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EFFECT OF SOCIO-CULTURAL ENVIRONMENT ON THE PERFORMANCE OF WOMEN-OWNED SMEs IN NAIROBI CITY COUNTY, KENYA

Victor Ndambo Mutuku and **Dr. Hilda Felistus Makhamara, PhD**

Effect of Socio-Cultural Environment On the Performance of Women-Owned SMEs in Nairobi City County, Kenya

Victor Ndambo Mutuku
Corresponding Author, Kenyatta University
Dr. Hilda Felistus Makhamara, PhD
Senior Lecturer, Department of Business Administration School of Business, Economics and Tourism, Kenyatta University

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Abstract:

purpose of study: This study examined the effect of the socio-cultural environment on the performance of women-owned SMEs in Nairobi City County, Kenya. Specifically, it investigated how cultural beliefs, gender norms, religious influences, societal attitudes, and community support systems shape business performance measured through the Balanced Scorecard framework.

methodology: A descriptive research design was adopted, targeting 21,000 formally registered women-owned SMEs. Using Taro Yamane's formula, a sample of 385 enterprises was selected through proportionate stratified random sampling. Structured questionnaires collected primary data, yielding a 90.9% response rate (n=350). Descriptive statistics and Ordinary Least Squares regression via SPSS version 23 were employed for quantitative analysis.

findings: Socio-cultural factors collectively exerted a strong effect on SME performance (aggregate M=4.09). Gender norms recorded the highest influence (M=4.52, SD=0.629), followed by religious influence (M=4.11) and cultural beliefs (M=4.08). SME performance was moderate (aggregate M=3.28), with internal business processes rated highest (M=3.57) and financial performance lowest (M=3.06). Regression analysis confirmed that the socio-cultural environment was a significant positive predictor of performance ($\beta=0.391$, $t=3.939$, $p<0.001$), explaining 26.2% of variance ($R^2=0.262$). The null hypothesis was rejected, confirming that enabling socio-cultural conditions, including positive community networks and supportive attitudes, improve women-owned enterprise outcomes.

conclusion: The socio-cultural environment significantly determines performance of women-owned SMEs in Nairobi City County. Gender norms exert the strongest influence. Addressing socio-cultural barriers through gender-responsive policies, structured mentorship programmes, and engagement of religious and community leaders as empowerment advocates would meaningfully improve business performance outcomes for women entrepreneurs.

Keywords: *Socio-cultural environment, women-owned SMEs, SME performance, gender norms, Nairobi City County, Balanced Scorecard*

1.0 INTRODUCTION

1.1 Background of the Study

Small and medium enterprises (SMEs) are the backbone of most developing economies, contributing to employment creation, poverty reduction, and economic diversification. In Kenya, SMEs account for approximately 98% of all businesses and contribute about 30% of GDP, making them a central feature of the country's economic landscape (Momanyi et al., 2025). Women entrepreneurs constitute a substantial proportion of SME owners, yet studies consistently show that women-owned businesses tend to underperform relative to their male-owned counterparts across measures such as revenue growth, market expansion, and long-term sustainability.

The performance gap between women-owned and male-owned enterprises has been widely attributed to institutional, economic, and socio-cultural factors. While economic barriers such as limited access to credit and high taxation are well documented, the socio-cultural dimension remains relatively understudied in the Kenyan context, especially at the county level (Chelogoi et al., 2020). Socio-cultural factors include prevailing cultural beliefs, gender norms, religious values, community attitudes toward female entrepreneurship, and social support networks. These elements shape how women perceive themselves as business owners, how they are treated in business environments, and what resources and opportunities are made available to them.

In Nairobi City County, women entrepreneurs operate in a diverse and competitive environment that cuts across formal retail, informal trade, services, manufacturing, and technology-based enterprises (Koech & Namusonge, 2015). Nairobi is Kenya's commercial capital, and its SME sector is influenced by both urban cosmopolitan values and deeply ingrained traditional norms (Mnyazi & Makhamara, 2023). The intersection of modern business practices and cultural expectations creates a unique environment in which women entrepreneurs must navigate gender-related expectations at the household level while also managing competitive business pressures. Cultural beliefs about women's roles in leadership, family obligations that limit business hours and networking, and limited access to male-dominated business networks can collectively suppress the growth and profitability of women-owned enterprises (Sauda, 2025).

Measuring the performance of SMEs requires a proper framework that captures both financial and non-financial dimensions. This study applied the Balanced Scorecard (BSC) framework, which evaluates performance across four dimensions: financial outcomes, customer satisfaction, internal business processes, and learning and growth (Madsen, 2025). This approach is especially appropriate for women-owned SMEs, where financial metrics alone may not capture the full scope of business achievement and resilience.

This study therefore sought to determine the effect of the socio-cultural environment on the performance of women-owned SMEs in Nairobi City County, Kenya, contributing empirical evidence to a field that remains underexplored in the local context.

1.2 Statement of the Problem

Despite the growing recognition of SMEs as drivers of economic development, women-owned enterprises in Kenya continue to perform below their potential. Research indicates that approximately 60% of women-owned SMEs in Kenya either stagnate or close within the first three years of operation, with socio-cultural constraints cited as among the leading causes (Mnyazi & Makhamara, 2023). In Nairobi City County, women entrepreneurs face not only market competition but also deep-seated cultural expectations that limit their entrepreneurial agency, access to resources, and networking opportunities.

Empirical studies conducted in Kenya and across Sub-Saharan Africa confirm that gender norms, cultural stereotypes, and limited community support structures adversely affect women's business performance (Mogeni, 2025). However, most of these studies have been conducted at the national level, in other counties, or with a focus on challenges rather than performance outcomes. There is limited empirical evidence that directly links specific socio-cultural variables to the performance of women-owned SMEs in Nairobi City County, using a multidimensional performance measurement framework.

Existing research has also tended to focus on individual variables such as networking, education, or family support in isolation, without examining how the broader socio-cultural environment as a composite construct influences performance across multiple dimensions. This fragmentation limits the ability of policymakers and business support organizations to design holistic, evidence-based interventions. This study addresses this gap by empirically examining how the socio-cultural environment, as captured through cultural beliefs, gender norms, religious influence, societal attitudes, and community support, affects the performance of women-owned SMEs in Nairobi City County.

1.3 Purpose of the Study

The purpose of this study was to determine the effect of the socio-cultural environment on the performance of women-owned SMEs in Nairobi City County, Kenya.

1.4 Research Hypothesis

H01: The socio-cultural environment does not have a statistically significant effect on the performance of women-owned SMEs in Nairobi City County, Kenya.

2.0 LITERATURE REVIEW

2.1 Theoretical Framework: Environmental Dynamism Theory

This study is grounded in Environmental Dynamism Theory, which explains how the rate, unpredictability, and complexity of changes in the external environment influence firm behaviour and performance. According to Li and Liu (2014), environmental dynamism manifests in the speed and unpredictability of changes in markets, technologies, regulations, and socio-cultural conditions. In highly dynamic environments, firms face continuous shifts in political, economic, and cultural factors, which directly shapes entrepreneurial decision-making, resource allocation, and competitive outcomes. The theory is particularly applicable to women-owned SMEs in Nairobi City County, where socio-cultural conditions are not static but continuously evolving. Haarhaus and Liening (2020) argue that environmental uncertainty compels firms to develop dynamic capabilities, including adaptive behaviours and strategic responsiveness, that enable them to sense emerging opportunities, respond to threats, and reconfigure resources to sustain performance. In the context of women's entrepreneurship, these adaptive capabilities may include building community-based networks, leveraging religious associations for business referrals, or redefining gender role expectations through educational empowerment. Battisti and Deakins (2021) further notes that the relationship between dynamic capabilities and firm performance is stronger in highly dynamic environments than in stable ones, suggesting that women entrepreneurs in socio-culturally constrained environments must continuously adapt to remain competitive. Kim et al. (2025) reinforces this view by arguing that dynamic environments not only pose challenges but also create opportunities for innovation and growth when enterprises are proactive. Accordingly, Environmental Dynamism Theory supports the study's premise that the socio-cultural environment, as a dimension of the broader external context, has a measurable and significant effect on the performance of women-owned SMEs.

2.2 Empirical Review

2.2.1 Socio-Cultural Environment and Performance of Women-Owned SMEs

A growing body of empirical literature confirms that socio-cultural factors significantly shape the performance trajectories of women-owned enterprises across different economies and sectors. Rahim (2025) examined gendered cultural expectations and their effects on women's entrepreneurship in developing economies, using a comparative review of women entrepreneurs in Africa and Asia. Their findings showed that cultural stereotyping regarding women's leadership roles had a negative effect on enterprise growth and profitability, while women who operated in supportive social environments recorded higher business growth and customer retention rates. Although this study did not focus specifically on Kenya, it provided important cross-contextual evidence of the power of cultural norms in shaping entrepreneurial outcomes.

Warsame et al. (2025) investigated the challenges facing women entrepreneurs managing SMEs in Nairobi, using a descriptive survey design with 120 respondents. The study found that socio-cultural barriers including family responsibilities, restricted business networks, and gender discrimination substantially limited business performance. The study recommended strengthening women entrepreneurship associations and mentorship programmes as pathways to improved sustainability. While this study was conducted in Nairobi, it focused primarily on identifying growth challenges rather than establishing a direct statistical link between socio-cultural environment and performance outcomes.

Agrawal et al. (2023) examined the relationship between social norms and the business success of women entrepreneurs in South Asia using qualitative interviews with women-owned SME operators. Their findings revealed that cultural norms restricting women's physical mobility, access to finance, and decision-making authority negatively affected business productivity. Conversely, enterprises operating within supportive family environments and positive community attitudes demonstrated higher survival rates and profitability. Though this study was set in Asia, the dynamics closely mirror those found in urban Sub-Saharan African contexts.

Waithaka et al. (2023) studied socio-cultural factors influencing women's business performance in Nakuru County, Kenya, using a cross-sectional survey design with 150 women-owned SMEs. The results indicated that cultural beliefs about women's leadership roles, family obligations, and social expectations had a negative effect on entrepreneurial performance. However, active participation in social networks and business associations had a positive effect on market access and competitiveness. The study concluded that both cultural barriers and enabling social structures simultaneously shape performance outcomes, though it was geographically confined to Nakuru County.

Mbiti et al. (2015) examined socio-cultural influences on the development of women entrepreneurs across Kenya, drawing on a sample of 200 women entrepreneurs analyzed using descriptive and inferential statistics. Their findings showed that social support systems, educational attainment, and cultural acceptance positively contributed to business growth and profitability. The study emphasized the need for entrepreneurial training and community awareness campaigns to address cultural barriers confronting women-owned enterprises. While this study provided national-level evidence, it focused on entrepreneurship development broadly rather than on specific performance dimensions in Nairobi City County.

Muchori and Reid (2025) focused specifically on social networking and its effect on the performance of women-owned SMEs in Mombasa, Kenya. Using a descriptive research design with 110 women entrepreneurs, the study found that active social and business networking had a positive correlation with access to information, markets, and financial opportunities. Nevertheless, family responsibilities and cultural norms emerged as significant constraints to effective networking. The study narrowed its scope to networking as an isolated variable, whereas the present study takes a more comprehensive view of the socio-cultural environment.

Kopelman et al. (2022) examined the sustainability of women-owned enterprises in Kisumu, Kenya, and found that positive societal attitudes, mentorship support, and active community networks enhanced both innovation and profitability. The study also identified cultural stereotyping and inadequate entrepreneurial education as persistent barriers to growth. While the study's focus was on sustainability rather than performance measurement, its findings are closely aligned with the objectives of the current research and reinforce the relevance of socio-cultural factors in shaping women's business outcomes.

Collectively, the reviewed literature affirms that socio-cultural environment exerts a significant influence on the performance of women-owned SMEs. The present study builds on this body of evidence by examining this relationship specifically within Nairobi City County and using the Balanced Scorecard framework to capture multiple performance dimensions.

3.0 RESEARCH METHODOLOGY

The study employed a descriptive research design, which enabled the systematic collection of data on socio-cultural factors and their influence on business performance. This design was appropriate given the study's objective of describing the characteristics of the target population and establishing relationships among the variables of interest. The target population comprised 21,000 formally registered women-owned SMEs operating within Nairobi City County across different sectors of the economy. A proportionate stratified random sampling technique was used to ensure adequate representation of all sectors, while simple random sampling was applied at the individual unit level. Using Taro Yamane's formula at a 95% confidence level and a 5% margin of error, a sample size of 385 women-owned SMEs was determined. Primary data were collected using structured questionnaires, interviews, and observations. Prior authorization was obtained from relevant institutions, and informed consent was sought from all participants before data collection commenced. Quantitative data were analyzed using descriptive statistics and Ordinary Least Squares (OLS) regression through SPSS version 23, while qualitative data were subjected to thematic content analysis. Ethical principles of confidentiality, anonymity, voluntary participation, and academic integrity were observed throughout the study to ensure credible and trustworthy findings.

4.0 RESEARCH FINDINGS AND DISCUSSION

4.1 Response Rate

The researcher administered structured questionnaires to the sampled respondents as the primary instrument for data collection. Response rate was calculated by comparing the number of questionnaires distributed against those duly completed and returned. As indicated in Table 4.1, out of 385 questionnaires administered to women-owned SMEs across different sectors in Nairobi City County, 350 were filled in and returned, while 35 were not returned.

Table 4.1: Response Rate

Category	Frequency	Percentage (%)
Received	350	90.9
Not Received	35	9.1
Total	385	100.0

Source: Research Data (2026)

The results indicate that 350 out of 385 questionnaires were successfully completed and returned, yielding a response rate of 90.9%. The remaining 9.1% was attributed to respondents who were either unavailable or unable to complete the questionnaires during the data collection period. This response rate is considered more than adequate for statistical analysis and generalization of findings. Consistent with the thresholds applied in prior SME studies by Sataloff and Vontela (2021), a response rate exceeding 70% is considered sufficient for valid descriptive and inferential analysis. The high response rate achieved in this study therefore enhances the reliability and validity of the findings.

4.2 Descriptive Statistics on Socio-Cultural Environment

The socio-cultural environment plays a pivotal role in shaping the entrepreneurial context within which women-owned SMEs operate. This study assessed its influence through five indicators: cultural beliefs, gender norms, religious influence, societal attitudes, and community support. Respondents rated each statement on a five-point Likert scale, and the results are presented in Table 4.2.

Table 4.2: Descriptive Statistics on Socio-Cultural Environment

Statement	Mean (M)	Std. Dev (SD)
Cultural beliefs in my community support women entrepreneurship.	4.08	1.231
Gender norms in society affect my business operations positively or negatively.	4.52	0.641
Religion influences business decisions in my enterprise.	4.11	0.989
Societal attitudes encourage the growth of women-owned SMEs.	3.79	1.173
Community support contributes to the sustainability of my business.	3.93	1.204
Aggregate Score	4.09	1.048

Source: Research Data (2026)

The results indicate an aggregate mean score of 4.09 and a standard deviation of 1.048, reflecting a high level of agreement among respondents regarding the influence of socio-cultural factors on their business performance. Specifically, 88.4% of respondents agreed with the presented statements, while 7.8% disagreed and 3.8% remained neutral. Among those who agreed, a majority of 78.9% strongly agreed, while 15.3% disagreed and 5.8% were neutral across individual items.

The highest mean was recorded for the gender norms indicator (M = 4.52, SD = 0.641), confirming that societal gender role expectations exert the most pronounced influence on business operations, either as enabling or constraining forces. This finding aligns with Srivastava and Pandita (2025), who established that cultural norms restricting women's mobility and decision-making authority directly undermine productivity in women-owned enterprises. The relatively low standard deviation on this item further indicates a high level of agreement among respondents. Religious influence and cultural beliefs recorded similar mean scores (M = 4.11 and M = 4.08, respectively), suggesting that both spiritual values and community cultural frameworks significantly shape entrepreneurial decision-making. These findings are consistent with Bullough et al. (2021), who found that cultural acceptance and social support systems positively influence women entrepreneurs' business decisions and growth trajectories.

Community support (M = 3.93) and societal attitudes (M = 3.79) were rated moderately high, indicating that while social acceptance and communal networks contribute positively to business sustainability, their influence is somewhat uneven across the sampled enterprises. Lwayah et al. (2026) similarly established that active community networks enhance market access and business information sharing among women entrepreneurs, though family obligations and cultural constraints remain limiting factors.

The overall findings confirm that the socio-cultural environment is a complex and multidimensional force that simultaneously enables and constrains the performance of women-owned SMEs in Nairobi City County. Positive cultural beliefs and supportive community networks contribute to business sustainability, while restrictive gender norms pose operational challenges. These results complement earlier conceptual arguments by Hendri (2025), who argued that non-financial performance dimensions are essential for capturing the full impact of environmental factors on SME performance.

4.3 Descriptive Statistics on SME Performance

The performance of women-owned SMEs was assessed using the Balanced Scorecard (BSC) framework across four dimensions: financial outcomes, customer satisfaction, internal business processes, and learning and growth. Respondents rated each statement on a five-point Likert scale, and the results are presented in Table 4.3.

Table 4.3: Descriptive Statistics on SME Performance

Statement	Mean (M)	Std. Dev (SD)
My business achieves satisfactory financial results.	3.06	1.940
Customer satisfaction in my business is high.	3.45	1.570
Internal business processes in my enterprise are efficient.	3.57	1.460
My business engages in continuous learning and growth.	3.20	1.810
My business performance meets my overall expectations.	3.14	1.870
Aggregate Score	3.28	1.730

Source: Research Data (2026)

The aggregate mean score of 3.28 and standard deviation of 1.730 indicate a moderate level of agreement among respondents regarding their enterprises' performance. Specifically, 48.2% of respondents reported satisfactory performance across the measured dimensions, while 44.1% expressed dissatisfaction and 7.7% were neutral. The relatively high standard deviation reflects considerable variability in performance outcomes across the sampled enterprises, which is expected given the diversity in enterprise size, sector, and resource endowment.

Internal business processes recorded the highest mean score (M = 3.57), suggesting that the majority of women-owned SMEs maintain reasonably efficient operational systems. This finding supports Yaxin and Adnan (2025), who demonstrated that effective internal processes and sound organizational structure improve enterprise resilience and overall performance. Customer satisfaction was also rated moderately (M = 3.45), indicating that a considerable proportion of women entrepreneurs are meeting customer expectations, which Hendrayati et al. (2025) associates with long-term SME viability.

Financial performance recorded the lowest mean (M = 3.06), confirming that profitability remains a persistent challenge for a significant number of women-owned SMEs. This is consistent with Atieno et al. (2021) and Mwangangi (2023), who found that economic barriers such as high interest rates and tax burdens adversely affect the financial sustainability of Kenyan SMEs. Learning and growth (M = 3.20) and overall performance expectations (M = 3.14) were rated moderately, suggesting that while some enterprises invest in capacity building and innovation, others remain constrained by inadequate access to finance, technology, and supportive policies.

The variability in standard deviations across all indicators further underscores the heterogeneity of women-owned SMEs in Nairobi City County in terms of scale, sector, and resource access. Overall, the findings indicate that while a portion of women-owned SMEs perform well in operational efficiency and customer service, a substantial proportion continues to face performance challenges, particularly in financial outcomes and growth. These mixed results align with the argument by Agrawal et al. (2023) that SMEs are highly susceptible to external environmental conditions, and reinforce the need for multidimensional performance assessment as advocated by the Balanced Scorecard approach.

4.4 Regression Analysis

4.4.1 Model Summary

Table 4.4 presents the summary of the regression model examining the effect of the socio-cultural environment on the performance of women-owned SMEs in Nairobi City County.

Table 4.4: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of Estimate
1	0.512	0.262	0.257	0.486

Predictors: (Constant), Socio-Cultural Environment

The correlation coefficient (R = 0.512) indicates a moderate positive relationship between the socio-cultural environment and the performance of women-owned SMEs. The coefficient of determination ($R^2 = 0.262$) shows that 26.2% of the variation in SME performance is explained by the socio-cultural environment. The adjusted R^2 of 0.257 confirms that the model provides a reasonable and stable fit after accounting for the number of predictors in the model. The standard error of estimate of 0.486 indicates relatively small deviations between observed and predicted performance values, further affirming the model's predictive accuracy.

4.4.2 ANOVA

The Analysis of Variance (ANOVA) results in Table 4.5 were used to test the overall statistical significance of the regression model.

Table 4.5: ANOVA

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	23.417	1	23.417	99.162	.000b
Residual	82.369	348	0.236		
Total	105.786	349			

Dependent Variable: SME Performance;
Predictors: (Constant), Socio-Cultural Environment

The ANOVA results indicate that the regression model is statistically significant (F = 99.162, $p < 0.001$). This confirms that the socio-cultural environment has a statistically significant effect on the performance of women-owned SMEs in Nairobi City County. The null hypothesis, which stated that the socio-cultural environment does not significantly affect SME performance, is therefore rejected. These results are consistent with the findings of Battisti and Deakins (2021) and Bullough et al. (2021), who similarly demonstrated significant relationships between socio-cultural variables and women's business outcomes in Kenya.

4.4.3 Regression Coefficients

Table 4.6 presents the beta coefficients for the regression of SME performance on the socio-cultural environment.

Table 4.6: Regression Coefficients for Socio-Cultural Environment

Model	B	Std. Error	Beta	t	Sig.
(Constant)	1.872	0.301		6.219	.000
Socio-Cultural Environment	0.348	0.088	0.391	3.939	.000***

Dependent Variable: SME Performance;

**** p < 0.001*

The regression coefficients in Table 4.6 confirm that the socio-cultural environment is a significant and positive predictor of the performance of women-owned SMEs in Nairobi City County ($B = 0.348$, $\beta = 0.391$, $t = 3.939$, $p < 0.001$). This implies that a one-unit improvement in the socio-cultural environment is associated with a 0.348-unit increase in SME performance, holding other factors constant. The standardized beta coefficient of 0.391 indicates that the socio-cultural environment has a moderate-to-strong effect on performance outcomes. These results are in line with the theoretical position of Environmental Dynamism Theory, which posits that the external environment, including its socio-cultural dimension, directly influences organizational performance outcomes (Hendrayati et al., 2025). The findings also corroborate the empirical evidence from Hendri (2025), who established that socio-cultural factors, including community support and cultural acceptance, are significant determinants of women entrepreneurs' business growth. Similarly, the results affirm the position Kim et al. (2025) that social networks and community engagement positively correlate with SME performance dimensions such as market access and financial sustainability. The positive and significant beta coefficient further suggests that deliberate interventions aimed at improving the socio-cultural environment, such as changing community attitudes toward women's leadership, promoting mentorship networks, and engaging religious institutions as advocates for female entrepreneurship, could yield measurable improvements in SME performance outcomes in Nairobi City County.

5.0 SUMMARY OF THE STUDY

This study examined the effect of the socio-cultural environment on the performance of women-owned SMEs in Nairobi City County, Kenya. Using a descriptive research design and a sample of 350 respondents drawn from 21,000 registered women-owned SMEs, the study collected primary data through structured questionnaires and analyzed findings using descriptive statistics and Ordinary Least Squares regression. The descriptive analysis revealed that the socio-cultural environment exerted a strong influence on SME performance, with an aggregate mean of 4.09 (SD = 1.048). Gender norms recorded the highest mean score (M = 4.52, SD = 0.641), indicating that societal gender role expectations were the most dominant socio-cultural force affecting business operations. Cultural beliefs and religious influence also registered high means (M = 4.08 and M = 4.11, respectively), while community support and societal attitudes scored moderately (M = 3.93 and M = 3.79).

SME performance, measured through the Balanced Scorecard, recorded a moderate aggregate mean of 3.28 (SD = 1.730). Internal business processes were rated highest (M = 3.57), while financial performance remained the lowest-rated dimension (M = 3.06), reflecting persistent profitability challenges among women-owned enterprises. The regression analysis confirmed that the socio-cultural environment had a statistically significant positive effect on SME performance ($\beta = 0.391$, $t = 3.939$, $p < 0.001$), explaining 26.2% of the variance in performance outcomes. The null hypothesis was rejected, and the alternative hypothesis accepted. These findings are consistent with Environmental Dynamism Theory and support a substantial body of empirical evidence demonstrating that socio-cultural factors shape the entrepreneurial outcomes of women-owned businesses across different Economic Contexts.

6.0 CONCLUSION

The study concludes that the socio-cultural environment is a significant determinant of the performance of women-owned SMEs in Nairobi City County, Kenya. The positive and statistically significant relationship between socio-cultural factors and enterprise performance confirms that women entrepreneurs who operate within enabling cultural environments, supported by positive community networks, constructive societal attitudes, and empowering cultural beliefs, are more likely to achieve improved performance outcomes across financial, customer, operational, and growth dimensions. Gender norms emerged as the most influential socio-cultural variable, underscoring the critical need to address entrenched gender role expectations that restrict women's entrepreneurial agency. Cultural beliefs and religious influences also play a meaningful role in shaping business decisions, highlighting the importance of engaging community and faith-based leaders in entrepreneurship promotion efforts. The findings further indicate that while a number of women-owned SMEs demonstrate operational efficiency and satisfactory customer service outcomes, financial performance remains a challenge for a significant proportion. This suggests that socio-cultural barriers, while quantifiable in their effect on SME performance, interact with other economic and institutional constraints to limit full entrepreneurial potential. Addressing these barriers therefore requires a coordinated multi-stakeholder response that combines policy reform, community engagement, and targeted entrepreneurship support services.

7.0 RECOMMENDATIONS

Based on the research findings, the following recommendations are proposed: First, the national and county governments should implement gender-responsive entrepreneurship policies that specifically address socio-cultural barriers facing women entrepreneurs in Nairobi City County. This should include the integration of gender equality education into community development programmes and the establishment of platforms that challenge harmful gender norms in business environments. Second, business support organizations and non-governmental organizations working in the SME sector should design and implement structured mentorship and networking programmes that connect women entrepreneurs with experienced business leaders, both male and female. Such programmes can help dismantle cultural barriers to business networking and provide women with access to information, markets, and investment opportunities. Third, religious and community organizations should be actively engaged as partners in promoting women's entrepreneurship. Given the significant influence of religion on business decisions, faith-based advocacy for women's economic empowerment could yield substantial improvements in societal attitudes toward women business ownership. Fourth, entrepreneurship development programmes offered by educational institutions and training organizations should incorporate modules on navigating socio-cultural challenges in business, equipping women entrepreneurs with strategies to manage family obligations while sustaining business operations. Fifth, financial institutions and microfinance providers should develop products specifically tailored to the needs and constraints of women-owned SMEs, addressing the interplay between socio-cultural limitations and restricted access to capital that collectively suppress financial performance.

8.0 AREAS FOR FURTHER RESEARCH

Future research should consider replicating this study using mixed-methods approaches to deepen understanding of the mechanisms through which specific socio-cultural variables influence SME performance. Longitudinal studies examining whether improvements in the socio-cultural environment translate to sustained performance gains over time would provide valuable evidence for programme evaluation and policy design. Comparative studies across different counties in Kenya would also help establish whether the findings from Nairobi City County are generalizable to other urban and peri-urban contexts. Additionally, research examining the moderating role of women entrepreneurs' education level and age on the relationship between the socio-cultural environment and performance could yield actionable insights for targeted support interventions. Finally, future studies should investigate the intersection of socio-cultural and economic environments in determining the financial performance of women-owned SMEs, given the relatively low financial performance scores recorded in this study.

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