect inferences by detecting errors in data or model formulation (Holborn, & Langley, 2019).

3.7.1 Normality Test

A normality test, as described by Glass and Hopkins (2018), is employed in research to ascertain if a dataset adheres to a normal distribution, a fundamental assumption in

numerous statistical analyses (t-tests, ANOVA, regression, and the Shapiro-Wilk Test). If the data is normally distributed, parametric tests may be utilized; otherwise, non-parametric methods are necessitated. Cooper and Schindler (2020) assert that the primary objective of a normality test is to evaluate the probability that a random variable underlying the dataset is normally distributed. A low p-value from the test implies that the null hypothesis can be rejected, signifying that the data does not conform to a normal distribution.

3.7.2 Multicollinearity Test

In the field of regression analysis, the term multicollinearity describes a scenario in which two or more independent variables have a relationship that is highly associated with one another. Because of this correlation, it might be difficult to estimate the relationship between each independent variable and the dependent variable. This is because it becomes impossible to isolate the individual impacts of the variables that are associated with one another (Veal & Darcy, 2021). Detecting multicollinearity is crucial because it can distort the results of regression analyses. When multicollinearity is present, the estimated coefficients of the regression model can become unstable and sensitive to small changes in the model or data (Berg, 2020).

There were several methods to test for multicollinearity, including: Variance Inflation Factor (VIF), Correlation Matrix which examines the correlation coefficients between independent variables can help identify pairs of variables that could be highly correlated.

3.7.3 Autocorrelation Test

Autocorrelation arises when erroneous terms (residuals) in a regression model exhibit correlation across observations, contravening the premise of independence. In time series data, past values commonly affect future values. An autocorrelation test determines if

residuals are independent or exhibit a temporal pattern. If present, it can lead to biased estimates and incorrect inferences (Lehman & Hatcher, 2020). Before using statistical tests, researchers often check for patterns in residuals using: Residual Plots is to carry out random scatter which suggests no autocorrelation, while a pattern indicates dependence. Lastly, time Series, plot observing trends or cycles in data helps detect serial correlation (Holborn & Langley, 2019) The Statistical Tests for Autocorrelation involved Durbin-Watson (DW) Test for first-order autocorrelation.

3.8 Ethical Consideration

The following are ethical considerations;

3.8.1 Informed Consent

The researcher first acquired informed consent from Refugee Led Small and Medium Enterprises in Northern to identify those who were eligible to participate in any activities related to the research study. Providing participants with clear information regarding the goal, procedures, risks, and advantages of the study, and additionally ensuring that they comprehend their rights and have the ability to freely decide whether or not to engage in the data collecting session, was required to accomplish this.

3.8.2 Accountability and Oversight

For the purposes of accountability and oversight, it was necessary for the researcher to comply with the pertinent ethical principles and regulations that regulated the conduct of research, as well as to ensuring that the research activities are subject to proper oversight and responsibility. In order to accomplish this, it was necessary to obtain consent from KCA University graduate school and NACOSTI, as well as to comply with any rules or

regulations that were applicable with the conduct of research and individual participant safety.

3.8.3 Confidentiality and Privacy

As the researcher, it was the responsibility to assure there is confidentiality and privacy of the data collected from the participants. In order to accomplish this, it was necessary to take precautions to prevent unauthorized access, use, or disclosure of sensitive information. It was also the responsibility of the researcher to guarantee that there would be complete transparency regarding the handling and storage of data, as well as to get complete consent for any data sharing or publication.

3.8.4 Fair Treatment

It was necessary to guarantee that all participants are treated in an equitable manner. In order to accomplish this, it was important to refrain from engaging in any kind of prejudice or bias during the process of selecting, recruiting, or treating participants, and to show sensitivity to the many viewpoints and experiences of those who participated in research.

CHAPTER FOUR

FINDINGS AND DISCUSSIONS

4.0 Introduction

This chapter presents response rate, pilot study results, demographic analysis, and an evaluation of study variables. Diagnostics tests, inferential statistics including correlation and regression analyses. The findings were presented by use of tables.

4.1 Response Rate

The researcher gave out 110 questionnaires to the target respondents. Response rate was presented as shown in Table 4.1.

Table 4.1
Response Rate

Category	Frequency	Percentage
Response	85	77.0%
Non-Response	25	23.0%
Issued	110	100.0%

Source: Research Data, (2025)

Table 4.1 constitutes results on response rate. From the 110 distributed questionnaires; a total of 85 questionnaires were duly completed and returned. This showed a total of 77% for returned questionnaires. On the other hand, 25 questionnaires were not duly completed and returned. This represents 23%. A high response rate lowers non-response bias, which ensures that the data received is correct. Cooper and Schindler (2020) assert that surpassing 60% is deemed remarkable. Given the current response rate of 77%, the response rate was considered exemplary for final analysis.

4.2 Pilot Test Results

The study adopted a pilot study, evaluation of validity tests and reliability tests.

4.2.1 Validity Test Results

Instrument was successfully accomplished using a rigorous assessment process. Content validity was confirmed as the questionnaire comprehensively captured all aspects of Non-government organization interventions and performance of refugee led SMEs. Construct validity was established by aligning the instrument with theoretical frameworks, ensuring it accurately measured key concepts. Expert reviews and a pilot study enhanced clarity and relevance, further strengthening validity. Criterion validity comparing findings with existing research, while statistical controls and standardized data collection. Reinforced by using a representative sample, these measures collectively validated the research instrument, confirming its reliability and effectiveness in capturing the study concepts.

4.2.2 Reliability Test Results

The study adopted a stratified random sampling procedure, resulting in a sample size of 110 respondents. Consequently, 10% of the (11) from the pre-testing procedure at Ifo refugee camp. Mugenda and Mugenda (2003) assert that a sample size of 10% is suitable for conducting a reliability test. The researcher undertook internal consistency of reliability by use of Cronbach's Alpha, the result of reliability was presented in table 4.2.

Table 4.2:
Reliability Tests Results

Variables	Number of Items	Cronbach Alpha Results	Recommendations
Performance of refugee led SMEs	6	0.798	Reliable

Market orientation intervention	6	0.862	Reliable
Microfinance services	6	0.825	Reliable
Networking opportunities	6	0.828	Reliable
Capacity building for fund raising	6	0.827	Reliable

Source: Research Data (2025)

Pilot research was carried out for the study in order to verify reliability of data collection tool; the adjustment was made on the questionnaire. The number of items for each variable was 6. Consequently, the researcher to obtain a high Cronbach coefficient value for each variable whereby; performance of refugees led SMEs had coefficient value of 0.798, market orientation intervention had a coefficient value of 0.862, Microfinance services had a coefficient value of 0.825, Networking opportunities had 0.828 and Capacity building for fund raising had 0.827. According to Table 4.1, every factor received an overall rating which exceeded 0.7. This is justified by Hinton et al. (2014) who recommended that different scores that fall over 0.70 imply strong reliability.

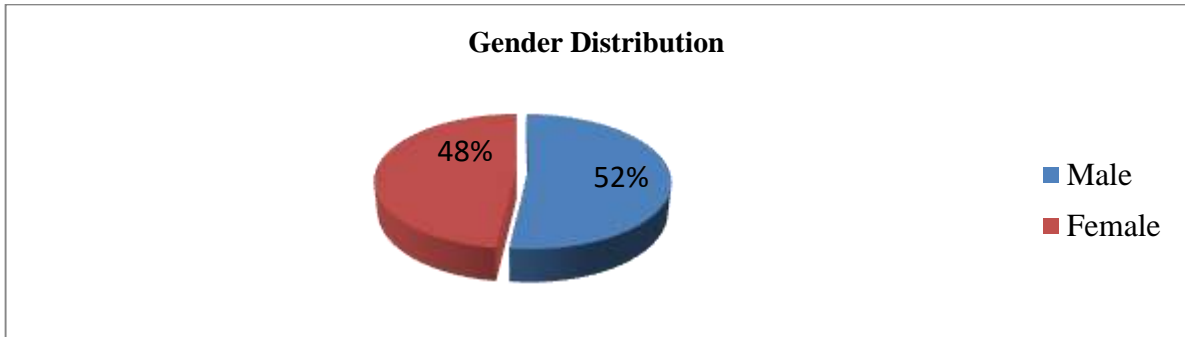
4.3 Demographic Analysis

The study collected background information on respondents to give a full picture of the description among operators of refugee led SMEs. According to Kothari (2019), demographic analysis is essential in research as it helps and enhances the interpretation of findings.

4.3.1 Gender

The researcher targeted respondents of both genders to understand the distribution of male and female respondents in refugee led SMEs. Analyzing gender differences helped assess inclusivity and identify any disparities Performance of Refugee Led-SMEs. The results were presented as shown in Figure 4.1.

**Figure 4.1
Gender Distribution**



Source: Research Data (2025)

The study findings indicated that out of 85 participants, 44 respondents were male with 51.8% response whereas female were 41 and were represented by 48.2%. This distribution suggests a fairly balanced gender representation in refugee led SMEs, allowing for an inclusive analysis. Understanding gender composition is essential in assessing whether Non-government organization interventions caters for both gender in business that is refugee led. According to Bryman (2012), demographic help researchers identify patterns and differences in ensuring that policy recommendations address diverse needs.

4.3.2 Age Group

The study collected information on age groups to examine the impact of Non-government organization interventions. Understanding age distribution helped assess whether younger or older operators of refugee led SMEs had varying needs. The results were presented as shown in Table 4.3.

**Table 4.3
Age Group**

Category	Frequency	Percentage
18-25 years	9	10.6

26-35 years	16	18.8
36-45 years	31	36.5
46-55 years	18	21.2
56 and above	11	12.9
Total	85	100.0

Source: Research Data, 2025

The study findings showed majority of respondents were aged between 36-45 with a percentage of 36.53%, followed by respondents aged between 46-55 with 21.2%, followed by respondents aged between 26-35 years with a percentage of 18.8% and then followed by respondents over the age of 56 years with a percentage of 12.9% each. Lastly, 10% were those operators that were between 18-25 years. Zikmund (2010), age demographics help identify generational differences in business and workplace expectations, allowing organizations to tailor policies accordingly.

4.3.3 Years in Business

The study analyzed the respondents period in business. Understanding Years in Business helped determine whether long-serving business owner's experienced non-government organization interventions' benefits, providing insights into the effectiveness of Refugee led SMEs's performance. The results were represented as shown in Table 4.4.

Table 4.4
Years in Business

Category	Frequency	Percentage
1-5 years	10	11.8
6-10 years	13	15.3
11-15 years	15	17.6
16-20 years	34	40.0
20 and above	13	15.3

Total	85	100.0
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Source: Research Data (2025)

The study findings provided in Table 4.4, indicated that out of 85 respondents, 11.8% had been in refugee led SMEs for 1-5 years, 15.3% for 6-10 years, 17.6% for 11-15 years, 40.0% for 16-20 years, and 15.3% for over 20 years. According to this distribution, Refugee led SMEs has a mix of both newer and longtime business operators, which was essential for evaluating Non-government organization interventions trends. According to Kothari (2004), analyzing the period distribution allows researchers to assess change trends in years.

4.3.4 Highest Level of Education

Presentation of findings addressed level of education for each respondent as shown.

Table 4.5
Highest Level of Education

Category	Frequency	Percentage%
Primary certificate	8	9.4
O-level certificate	33	38.8
Diploma level	23	27.1
Bachelor’s degree	12	14.1
other Certifications	9	10.6
Total	85	100.0

Source: Research Data, (2025)

The data analysis that was carried out with an emphasis on the respondents' level of education in refugee led small and medium enterprises in Northern Kenya was shown in Table 4.5. The presentation revealed that 9.4% had primary certificate, 38.8% had O-level of education, whereas 27.1% had diploma level. Results further established that 14.1% of respondents had bachelor’s degree whereas 10.6% had other certifications in diverse

profession. The results revealed that majority had adequate level of education to comprehend the questionnaire for this study.

4.4 Descriptive Statistics

The analysis addressed study variables and their effect on performance of refugee led small and medium enterprises in Northern Kenya.

4.4.1 Market Orientation Intervention

The study examined the arrangements that had been put in place to assess their impact on the performance of refugee-led SMEs. The results were represented as shown in Table 4.6.

Table 4.6
Market Orientation Intervention

	N	Minimum	Maximum	Mean	Std. Deviation
I have received training on how to understand and respond to customer needs.	85	1	5	2.88	.822
I have improved my ability to identify and respond to customer preferences because of support from NGOs.	85	1	5	3.33	1.062
NGO programs have strengthened my ability to handle customer feedback and complaints.	85	1	5	2.86	.819
NGO support has improved my business's ability to maintain strong relationships with customers.	85	1	5	2.85	.838
My enterprise can promptly respond to new market opportunities because of NGO support.	85	1	5	2.89	.740

NGO interventions make my business more flexible in responding to competition.	85	1	5	2.87	.884
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Source: Research Data (2025)

The presentation on Table 4.6 constituted findings showing how performance of refugee led SMEs were affected by NGO interventions. The responses provided showed that SMEs operators received training on how to understand and respond to customer needs (M=2.88 & Std. Dev.= 0.822). On whether operators had improved their ability to identify and respond to customer preferences because of support from NGOs, it was evidenced by those agreeing with a (M=3.33 & Std. Dev. =1.062). In the analysis, respondents who were majority were in total support that NGO programs have strengthened their ability to handle customer feedback and complaints (M=2.86 & Std. Dev.=0.819). On whether NGO support had improved the business’s ability to maintain strong relationships with customers, majority were in support as supported by (M=2.85 & Std. Dev.=0.838). Other respondents indicated that operators of enterprise could promptly respond to new market opportunities because of NGO support as represented by (M=2.89, & Std. Dev. = 0.740). Lastly, NGO interventions make business more flexible in responding to competition as evidenced by (M=2.87 & Std. Dev.=0.884).

The results from the study implied that market orientation interventions by non-government organizations, while intended to improve competitiveness, show mixed effects on the the performance of refugee-led small and medium enterprises in Northern Kenya. These interventions often rely on generic market models that may not fully account for the unique challenges refugees face. While interventions emphasize customer needs, competitor awareness, and market intelligence, limited access to stable resources, networks, and

infrastructure can make it difficult for refugees to implement these strategies effectively. As a result, some recommended practices may be costly or difficult to sustain, which can constrain potential growth. Results were considered related to Kipkirui and Omwenga (2023) who claimed that putting aggressive competitor tactics into practice improves organizational performance. The association among competitive orientation and SME success is positively, although marginally, impacted by technology-related skills.

4.4.2 Microfinance Services

The study analyzed microfinance services to determine their impact on performance of refugee led small and medium enterprises in Northern Kenya. The results were represented as shown in Table 4.7.

Table 4.7
Microfinance Services

	N	Minimum	Maximum	Mean	Std. Deviation
I have easy access to loan that enables bulk purchasing leading to cost savings.	85	1	5	3.00	.802
Loans have enabled me to diversify products and adopt new business approaches.	85	1	5	3.00	.802
I receive adequate financial information before making borrowing decisions.	85	1	5	2.91	.840
Most refugees have no formal banking records, making them ineligible for traditional loans.	85	1	5	2.85	.809

Refugees prioritize basic needs over business savings.	85	1	5	2.84	.800
I prefer informal saving groups due to fear of bank restrictions.	85	1	5	2.93	.784

Source: Research Data (2025)

The presentation on table 4.7 that business operators had easy access to loan that enabled bulk purchasing that led to cost savings as demonstrated by (M=3.00 & Std. Dev.= 0.802). The results on whether loans had enabled respondents to diversify products and adopt new business approaches, results were confirmed by (M=3.00 & Std. Dev.=0.802). The response on whether respondents receive adequate financial information before making borrowing decisions, majority disagreed as shown by (M=2.91 & Std. Dev.=0.840). The analysis on whether most refugees had no formal banking records, making them ineligible for traditional loans, majority disagreed, an indication that some had records as depicted by (M=2.85 & Std. Dev.=0.809). The results show that refugees prioritize basic needs over business savings as supported by majority of respondents who disagreed as shown by a mean of (M=2.84 & Std. Dev.=0.800). Lastly, respondents that were majority had totally agreed that operators do prefer informal saving groups due to fear of bank restrictions (M=2.93 & Std. Dev.=0.784).

The findings of this study reveal that microfinance services provided as interventions by non-government organizations have had modest influence on performance of refugee-led small and medium enterprises in Northern Kenya. Despite the availability of these services, many SMEs continue to face challenges with limited access to affordable and sufficient financing to support growth, innovation, and competitiveness. This gap suggests that microfinance initiatives, in their current form, remain inadequate in addressing the structural

financial constraints refugees face, such as high interest rates, stringent loan requirements, and the lack of collateral or credit history. Results were contrary to Mumbua (2020) who established that financial performance of SMEs in Kitui County was positively and significantly impacted by the availability of credit facilities, a saving culture, and financial literacy whereas the current research lacked credit facilities for refugees.

4.4.3 Networking Opportunities

The study examined networking opportunities to assess their role in enhancing performance of refugee led SMEs. The results were presented as shown in Table 4.8.

Table 4.8
Networking Opportunities

	N	Minimum	Maximum	Mean	Std. Deviation
I have established partnerships with other businesses through networking connecting my business with potential customers	85	1	5	2.93	.768
I regularly interact with other business owners to exchange ideas and opportunities.	85	1	5	3.05	.738
I struggle to find networking opportunities in my area because of restrictions on movement, reducing in-person networking.	85	1	5	2.93	.768
I lack information about business forums, trade fairs, or entrepreneur meet-ups.	85	1	5	2.84	.769
My business has expanded its market reach due to networking opportunities provided by NGOs.	85	1	5	2.93	.842

NGO interventions have increased my access to business networks and partnerships	85	1	5	2.96	.808
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Source: Research Data (2025)

The study findings on table 4.8 revealed that business operators had established partnerships with other businesses through networking connecting my business with potential customers (M=2.93 & Std. Dev.=0.768). Operators regularly interact with other business owners to exchange ideas and opportunities as evidenced by (M=3.05 & Std. Dev=0.738). Respondents struggle to find networking opportunities in my area because of restrictions on movement, reducing in-person networking as depicted by mean of (M=2.93 & Std. Dev. 0.768). The analysis confirmed that operators lack information about business forums, trade fairs, or entrepreneur meet-ups (M=2.84 & Std. Dev. 0.769). Respondents indicated that operator’s business had expanded its market reach due to networking opportunities provided by NGOs as evidenced by (M=2.93 & Std. Dev=0.842). Lastly, NGO interventions had increased access to business networks and partnerships as represented by (M=2.96 & Std. Dev. 0.808).

The findings of this study indicate that networking opportunities provided as non-government organization interventions have a selective influence on the autonomy of refugee-led small and medium enterprises in Northern Kenya. While this intervention facilitates broader linkages, some SMEs are directed into controlled or closed networking platforms that may restrict their ability to connect with diverse markets and stakeholders. As a result, operators are unable to establish meaningful partnerships beyond NGO-defined spaces, which hinder market expansion, innovation, and overall business performance. This demonstrates that while networking initiatives exist, their design has inadvertently

constrained the very market access they aim to promote. The results aligned with Mankgele's (2020) who found that through networking, SMEs acquire essential industry insights, technology advancements, and financial prospects that improve their operational efficiency and sustainability.

4.4.4 Capacity Building for Fund Raising

The research examined the impact of capacity building for fund raising on performance of refugee led SMEs. The results were presented as shown in Table 4.9.

Table 4.9
Capacity Building for Fund Raising

	N	Minimu m	Maximu m	Mean	Std. Deviation
I have attended workshops or seminars on entrepreneurship and financial management that boost my record keeping.	85	1	5	2.96	.823
There are limited training opportunities available for entrepreneurs in my community	85	1	5	2.92	.848
I am aware of the financial requirements expected by donors and investors.	85	2	5	2.98	.816
I understand the basic financial concepts needed for fundraising.	85	1	5	2.84	.769
Mentorship has improved my confidence in seeking fundraising opportunities.	85	1	5	2.96	.823
I receive practical fundraising guidance from mentors.	85	1	5	3.02	.859

Source: Research Data, 2025

Reference on table 4.9 the analysis provided revealed that business operators has attended workshops or seminars on entrepreneurship and financial management that boost the business record keeping (M=2.96 & Std. Dev.=0.823). On the other hand, there are limited

training opportunities available for entrepreneurs in the refugee community as evidenced by (M=2.92 & Std. Dev. 0.848). Majority of respondents strongly agreed that they are aware of the financial requirements expected by donors and investors shown by (M=2.98 & Std. Dev. 0.816). Still, business operators claimed that they understand the basic financial concepts needed for fundraising as depicted by (M=2.84 & Std. Dev. 0.769). Respondents indicated that mentorship had improved confidence in seeking fundraising opportunities as confirmed by (M=2.96 & Std. Dev. 0.823). Lastly, results revealed that respondents received practical fundraising guidance from mentors as expressed by (M=3.02 & Std. Dev.=0.859).

The findings of this study reveal that capacity building as implemented by non-government organizations, have a moderate influence on performance of refugee-led small and medium enterprises in Northern Kenya. While training and skills development initiatives are widely offered, their impact is undermined by the lack of access to financial resources necessary to put the acquired knowledge into practice. Without adequate funding, refugee entrepreneurs are unable to implement business skills, invest in growth opportunities, or sustain operations, which make capacity building efforts less impactful in improving long-term enterprise performance. This indicates that knowledge without financial support limits the effectiveness of capacity building as a standalone intervention. Results were corroborated with Mwendwa (2019) who found that legislative and competitive frameworks had a major impact on how capacity building facilitated MSMEs' growth.

4.4.5 Performance of Refugee Led SMEs

The study examined performance of refugee led SMEs based on the influence of NGOs interventions. The results were presented as shown in Table 4.10.

Table 4.10
Performance of Refugee Led SMEs

	N	Minimum	Maximum	Mean	Std. Deviation
SMEs regularly receive repeat customers due to the quality of my products/services leading to more profit.	85	1	5	2.93	.737
Efficient resource allocation has helped optimize stock levels, reducing waste and improving overall business sustainability.	85	1	5	2.88	.808
Support from NGOs and business development programs have improved my business skills.	85	1	5	2.87	.828
Competition from well established businesses affects my business growth.	85	1	4	2.89	.690
My business revenue has increased over the past year leading to financial credibility and qualifies for larger loans.	85	1	5	2.95	.738
My business enjoys a high level of customer loyalty.	85	1	5	3.05	.738

Source: Research Data, (2025)

The presentation of findings on table 4.10 was intended to establish the state of performance of refugee led small and medium enterprises. It was noted that the SMEs regularly receive repeat customers due to the quality of my products/services leading to more profit (M=2.93 & Std. Dev. =.737). The results show that efficient resource allocation has helped optimize

stock levels, reducing waste and improving overall business sustainability (M=2.88 & Std. Dev.=0.808). As per the mean provided (M=2.87 & Std. Dev=0.828), it was a revelation that Support from NGOs and business development programs have improved my business skills. Still, competition from well established businesses affects operators business growth as depicted by (M=2.89 & Std. Dev=0.690). Results on whether the business revenue has increased over the past year leading to financial credibility and qualifies for larger loans, as shown by (M=2.95 & Std. Dev. 0.738). Results also showed that the business enjoys a high level of customer loyalty as supported by majority of respondents evidenced by (M=3.05, & Std. Dev. 0.738).

The performance of refugee-led small and medium enterprises in Northern Kenya is influenced by various NGO interventions, although structural barriers continue to limit full effectiveness. Microfinance services provide important financial support, yet many refugees still face challenges in accessing sufficient and affordable financing to support their operations. Networking opportunities, though present, are overly controlled by NGOs, restricting entrepreneurs from building independent market linkages and expanding beyond limited platforms. Similarly, capacity building programs provide knowledge and skills but fall short without access to financial resources, leaving refugees unable to translate training into sustainable business practice. These shortcomings collectively demonstrate that NGO interventions, while well-intentioned, have not effectively bridged the gap between support initiatives and the actual financial and market realities of refugee-led SMEs. The results corroborated with Nahamya et al. (2021) who found that although the MFIs are underperforming according to established benchmarks due to widespread industry problems, they have significantly improved access to credit for SMEs.

4.5 Summary of Descriptive Results

The descriptive analysis shows that NGO interventions influence the performance of refugee-led SMEs in Northern Kenya in different ways. Market orientation supports alignment with customer needs, while microfinance improves access to capital but remains limited by affordability and collateral challenges. Networking initiatives provide valuable insights and connections, though structured platforms can restrict broader engagement. Capacity-building programs enhance skills and knowledge, but financial constraints limit their full application.

4.6 Diagnostic Tests

Diagnostic tests are statistical procedures used to check whether the assumptions underlying a chosen model or method are valid, reliable and appropriate for the data being analyzed. They help identify issues such as non-normality, multicollinearity or outliers, which if ignored can lead to biased results. Therefore, their importance lies in ensuring the accuracy, credibility and robustness of findings, since research built on unchecked models risks producing evidence that is more a product of data flaws than actual relationships (Holborn, & Langley, 2019).

4.6.1 Normality Tests

The diagnostic tests were carried out to ascertain that the data does not violate the requirement of normality. Checking for normality is not just a statistical routine but a critical step that ensures the methods applied are appropriate for the data, which ultimately strengthens the validity and trustworthiness of research findings (Ghasemi & Zahediasl, 2012).

Data is deemed to be normally distributed when the P-Values of the corresponding variables are greater than 0.05. The following results were obtained as shown in Table 4.11.

Table 4.11
Normality Test

	Kolmogorov-Smirnov ^a			Shapiro-Wilk		
	Statistic	df	Sig.	Statistic	df	Sig.
Y	.053	85	.200*	.991	85	.499
X ₁	.094	85	.002	.982	85	.051
X ₂	.094	85	.003	.976	85	.012
X ₃	.066	85	.200*	.991	85	.456
X ₄	.055	85	.200*	.984	85	.088

*. This is a lower bound of the true significance.

a. Lilliefors Significance Correction

The normality test results show that most of the study variables reasonably meet the assumption of normal distribution. For the dependent variable (Y), both Kolmogorov-Smirnov ($p = .200$) and Shapiro-Wilk ($p = .499$) indicate normality. Similarly, X₁ (market orientation intervention), with Shapiro-Wilk $p = .051$, and X₄ (capacity building), with $p = .088$, are above the 0.05 threshold, suggesting they are normally distributed. X₃ (networking opportunities) also meets normality with $p = .456$. However, X₂ (microfinance services) shows a Shapiro-Wilk $p = .012$, indicating a deviation from normality. In my view, since only one variable slightly departs from normality while the others are within acceptable limits, the data can still be considered suitable for parametric analysis. Based on the findings of this study and since the dependent variable (Y) is normally distributed can be conclude that data was normally distributed.

4.6.2 Test for Auto correlation

This test was conducted using Komoglov-Smirnoff test since the sample is large enough and greater than thirty objects ($n > 30$). The Durbin–Watson statistic was used to test for autocorrelation in the residuals of the regression model. Autocorrelation occurs when the residuals are correlated with one another, violating the assumption of independence in ordinary least squares regression. This violation can lead to biased standard errors, unreliable test statistics, and misleading significance results (Field, 2018). A Durbin–Watson value close to 2 indicates no autocorrelation, while values substantially less than 2 suggest positive autocorrelation and values substantially greater than 2 suggest negative autocorrelation. Testing for autocorrelation was therefore essential to ensure the validity and reliability of the regression analysis.

Table 4.12
Test for Autocorrelation.

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.991 ^a	.983	.982	.17048	1.658

a. Predictors: (Constant), X₄, X₂, X₁, X₃

b. Dependent Variable: Y

The findings of this study presented in Table 4.12 shows that the Durbin-Watson statistic for the model is 1.658, which falls within the acceptable range of 1.5 to 2.5, suggesting that there is no serious problem of autocorrelation in the residuals. A value close to 2 indicates independence of errors, while values substantially below 1.5 point to positive autocorrelation and those above 2.5 to negative autocorrelation. Since the value is

comfortably within the range, the model does not suffer from serial correlation, meaning the regression estimates can be considered reliable. This is a positive outcome because it confirms that the relationships between NGO interventions (market orientation, microfinance services, networking opportunities, and capacity building) and the performance of refugee-led SMEs are not distorted by error dependencies, hence strengthening the credibility of the findings.

4.6.3 Multi collinearity Tests

Multi collinearity was tested using the Variance Inflation Factor and the results are shown in Table 4.13.

Table 4.13
Multi collinearity Test

		Unstandardized			Collinearity	
		Coefficients			Statistics	
Model		B	Std. Error	Sig.	Tolerance	VIF
1	(Constant)	.152	.231	.513		
	X ₁ (Market Orientation)	.322	.068	.000	.753	1.328
	X ₂ (Microfinance Services)	.222	.081	.007	.557	1.795
	X ₃ (Networking Opportunities)	.274	.086	.002	.533	1.877
	X ₄ (Capacity Building For Fund Raising)	.128	.085	.136	.482	2.074

Source: Research Data (2025)

The multicollinearity test results for Table 4.13 indicate that all the predictors (market orientation intervention, microfinance services, networking opportunities and capacity building for fund raising) fall within acceptable thresholds, since their tolerance values are above 0.1 and VIF values are below the critical value of 10. Market orientation (Tolerance = .753, VIF = 1.328), microfinance services (Tolerance = .557, VIF = 1.795), networking opportunities (Tolerance = .533, VIF = 1.877), and capacity building for fund raising (Tolerance = .482, VIF = 2.074) all demonstrate low levels of collinearity. This means that each of the NGO interventions contributes unique information to the model without redundancy or overlap, and their estimated effects on the performance of refugee-led SMEs in Northern Kenya can be interpreted with confidence.

4.7 Inferential Analysis

In this study, both regression and correlation analysis were adopted.

4.7.1 Correlation Analysis

The analysis on correlation was presented in table 4.14.

Table 4.14
Correlation Analysis Results

		Market Orientation	Microfinance Services	Networking Opportunities	Capacity Building For Fund Raising	Performance of Refugee Led Smes.
Market Orientation	Pearson Correlation	1				
	Sig. (2-tailed)					
	N	85				
Microfinance Services	Pearson Correlation	.649**	1			
	Sig. (2-tailed)	.000				
	N	85	85			
Networking Opportunities	Pearson Correlation	.625**	.661**	1		
	Sig. (2-tailed)	.000	.000			
	N	85	85	85		

Capacity Building For Fund Raising	Pearson Correlation	.674**	.711**	.669**	1	
	Sig. (2-tailed)	.000	.000	.000		
	N	85	85	85	85	
Performance Of Refugee Led SMES	Pearson Correlation	.509**	.535**	.518**	.572**	1
	Sig. (2-tailed)	.000	.000	.000	.000	
	N	85	85	85	85	85

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

Source: Research Data (2025)

The correlation results in table 4.14 indicate that all independent variables market orientation intervention, microfinance services, networking opportunities, and capacity building for fundraising have significant positive relationships with the performance of refugee-led SMEs in Northern Kenya. Specifically, market orientation is positively correlated with performance ($r = .509$, $p < .01$), suggesting that the more refugee SMEs adopt market-oriented interventions, the better their performance. Microfinance services also show a positive correlation with performance ($r = .535$, $p < .01$), meaning that access to financial support enhances growth and sustainability. Networking opportunities are positively related to performance ($r = .518$, $p < .01$), highlighting the role of collaborative linkages in improving business outcomes. Lastly, capacity building for fundraising has the strongest positive relationship with performance ($r = .572$, $p < .01$), implying that when refugee entrepreneurs are equipped with financial mobilization skills, their enterprises achieve higher levels of performance. Importantly, all correlations are significant at the 0.01 level, confirming that these associations are not due to chance.

The results suggest that NGO interventions play a critical role in strengthening refugee-led SMEs. Practically, NGOs and policymakers should prioritize capacity-building initiatives since they show the strongest impact on performance, followed closely by microfinance services. Enhancing access to training, mentorship, and fundraising skills could therefore be a powerful driver of sustainability for refugee enterprises. Theoretically,

these findings support resource-based and social capital perspectives, which argue that both tangible resources (such as finance) and intangible ones (like knowledge and networks) are vital for SME performance. Overall, the evidence underscores that a multi-dimensional intervention strategy is necessary for NGOs to effectively empower refugee-led businesses in resource-constrained environments. Results corroborated with Audu et al. (2021) who found that training and microloans have the most significant influence on the performance of small and medium-sized enterprises (SMEs) in the region that was investigated.

4.7.2 Regression Analysis

The study adopted regression analysis. Regression analysis provides the relationship between one dependent variable (the outcome to be explained or predict) and one or more independent variables (the factors that might influence it). The goal is to understand how changes in the independent variables are associated with changes in the dependent variable (Bray & Maxwell, 2018).

Table 4.15
Regression Summary Model

	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics		F	Sig.	Durbin-Watson	
					R Square Change	F Change				
1	.809a	.655	.637	.444	.655	37.908	4	80	.000	1.885

a. Predictors: (Constant), (Market Orientation Intervention, Microfinance Services,

Networking Opportunities & Capacity Building)

b. Dependent Variable: Performance of Refugee Led SMEs

Source: Research Data (2025)

Table 4.15 provided a regression model examining effect of non-government organization interventions on performance of refugee led small and medium enterprises in Northern

Kenya. The regression summary indicates that the four NGO interventions market orientation, microfinance services, networking opportunities, and capacity building jointly has a strong influence on the performance of refugee-led SMEs. The model produced an R value of .809, showing a strong positive relationship between the predictors and SME performance. The R Square value of .655 suggests that about 65.5 percent of the variation in performance is explained by these interventions, while the adjusted R Square (.637) confirms the model's robustness by accounting for the number of predictors. The F statistic ($F(4, 80) = 37.908, p < .001$) shows that the overall model is statistically significant, meaning that the predictors reliably explain differences in performance. The Durbin-Watson statistic of 1.885 falls within the acceptable range of 1.5 to 2.5, indicating that there is no serious autocorrelation problem in the residuals.

These results imply that NGOs' interventions are not just individually helpful but collectively powerful in shaping the success of refugee-led SMEs. Practically, this underscores the need for integrated support programs, where financial services, market orientation, networking, and fundraising skills are delivered in a coordinated manner. A focus on only one intervention may not be as effective as combining them. Theoretically, the high explanatory power of the model reinforces the importance of multi-dimensional support in entrepreneurship development, especially in fragile contexts like refugee communities. Results also aligned with Kariuki et al. (2022) who established that with an R² value of 0.498 from the study's comprehensive model, capacity-building tactics were able to account for 49.8% of the performance variance. The findings show that attempts to increase capacity have a significant impact on SME performance, explaining 49.8% of its variance.

4.7.3 Analysis of Variance (ANOVA)

ANOVA was conducted to establish the effect of work-life balance practices on performance of refugee led SMEs at Refugee led SMEs. The presentation was provided in Table 4.16.

Table 4.16
Analysis of Variance

		Sum of				
Model		Squares	df	Mean Square	F	Sig.
1	Regression	29.835	4	7.459	37.908	.000 ^b
	Residual	15.741	80	.197		
	Total	45.576	84			

a. Dependent Variable: Performance of Refugee Led SMEs

b. Predictors: (Constant), (Market Orientation Intervention, Microfinance Services, Networking Opportunities & Capacity Building).

Source: Research Data (2025)

In reference to table 4.16, the ANOVA results show that the regression model is statistically significant in predicting the performance of refugee-led SMEs. The regression sum of squares (29.835) compared to the residual sum of squares (15.741) indicates that a substantial proportion of the variation in performance is explained by the four NGO interventions. The F statistic ($F(4, 80) = 37.908, p < .001$) is large and highly significant, confirming that the model as a whole provides a good fit to the data. In other words, market orientation, microfinance services, networking opportunities, and capacity building jointly contribute significantly to explaining variations in SME performance.

These findings imply that NGO interventions are not only relevant but statistically proven to influence the outcomes of refugee-led SMEs. Practically, NGOs should continue investing in these four areas since together they create a strong and reliable framework for enhancing enterprise performance. The results also highlight the importance of holistic support programs rather than fragmented initiatives. Theoretically, the significant ANOVA results support models of entrepreneurship development that emphasize external support systems as crucial determinants of SME growth, especially in marginalized and resource-constrained communities such as those in Northern Kenya. These aligned with Maalu (2024) who found that there was a unique contribution to theory, practice, and policy by demonstrating that networking significantly and favorably impacted the relationship between entrepreneurial training and business performance ($R^2=.805$, $p=0.00$).

4.7.4 Regression Coefficient

The existence of a certain kind of relationship between the independent and dependent variables may be found using regression coefficient tests. According to table 4.13, the statistical significant ranges of the related coefficient show the relationship between the independent and dependent variables. The regression model from the analysis was depicted as shown in Table 4.17;

Table 4.17
Regression Coefficient Results

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	.152	.231		.658	.513
	Market Orientation	.322	.068	.360	4.753	.000
	Microfinance Services	.222	.081	.242	2.749	.007

Networking Opportunities	.274	.086	.286	3.177	.002
Capacity Building For Fund Raising	.128	.085	.142	1.506	.136

a. Dependent Variable: Performance of Refugee Led SMES

Source: Research Data (2025)

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

$$Y = 0.152 + 0.322X_1 + 0.222X_2 + 0.274X_3 + 0.128X_4$$

The regression coefficients show the individual contribution of each NGO intervention to the performance of refugee-led SMEs. The constant (.152, $p = .513$) is not statistically significant, indicating that SME performance cannot be meaningfully predicted without considering the interventions. Market orientation has a positive and significant effect ($B = .322$, $\beta = .360$, $t = 4.753$, $p < .001$), suggesting that enhancing market-focused strategies such as customer needs analysis and competitor awareness leads to improved SME performance. Microfinance services also have a positive and significant effect ($B = .222$, $\beta = .242$, $t = 2.749$, $p = .007$), meaning that access to credit and financial support strengthens enterprise outcomes. Networking opportunities show a significant positive effect as well ($B = .274$, $\beta = .286$, $t = 3.177$, $p = .002$), highlighting the importance of partnerships and collaborations for growth. However, capacity building for fundraising, though positively related, is not statistically significant ($B = .128$, $\beta = .142$, $t = 1.506$, $p = .136$). This implies that, within this dataset, training and skills in fundraising alone do not strongly predict performance when other factors are considered.

The findings suggest that market orientation, microfinance services, and networking opportunities are the most critical NGO interventions for refugee SMEs, as they have statistically significant impacts on performance. Practically, NGOs should prioritize helping

SMEs strengthen market awareness, improve access to financial resources, and build strong business networks since these areas provide the highest returns in performance outcomes. The non-significant role of capacity building for fundraising may imply that skills alone are insufficient unless paired with access to actual funding opportunities, which NGOs and policymakers need to address. Theoretically, these results reinforce entrepreneurship and resource-based perspectives, showing that both financial capital and relational capital (networks and market knowledge) are more decisive drivers of refugee business performance than training alone. Results corroborated with Audu et al. (2021) who found that training and microloans have the most significant influence on the performance of small and medium-sized enterprises (SMEs) in the region that was investigated.

CHAPTER FIVE

CONCLUSION AND RECOMMENDATIONS

5.0 Introduction

This chapter presents the summary drawn from the findings, conclusion drawn from the summary, as well as recommendations for further research. The study was based on the effect of non-government organization interventions on performance of refugee led small and medium enterprises in Northern Kenya.

5.1 Summary of Findings

The summary of findings is provided based on study objectives as shown;

5.1.1 Market Orientation Intervention

The summary drawn from the findings indicated that market orientation interventions by non-governmental organizations, although aimed at enhancing competitiveness, frequently hinder the performance of refugee-led small and medium enterprises in Northern Kenya due to their reliance on generic market models that inadequately address the distinct challenges faced by refugees. Numerous solutions prioritize customer requirements, competitive insight, and market intelligence; nevertheless, refugees frequently lack the steady resources, networks, and infrastructure necessary to implement these tactics effectively. As a result, it puts pressure to implement techniques that are expensive or unsustainable under sensitive market conditions, constraining the firms' capacity to convert introduction to markets tangible growth.

5.1.2 Microfinance services

Summary revealed that microfinance services offered by non-governmental organizations have failed to enhance the performance of refugee-led small and medium companies in Northern Kenya. Notwithstanding the availability of these services, numerous SMEs continue to have challenges in obtaining affordable and adequate funding to foster growth, innovation, and competitiveness. An indication that microfinance projects, as they presently exist, are insufficient in tackling the systemic financial obstacles encountered by refugees, including elevated interest rates, rigorous loan prerequisites, and the absence of collateral or credit history.

5.1.3 Networking Opportunities

Summary of findings suggest that networking possibilities offered through non-governmental organization initiatives are excessively imposed, hence restricting the autonomy of refugee-led small and medium enterprises in Northern Kenya. Rather than promoting extensive connections, most interventions direct SMEs into regulated or exclusive networking platforms that limit their capacity to engage with varied markets and stakeholders. Consequently, operators cannot forge significant collaborations outside of NGO-defined parameters, which prevents market growth, innovation, and overall commercial efficacy. This illustrates that although networking activities are present, their design has unintentionally limited the market access they seek to enhance.

5.1.4 Capacity Building for Fund Raising

In summary, the capacity building by non-governmental organizations has not resulted in enhanced performance of refugee-led small and medium companies in Northern Kenya. Although training and skills development programs are extensively available, their effectiveness is compromised by insufficient access to the financial resources required to use

the learned knowledge. Insufficient finance prevents refugee entrepreneurs from using business skills, investing in expansion possibilities, or maintaining operations, so rendering capacity-building initiatives less effective in enhancing long-term enterprise performance. This suggests that knowledge devoid of financial backing constrains the efficacy of capacity building as an independent intervention.

5.2 Conclusion

The study concluded that market orientation interventions by NGOs, though intended to improve competitiveness, often hinder refugee-led SMEs in Northern Kenya because they rely on generic models that overlook refugee-specific challenges. While they stress customer needs, competitor awareness, and market intelligence, refugees lack stable resources, networks, and infrastructure to apply them. This mismatch forces them to adopt costly or unsustainable strategies, limiting their ability to achieve tangible growth.

In conclusion, the microfinance services by NGOs had limited impact on the performance of refugee-led SMEs in Northern Kenya. Despite their availability, many enterprises still struggle to access sufficient and affordable financing for growth and competitiveness. The current microfinance models remain inadequate since refugees face high interest rates, strict loan requirements, and lack of collateral or credit history. These barriers continue to limit financial inclusion and business expansion.

The study concluded that networking opportunities through NGO interventions are overly imposed, restricting the independence of refugee-led SMEs in Northern Kenya. Instead of enabling diverse market connections, most programs confine entrepreneurs to controlled or closed platforms. This prevents operators from building meaningful external collaborations, slowing market growth, innovation, and business efficiency. As such, the

design of networking programs has unintentionally restricted the very market access they intended to promote.

From the findings, it was concluded that NGO capacity-building interventions have not significantly enhanced the performance of refugee-led SMEs in Northern Kenya. While training and skills development programs are common, their impact is weakened by limited access to the finances needed to apply new knowledge. Refugees cannot invest in expansion or sustain operations without funding, making training alone insufficient. This shows that knowledge without financial support reduces the effectiveness of capacity building as a standalone intervention.

5.3 Recommendations of the Study

Given the results, a number of suggestions are required in order to improve performance of refugee led small and medium enterprises in Northern Kenya.

5.3.1 Market Orientation Intervention

From the findings, the policy makers should consider enhancing the performance of refugee-led SMEs in Northern Kenya by designing market orientation support that is context-specific and resource-sensitive. Rather than imposing standard business models, they should promote flexible training programs that consider the limited capital, mobility restrictions, and infrastructure challenges refugees face. Encouraging partnerships between refugee enterprises and local host community businesses can also create stronger networks and open access to wider markets. In addition, policies that provide affordable financing, simplified business registration, and tailored market information services would allow refugees to adopt market orientation practices at a sustainable pace, improving both competitiveness and resilience.

5.3.2 Microfinance Services

The study recommends that policy makers in NGOs should prioritize the development of more inclusive and flexible financing models that reflect the realities of refugee enterprises. First, they should consider lowering interest rates and introducing tailored repayment structures that align with the irregular income cycles of refugee businesses. Second, expanding grant-based financing and blended capital models could reduce over-reliance on loans while still promoting entrepreneurial growth. Third, integrating financial literacy programs alongside financing initiatives would equip entrepreneurs with better skills to manage and maximize available resources. Lastly, fostering partnerships with local financial institutions and host community cooperatives could widen access to capital and create a more sustainable financing ecosystem for refugee-led SMEs.

5.3.3 Networking Opportunities

To address the challenge on networking opportunities, policy makers in NGOs should adopt more open and flexible approaches to networking support. They should create platforms that encourage refugee entrepreneurs to engage directly with host community businesses, regional trade networks, and digital marketplaces rather than limiting them to NGO-organized forums. Policies should also encourage cross-border trade linkages, mentorship exchanges, and joint ventures with established enterprises to broaden market access. In addition, NGOs could focus on building the capacity of SMEs to independently develop and maintain their own networks through training in negotiation, partnership building, and digital marketing. By shifting from tightly managed networks to empowering refugees with the skills and freedom to explore wider markets, NGOs can enhance the performance and sustainability of refugee-led SMEs.

5.3.4 Capacity Building for Fund Raising

The findings provided implied that policy makers in NGOs should design capacity building programs that are integrated with financial support mechanisms; To link training with access to startup capital, micro-grants, or low-interest credit would ensure that entrepreneurs can apply what they learn in practice. Second, NGOs should prioritize programs that combine financial literacy with direct funding opportunities, enabling SMEs to both manage and sustain their businesses. There is need for collaborations with financial institutions, donor agencies, and host community cooperatives could help create hybrid support models that blend skills development with tangible financial resources. The NGOs should evaluate capacity building interventions not only on knowledge transfer but also on the extent to which SMEs can convert training into measurable business outcomes. By aligning capacity building with accessible funding, policy makers can enhance the relevance and impact of such interventions on refugee-led SMEs.

5.3.4 Recommendations for Further Research

The suggestion for further research is pegged on the regression results, thus, further research could build on the R Square value of .655, which shows that 65.5 percent of the variation in the performance of refugee-led SMEs is explained by the four NGO interventions of market orientation, microfinance services, networking opportunities, and capacity building. While this indicates a strong influence, the remaining 34.5 percent of unexplained variation suggests that other factors beyond NGO interventions may play a critical role in shaping SME performance. Future studies could therefore explore additional determinants such as government policies, host community relations, digital innovation, access to infrastructure, and socio-cultural barriers. Investigating these unexplored variables would provide a more

comprehensive understanding of what drives the performance of refugee-led SMEs in Northern Kenya.

5.4 Limitations of the Study

The study encountered the following challenges;

5.4.1 Access to Data

The researcher encountered the difficulty of obtaining reliable financial and performance data from refugee-led SMEs. Many enterprises operate informally, with limited record-keeping practices, making it hard to capture accurate measures of profitability, growth, or market share. To overcome this, the researcher relied on self-reported data through questionnaire responses. This approach ensured that even with gaps in official records, the findings reflected a reasonable picture of SME performance.

5.4.2 Potentiality for biased Data

The other limitation arose from potential bias in responses from SME operators who may have feared that their feedback could influence their relationship with NGOs providing support. Such a situation could have led to over-reporting of benefits or under-reporting of challenges. To address this, the researcher assured participants of confidentiality and anonymity, clarifying that their responses would be used strictly for academic purposes. This reassurance encouraged more honest and open responses, thereby improving the credibility of the findings.

5.3 Geographical and Security Constraints

A further limitation was the geographical and security constraints of conducting fieldwork in Northern Kenya, which limited access to some refugee settlements and SMEs. This

challenge made it difficult to achieve wide coverage across all potential respondents. To overcome this, the researcher employed purposive sampling to target accessible areas while ensuring diversity in enterprise types and locations. The use of telephone interviews and collaboration with local field assistants helped reach respondents who could not be accessed physically, thereby enhancing the study's representativeness.

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APPENDICES

APPENDIX I: ETHICS CLEARANCE CERTIFICATE



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KCA UNIVERSITY SCIENTIFIC AND ETHICS REVIEW COMMITTEE

REF: KCAU/SERC/137
TO: ISAKO HUKA ELEMA 18/06327

Date: 19th May 2025

Dear Sir/madam

RE: NON-GOVERNMENT ORGANIZATION INTERVENTIONS ON PERFORMANCE OF REFUGEE LED SMALL AND MEDIUM ENTERPRISES IN NORTHERN KENYA

This is to inform you that KCA University Scientific Ethics Review Committee (KCAUSERC) has reviewed and approved your above research proposal. Your application approval number is **KCAUSERC SOB137**. The approval period is **19th May 2025 – 19th May, 2026**.

This approval is subject to compliance with the following requirements;

- i. Only approved documents including (informed consents, study instruments, MTA) will be used
- ii. All changes including (amendments, deviations, and violations) are submitted for review and approval by **KCAUSERC**.
- iii. Death and life-threatening problems and serious adverse events or unexpected adverse events whether related or unrelated to the study must be reported to **KCAUSERC** within 72 hours of notification
- iv. Any changes, anticipated or otherwise that may increase the risks or affected safety or welfare of study participants and others or affect the integrity of the research must be reported to **KCAUSERC** within 72 hours
- v. Clearance for export of biological specimens must be obtained from relevant institutions.
- vi. Submission of a request for renewal of approval at least 60 days prior to expiry of the approval period. Attach a comprehensive progress report to support the renewal.
- vii. Submission of an executive summary report within 90 days upon completion of the study to **KCAUSERC**.

Prior to commencing your study, you will be expected to obtain a research license from National Commission for Science, Technology and Innovation (NACOSTI) <https://research-portal.nacosti.go.ke> and also obtain other clearances needed.

Yours sincerely

Dr. Caroline Ntara
Chairperson, KCA University Scientific and Ethics Review Committee

APPENDIX II: LETTER OF INTRODUCTION TO NACOSTI



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BOARD OF POSTGRADUATE STUDIES

KCAU/BPS/2025

Date: Monday, June 30, 2025

NATIONAL COMMISSION FOR SCIENCE, TECHNOLOGY & INNOVATION (NACOSTI)
P.O BOX 30623-00100
NAIROBI

Dear Sir/Madam,

RE: ISAKO HUKA ELEMA - REG NO. 18/06327

It is my distinct pleasure to introduce Isako Huka Elema, a student at our institution pursuing a Master of Master of Science in Development Finance degree within the School of Business.

Elema is conducting research on the topic *Non-government organization interventions on performance of refugee led small and medium enterprises in Northern Kenya.* His study has been reviewed and approved by the University's Ethics Review Committee, Approval No. KCAUSERCSOB137. The approval period is 19th May 2025 – 19th May 2026.



Any assistance accorded to him is highly appreciated.

Yours faithfully,

A handwritten signature in blue ink, appearing to read 'Dr. Jackson NdoLO'.

DR. JACKSON NDOLO
DIRECTOR, BOARD OF POST GRADUATE STUDIES

APPENDIX III: PERMIT LETTER-NACOSTI

 REPUBLIC OF KENYA	 NATIONAL COMMISSION FOR SCIENCE, TECHNOLOGY & INNOVATION
Ref No: 447279	Date of Issue: 07/July/2025
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<p>This is to Certify that Mr. Isako Huka Elema of KCA University, has been licensed to conduct research as per the provision of the Science, Technology and Innovation Act, 2013 (Rev.2014) in Garissa, Turkana on the topic: NON-GOVERNMENT ORGANIZATION INTERVENTIONS ON PERFORMANCE OF REFUGEE LED SMALL AND MEDIUM ENTERPRISES IN NORTHERN KENYA for the period ending : 07/July/2026.</p>	
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APPENDIX IV: QUESTIONNAIRES

I am **Isako Huka Elema of Reg. 18/06327**; I am student pursuing a Master of Science in Development Finance at KCA University. I am conducting academic research on the **“Non-Government Organization Interventions on Performance of Refugee Led Small and Medium Enterprises in Northern Kenya”**

Kindly tick on the spaces provided based on the statements you agree with or disagree with.

SECTION A: GENERAL INFORMATION

1. Gender of Respondents
 - Male
 - Female

2. Age Bracket of Respondents
 - 18-25 years
 - 26-35 years
 - 36-45 years
 - 46-55 years
 - Over 56 years

3. Years of in Business
 - 1-5 years
 - 6-10 Years
 - 11-15 Years
 - 16-20 Years
 - 20 Years and Over

4. Highest Level of Education:
 - Primary Level
 - O-Level
 - Diploma level
 - Bachelors' Degree
 - Post-graduate degree

The scale is as follows; 5-Strongly agree. 4-agree, 3-Indicisive, 2 Disagree, 1-Strongly disagree.

SECTION B: NON-GOVERNMENT ORGANIZATION INTERVENTIONS

(i) MARKET ORIENTATION INTERVENTION

Kindly tick on the spaces provided based on the statements you agree with or disagree with about influence of market orientation intervention

Statement	5	4	3	2	1
I have received training on how to understand and respond to customer needs.					
I have improved my ability to identify and respond to customer preferences because of support from NGOs.					
NGO programs have strengthened my ability to handle customer feedback and complaints.					
NGO support has improved my business's ability to maintain strong relationships with customers.					
My enterprise can promptly respond to new market opportunities because of NGO support.					
NGO interventions make my business more flexible in responding to competition.					

(ii) MICROFINANCE SERVICES

Kindly tick on the spaces provided based on the statements you agree with or disagree with about influence of microfinance services

Statement	5	4	3	2	1
I have easy access to loan that enables bulk purchasing leading to cost savings.					
Loans has enable me to diversify products and adopt new business approaches.					
I receive adequate financial information before making borrowing decisions.					
Most refugees have no formal banking records, making them ineligible for traditional loans.					
Refugees prioritize basic needs over business savings.					
I prefer informal saving groups due to fear of bank restrictions.					

(iii) NETWORKING OPPORTUNITIES

Kindly tick on the spaces provided based on the statements you agree with or disagree with about influence of networking opportunities

Statement	5	4	3	2	1
I have established partnerships with other businesses through networking connecting my business with potential customers					
I regularly interact with other business owners to exchange ideas and opportunities.					
I struggle to find networking opportunities in my area because of restrictions on movement, reducing in-person networking.					
I lack information about business forums, trade fairs, or entrepreneur meet-ups.					
My business has expanded its market reach due to networking opportunities provided by NGOs.					
NGO interventions have increased my access to business networks and partnerships					

(iv) Capacity Building for Fund Raising

Kindly tick on the spaces provided based on the statements you agree with or disagree with about influence of capacity building

Statement	5	4	3	2	1
I have attended workshops or seminars on entrepreneurship and financial management that boost my record keeping.					
There are limited training opportunities available for entrepreneurs in my community.					
I am aware of the financial requirements expected by donors and investors.					

I understand the basic financial concepts needed for fundraising.					
Mentorship has improved my confidence in seeking fundraising opportunities.					
I receive practical fundraising guidance from mentors.					

SECTION C: performance of refugee led small and medium enterprises IN NORTHERN KENYA.

Kindly tick on the spaces provided based on the statements you agree with or disagree with about performance of refugee led small and medium enterprises in Northern Kenya.

Statement	5	4	3	2	1
I regularly receive repeat customers due to the quality of my products/services leading to more profit.					
Efficient resource allocation has helped optimize stock levels, reducing waste and improving overall business sustainability.					
Support from NGOs and business development programs have improved my business skills.					
Competition from well established businesses affects my business growth.					
My business revenue has increased over the past year leading to financial credibility and qualify for larger loans.					
My business enjoys a high level of customer loyalty.					

Thank you for the contribution

APPENDIX V: BUDGET PLAN

	ITEM	RESOURCE MATERIAL	TOTAL COST
1	Proposal writing	Stationery foolscap	2000
	Preparation and	Pen, photocopying,	2000
	Correction	Typesetting, printing	10, 000
2	Preliminary	Transport cost, note books	7000
	Preparation for field	Lunch	2000
	Work		2000
3	Pilot study pre-	Typesetting and printing,	3000
	Testing questionnaire	Photocopying,	5000
		Travelling	4000
4	Data organization	Stationery, printing	2000
	and analysis	Papers, flash disk	3000
			3000
5	Research and	Traveling and accommodation,	1000
	Consultation	Library cards,	1000
		Photocopying and	
		Computer use	
6	Carrying out	Photocopying	10000
	Research survey	Questionnaire	
		Traveling to schools	15,000
		And offices, other	1000
		Stationery,	
		Accommodation &	40,000
		Lunch	
7	Data organization	Printing papers,	3000
		Computer use,	2000
		Binding copies	8000
8	Miscellaneous		15, 000
	TOTAL		150, 000

APPENDIX VI: WORK PLAN 2025

ACTIVITY	March 2025	April 2025	May 2025	June 2025	July 2025	August 2025	September 2025
Project registration							
Orientation meeting							
Produce research topics to share with supervisor							
Develop proposal							
Introduction, literature review, Research methodology							
Proposal defense							
Questionnaire Pilot testing							
Data collection							
Analysis of findings							
Meeting with supervisor							
Recommendations							
Preparation of final report							