

Entrepreneurial Strategic Capability and Performance of Small and Medium Enterprises in

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Abstract

The performance of most small and medium enterprises in Kenya has been declining, with evidence by increased cases of closure after a short operating period. This study sought to examine the influence of entrepreneurial strategic capability on the performance of small and medium enterprises in Kenya. The study adopted a descriptive cross-sectional research design. The target population was 2400 small and medium enterprises in Thika town's light industrial area. The study sampled 331 small and medium enterprise owners using stratified random sampling. Results indicated that entrepreneurial strategic capability had a positive and significant influence on the performance of small and medium enterprises ($\beta=0.697$ $P < .000$). The study concluded that strategic capability has a positive and statistically significant influence on the performance of small and medium enterprises. The implication is that strategic capability is paramount in determining the performance of small and medium enterprises. The recommendation was that businesses should strengthen their competitive advantage capabilities. The focus should be on product differentiation, competitive prices, business segment awareness, and quality products/services.

Keywords: Entrepreneurial strategic capability, Performance, Small and Medium Enterprises