The role of the Small and Micro-enterprise sector (SMEs) in alleviating poverty and boosting economic growth cannot be overemphasized. The importance of interventions in enhancing these SMEs' roles is thus well acclaimed. However, existing literature has not adequately captured the specific impacts of different forms of interventions on specific categories of SMEs. This study thus focused on the interventional impact of three identified approaches namely, minimalist, institutional and integrated on specific SMEs while making comparisons by gender, locality and sub-sector. It examined the degree to which interventions within SMEs were effective while making clear analysis of the factors that impede or enhance positive interventional impact within different contexts.

This study was specifically guided by the following objectives: to identify the available services and intervention programmes for the SME sector in Kenya; to evaluate approaches used in providing various forms of assistance to the SMEs by agencies; to underscore the strengths and weaknesses of different approaches in the way they impacted on SMEs; to identify the role of gender, locality and type of enterprise in determining growth of enterprises under assistance and to suggest ways and means of improving impact of assistance to the SME sector. The four hypotheses proposed and tested in the study were mainly to underscore the role of various interventional approaches on the growth of assisted SMEs categorised by sub-sector, gender and location. Growth of enterprises was conceptualised in terms of profits, increase in employment and business assets and specific business management applications.

In the study, the systems theory was adopted as a suitable guide for the study because it helps to describe enterprises as entities that utilize both external and internal services or inputs to enhance their functions and maximize output. External inputs may be in the form of capital, skills and other expertise which interact with the entrepreneur and enterprise characteristics in a given manner to bring about the expected outputs that have a bearing on poverty alleviation and growth.

The study mainly utilized the survey method with some elements of quasiexperimentation. Quantitative as well as qualitative data was sourced. Three organizations supporting the SME sector were singled out for study. A sample of 476 entrepreneurs supported by these three organizations was selected using a combination of quota, systematic and random sampling procedures. Out of this number, 472 entrepreneurs were interviewed on the state of their enterprises, the financial characteristics of the same and the various forms of assistance they had each received. Other instruments used in the study included focus group discussions with entrepreneurs, observation schedules and case studies. Questionnaires were also administered to programme officers and field agents in order to generate supplementary data. The data was first analysed by way of descriptive techniques such as frequencies, percentages and cross tabulations. Testing of hypotheses was carried out using parametric tests such as Analysis of variance (ANOVA) and t-test procedure. Further, multiple regression procedure was applied to determine the predictive ability of a combination of intervention variables on enterprise growth indicators. In the quantitative data analysis and presentation, the SPSS programme was utilized.

Qualitative data, mainly from focus group discussion were analysed by classifying them into thematic codes and establishing emerging categories and their relationships. The data was then interpreted and presented in descriptive, graphic and diagrammatic forms.

From the study, it emerged that profits made in SMEs vary by the intervention model applied, by sub-sector and by area of business operation. It is also evident that credit intervention improves business profits marginally and only if such loans are invested in the business venture. Furthermore, financial intervention channelled through groups and associations has a more
visible impact on profits. It is also evident that profits within the trade sub-sector are better determined by intervention as opposed to the other sub-sectors. In addition, though no valid gender differences occurred with respect to amounts of profits made, there emerged gender differences in how credit affected businesses profits with a relatively higher impact being registered in female owned enterprises. Lastly, urban enterprises also did register a slightly higher impact of credit invested in business on profits made and so did some business zones mainly under the institutional approach.

With regard to effect of intervention on number of workers, the study noted that some modest increase in workers occurred only in the minimalist and the integrated approaches but not in the institutional programme. Credit affected increase in workers more within the service sub-sectors than in other sectors. Though the trade sub-sector rated high in other indicators of growth such as profits and asset value, it also rated very low in terms of increase in workers. This may be a pointer to the fact that the sector does not require high numbers of workers and that most trade firms are sufficiently operated solely by owners.

Gender comparisons reflect no differences in the number of workers employed. Also, no differences were noted between urban and rural areas in terms of increase in workers. In the specific localities of enterprises, substantial influence of credit invested on increase in workers increase was especially noted in Thika, Kamukunji, Buruburu and Machakos(a). Increment in business asset value was determined partially by amounts invested after intervention in all the three approaches employed. This effect was substantially higher in the institutional form of assistance than in either integrated or minimalist models. It was also established in sector-wise analysis that service had the highest increase in assets followed by trade and manufacturing in that order. In addition, there was a higher increase of assets after credit in male owned enterprises. In the urban category, asset increment was higher than in the rural-urban areas after credit intervention. In the analysis by business areas, Meru region registered the highest impact made by credit on asset increment followed by Kawangware, Thika and Buruburu. Asset increase was also closely related to business profitability, which means that as SMEs increase their business assets, they also tended to do better. Asset expansion was not accompanied by improved management practices as would have been expected.

Further, from the study, the expectation that trained entrepreneurs would adopt particular management practices was realized but these management skills did not relate to the other key growth indicators such as business profit and increase in business assets. It was also noted that adoption of management skills after intervention was slightly greater in urban areas as opposed to rural-urban environments and also greater in specific business zone areas such as Machakos(b), Meru and Buruburu. Asset increase was also closely related to business profitability, which means that as SMEs increase their business assets, they also tended to do better. Asset expansion was not accompanied by improved management practices as would have been expected.

The study concludes that the great diversity of SMEs affects the impact of intervention in various ways. The study reveals that business growth potential varies with sub-sector and that intervention affects different sectors differently. The study thus recommends the need for assisting organizations to focus their assistance appropriately and propitiously taking note of the different sub-sector requirements and location dynamics, which especially determine how assistance is utilized and how it impacts on an enterprise. Further, it is recommended that agencies offering micro-enterprise assistance should be less rigid, more ready to tackle peculiar problems and more willing to diversify their assistance. Lastly, the study proposes a need to further investigate in detail the dynamics of joining and exiting assistance programmes, the role
of entrepreneur networks within the realm of intervention and how loan pipelining affects the general economic status of SME owners.