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Original Article

### Influence of Environmental Conservation Training Practice on Business Performance of Small and Medium Enterprises in Eldoret Municipality

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*Environmental  
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Business Performance,  
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SMEs in Eldoret face multiple challenges including inadequate access to financing and a lack of proper training on environmental conservation practices. These issues contribute to their inability to thrive in a competitive market, further exacerbating their insensitivity to environmental conservation. Therefore, this study sought to explore the influence of environmental conservation practices on the business performance of SMEs in Eldoret Municipality, Kenya. This study was anchored on the Dynamic Capability theory. The study area was carried out in Eldoret Municipality in Uasin Gishu County, Kenya. This study employed descriptive correlational research. The target population was 2053 owners/managers while the sample size was 335 respondents from registered SMEs operating in the Uasin Gishu County. The study used a cluster sampling technique to select the SMEs to specifically select owners or managers. Questionnaires were used in data collection from the sampled managers or the owners. Data were analysed using descriptive statistics (frequencies and percentages, means and standard deviations). The analysed data were presented in the form of tables. The study findings revealed that environmental conservation training practices positively influenced the business performance of Small and Medium Enterprises ( $\beta_2=0.195$ ,  $p=0.001$ ). The study concluded that environmental training for employees leads to greater innovation in managing resources and cost-saving measures. SMEs should implement comprehensive environmental training programs for their employees to enhance resource management, compliance with environmental regulations, and strengthen the company's brand image.

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## INTRODUCTION

SMEs play a significant role in environmental conservation practices. SMEs worldwide are responsible for more than 50% of employment and up to 40% of GDP in emerging economies, collectively contribute to global climate change through their carbon footprints and emissions (Yang & Zhang, 2020). These businesses are interconnected with larger corporations, forming a chain of business transactions embedded in carbon footprints, known as Scope emissions, which are challenging to reduce (Barbosa, Castañeda-Ayarza & Ferreira, 2020).

Environmental conservation training practices can have both positive and negative effects on the business performance of SMEs (Boakye et al. 2020). On the one hand, adopting environmentally friendly practices can lead to cost savings and improved efficiency, as well as increased customer loyalty and reputation (Gelderman et al., 2021). On the other hand, the cost of implementing these practices can be a barrier for some SMEs, particularly those that are resource-constrained (Dasanayaka et al. 2022).

SMEs are of utmost importance in Africa's economic landscape. SMEs make up 95% of the registered businesses in sub-Saharan countries and contribute approximately 50% to the overall gross domestic product (GDP) of these nations (Pulka & Gawuna, 2022). In Africa, SMEs provide an estimated 80% of jobs across the continent, making them a significant driver of economic growth (Abisuga-Oyekunle et al., 2020). However, SMEs

face challenges such as environmental conservation training practices, which hinder their growth and prosperity (Stevanovic & Wanyang'Ochieng, 2023). Environmental conservation training practices have had a significant impact on the business performance of SMEs in Africa (Anaman et al., 2023).

In Kenya, SMEs that adopted zero-emission discharge training practices had a positive impact on their business performance, as they were able to reduce their waste disposal costs and improve their reputation in environmental management (Ontumbi et al., 2024). The Africa Climate Summit (ACS), scheduled for September 4-6, 2023, in Nairobi, showcased Africa's climate action potential and sought to attract global investment in sustainable initiatives. The summit emphasized renewable energy, sustainable agriculture, and the processing of critical minerals like lithium and cobalt within Africa to create jobs and reduce carbon footprints. Kenya's leadership, including President William Ruto, advocated for reforms in multilateral financial institutions to support low- and middle-income countries, aiming to close climate financing gaps and promote green growth across the continent. The outcomes of the summit are expected to influence global climate discourse and lead to the adoption of the Nairobi Declaration, which outlined Africa's unified stance on climate action and development.

### Statement of the Problem

The challenges faced by SMEs in Eldoret Municipality, Uasin Gishu County, result in poor business performance and this is reflected in low

profitability, stagnant growth, and business closures. The underperformance of SMEs affects the SMEs and with broader economic implications, leading to reduced tax revenues for the county government and increased poverty levels. Kenei (2016) highlighted the significance of support services in fostering the growth of SMEs within Eldoret Municipality. However, there is a notable gap in the existing literature concerning the impact of environmental conservation training practices on the performance of SMEs in this region. The recent Africa Climate Summit (ACS) and the Partnership for African Value Investment (PAVI) initiative underscore the importance of integrating environmental conservation training practices into the business strategies of SMEs. The ACS emphasized the need for investment in training practices initiatives across Africa, recognizing that SMEs are crucial for job creation and economic activity. By adopting environmentally friendly practices, such as waste reduction and energy efficiency, SMEs can not only improve their operational performance but also align with national and regional climate goals. Therefore, this study sought to bridge the gap by investigating the influence of environmental conservation training practices on the business performance of SMEs in Eldoret Municipality, Uasin-Gishu County.

## LITERATURE REVIEW

### Theoretical Review

The study was grounded on the Dynamic capability theory developed by Pisano and Teece in 1994. The Dynamic Capability Theory provides a useful framework for analysing how SMEs in Eldoret Municipality can leverage environmental conservation training practices to enhance their business performance. This theory posits that firms can gain a competitive advantage by developing the capacity to adapt to changing market conditions and technological shifts (Teece, 2007). In the context of environmental sustainability, SMEs need to develop dynamic capabilities to sense emerging green

trends, seize opportunities presented by sustainable practices, and transform their operations to align with these new realities.

The adoption of environmental conservation training practices, such as waste reduction, environmental training, corporate social responsibility, and green energy initiatives, requires SMEs to develop specific capabilities. For example, to effectively implement waste reduction practices, SMEs need to build capabilities in waste management, recycling, and resource efficiency. This may involve investing in employee training, upgrading equipment, and establishing partnerships with waste management service providers. By developing these capabilities, SMEs can reduce waste, lower operational costs, and enhance their environmental performance.

### Empirical Review

Burlea-Schiopoiu and Mihai (2019) argue that environmental training practices are essential for SMEs to foster sustainable development and improve overall business performance. Their study highlights how training enhances employees' environmental awareness, leading to more efficient use of resources and reduced waste. This improved efficiency can result in significant cost savings for SMEs, which directly impacts their bottom line. By adopting environmentally friendly practices, SMEs can improve their market reputation, attract eco-conscious customers, and meet regulatory requirements more effectively. Cop et al. (2020) emphasize the importance of continuous environmental training to keep employees updated on the latest sustainable practices and technologies.

In a study conducted by Chege and Wang (2020), they found that SMEs that invest in comprehensive environmental training programs tend to perform better financially and operationally. The study suggests that environmental training equips employees with the knowledge and skills necessary to implement eco-friendly practices, such as waste reduction, energy efficiency, and sustainable

resource management. These practices not only reduce operational costs but also enhance the SMEs' competitive advantage by differentiating them from competitors who may not prioritize environmental sustainability.

A study by Yafi et al. (2021) explores the impact of environmental training on the supply chain performance of SMEs. The study finds that SMEs that engage in environmental training for their employees see significant improvements in their supply chain efficiency and sustainability. In training employees on sustainable supply chain practices, SMEs can minimize environmental impacts, reduce costs associated with waste and inefficiency, and enhance supplier relationships (Zahoor & Gerged, 2021). The study highlights that environmental training should be tailored to the specific needs and contexts of SMEs to maximize its effectiveness and relevance.

In another study, Muñoz-Pascual et al. (2021) examine how environmental training influences innovation and business performance in SMEs. Their findings indicate that SMEs that invest in environmental training are more likely to develop innovative solutions to environmental challenges. This innovation not only helps in complying with environmental regulations but also opens new business opportunities and markets (Singh et al., 2020). The study suggests that environmental training fosters a culture of continuous improvement and creativity among employees, which is crucial for long-term business success and sustainability.

## RESEARCH METHODOLOGY

This study adopted descriptive correlational research which, is a quantitative research method used to examine the relationships between two or more variables without manipulating them. This approach allows researchers to gather data and

analyze how variables are related, providing insights into patterns and trends within the data (Kothari, 2014). Therefore, this design is best for investigating the influence of environmental conservation training practices on the business performance of SMEs in Eldoret Municipality. The target population were the registered SMEs operating in the Uasin Gishu County, Kenya. From the records of Uasin Gishu County, there is a total of 2053 SMEs having their base in Eldoret according to the Ministry of Industrialization, Trade and Enterprise Development in the year 2024. The sample size for this study was determined using Yamane's (1973) formula, based on a target population of 2053 SMEs. Thus, the sample size was 335 owners/managers of SMEs in Eldoret Municipality. Primary data were collected using questionnaires. Data were coded, cleaned, and managed after collection, and SPSS were used for data analysis. The study used descriptive statistics to examine the quantitative data. Central tendency measures like the mean, mode, and standard deviation are part of descriptive statistics.

## RESULTS

### Response Rate

A total of 335 questionnaires were distributed to various SMEs in Eldoret City from which 314 were successfully returned signifying a 93.8% response rate. The high response rate was a result of research commitment and also respondents' willingness to participate in the study. The presentation of descriptive outcomes is done below.

### Descriptive Statistical for Environmental Conservation Training Practice

The study sought to determine the influence of environmental conservation training practices on the business performance of Small and Medium Enterprises in Eldoret Municipality. The study findings are presented in Table 1.

**Table 1: Descriptive Statistical for Environmental Conservation Training**

Statements		SA	A	UD	D	SD	Mean	Std.
SMEs that provide environmental training to employees experience greater innovation in resource management.	F %	66 21.0	137 43.6	66 21.0	34 10.8	11 3.5	3.68	1.034
Employees who undergo environmental training programs are more likely to identify and implement cost-saving measures related to energy or waste reduction.	F %	121 38.5	103 32.8	55 17.5	12 3.8	23 7.3	3.91	1.170
SMEs with a strong focus on environmental training demonstrate a more positive brand image to environmentally conscious consumers.	F %	90 28.7	113 36.0	67 21.3	22 7.0	22 7.0	3.72	1.157
Regular environmental training programs can help SMEs comply with environmental regulations more effectively, reducing the risk of fines or penalties.	F %	88 28.0	89 28.3	79 25.2	25 8.0	33 10.5	3.55	1.266
Investing in environmental training allows SMEs to attract and retain employees who value sustainability practices.	F %	76 24.2	113 36.0	79 25.2	24 7.6	22 7.0	3.63	1.138

The study results in Table 1 showed that the majority, 203 (64.6%) of the respondents agreed that SMEs that provide environmental training to employees experience greater innovation in resource management. However, 45 (1014.3%) of the respondents disagreed that SMEs that provide environmental training to employees experience greater innovation in resource management. Further, in terms of mean and standard deviation, the respondents agreed with the statement that SMEs that provide environmental training to employees experience greater innovation in resource management (Mean=3.68, standard deviation=1.034)

The study further revealed that the vast majority 224 (71.3%) of the respondents agreed that employees who undergo environmental training programs are more likely to identify and implement cost-saving measures related to energy or waste reduction. However, 35 (11.1%) of the respondents disagreed that employees who undergo environmental training programs are more likely to identify and implement cost-saving measures related to energy or waste reduction. Additionally, the study results on mean and standard deviation revealed the respondents

agreed that employees who undergo environmental training programs are more likely to identify and implement cost-saving measures related to energy or waste reduction (Mean=3.91, standard deviation=1.170).

On top of the above findings, other findings indicated that 203 (64.7%) of the respondents agreed that SMEs with a strong focus on environmental training demonstrate a more positive brand image to environmentally conscious consumers. However, 44 (14%) of the respondents disagreed that SMEs with a strong focus on environmental training demonstrate a more positive brand image to environmentally conscious consumers. Further, the study findings also indicated, in terms of mean and standard deviation the respondents agreed that SMEs with a strong focus on environmental training demonstrate a more positive brand image to environmentally conscious consumers (Mean=3.72, standard deviation=1.157).

The study nonetheless indicated that the majority 117 (56.3%) of the respondents agreed that regular environmental training programs can help SMEs comply with environmental regulations more



effectively, reducing the risk of fines or penalties. Conversely to the above findings, 58 (18.5%) of the respondents disagreed that regular environmental training programs can help SMEs comply with environmental regulations more effectively, reducing the risk of fines or penalties. Further, study findings also revealed, in terms of mean and standard deviation the respondents agreed that regular environmental training programs can help SMEs comply with environmental regulations more effectively, reducing the risk of fines or penalties (Mean=3.55, standard deviation=1.266).

Finally, 189 (60.2%) of the participants agreed that investing in environmental training allows SMEs to attract and retain employees who value sustainability practices. However, 46 (14.6%) of the participants disagreed that investing in environmental training allows SMEs to attract and retain employees who value sustainability practices. Further, the study results also showed, in terms of mean and standard deviation respondents agreed that investing in environmental training allows SMEs to attract and retain employees who value sustainability practices (Mean=3.63, standard deviation=1.138).

## DISCUSSIONS

The study establishes that the majority of the respondents agreed that SMEs providing environmental training to employees experience greater innovation in resource management, while a minority disagreed. This is in line with findings by Song et al. (2021), who noted that environmental training enhances employees' ability to innovate in managing resources efficiently. Furthermore, most respondents agreed that employees who undergo environmental training programs are more likely to identify and implement cost-saving measures related to energy or waste reduction, although some respondents disagreed. This supports the research by Matthews (2021), which highlights that trained employees are better equipped to find and apply cost-saving strategies in their workplaces.

Additionally, a significant number of respondents agreed that SMEs with a strong focus on environmental training demonstrate a more positive brand image to environmentally conscious consumers, while a smaller portion disagreed. This finding is consistent with a study by Mehta and Handriana (2024), which indicated that companies with robust environmental training programs are perceived more favourably by eco-conscious customers. The study also revealed that a majority of respondents agreed that regular environmental training programs help SMEs comply with environmental regulations more effectively, reducing the risk of fines or penalties, although some respondents disagreed. This aligns with research by Lyon and Maxwell (2019), which suggests that environmental training improves regulatory compliance and minimizes legal risks.

Finally, a majority of the participants agreed that investing in environmental training allows SMEs to attract and retain employees who value sustainability practices, while a minority disagreed. This supports the findings by Salha (2022), who found that sustainability-oriented training programs enhance employee retention and attract talent committed to environmental values. The study was in agreement with Chege and Wang (2020) who found that SMEs that invest in comprehensive environmental training programs tend to perform better financially and operationally. Nguyen (2020) reveals that SMEs with robust environmental training programs report higher levels of employee satisfaction and retention.

## CONCLUSIONS OF THE STUDY

The study concluded that environmental training for employees leads to greater innovation in managing resources, aligning with findings that such training enhances employees' ability to innovate and manage resources efficiently. Employees who undergo environmental training are more adept at identifying and implementing cost-saving measures related to energy and waste reduction, further

supporting the idea that trained employees are better equipped to apply cost-saving strategies.

### Recommendations of the Study

The study recommended that; SMEs should implement comprehensive environmental training programs for their employees. This will enhance innovation in resource management, improve compliance with environmental regulations, and strengthen the company's brand image, ultimately leading to increased customer loyalty and better employee retention.

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