ISSN 2250-3153

Factors Affecting the Performance of Small and Micro Enterprises in Limuru Town Market of Kiambu County, Kenya

Mbugua Stephen Kamunge[1], Dr. Agnes Njeru[2], Ondabu Ibrahim Tirimba[3]

Master of Business Administration, Jomo Kenyatta University of Agriculture and Technology[1]
Project Supervisor, Jomo Kenyatta University of Agriculture and Technology[2]
Research Fellow and Lecturer, Mount Kenya University- Hargeisa Campus Somaliland[3]

Abstract- It is generally accepted that SMEs are becoming increasingly important in terms of employment, wealth creation, and the development of innovation. However many problems encounter SMEs and as a result, many firms perform dismally and fail to grow. In addition it is generally known and accepted that there is a high mortality rate of SMEs within the first two years. Given this high failure rate, it becomes vital to research the factors required to enable the SMEs to survive and indeed progress to the growth phase of the organizational life cycle. The study sought to establish the factors affecting the performance of small and micro enterprises (SMEs) traders at Limuru town market in Kiambu County, Kenya. The study employed a descriptive research design to achieve the objectives. The target population under study was the 965 licensed SMEs by Limuru sub-county operating in Limuru Market in 2014. The study used a questionnaire to collect the required data from a sample of 274 SMEs. The data collected was coded, quantified and analyzed quantitatively and qualitatively. Quantitative data was analyzed by the use of statistical package for social sciences (SPSS). The study concluded that access to finance and availability of management experience are the key socio-economic factors affecting the performance of businesses in Limuru Town Market. The other key factors that were found to affect businesses in Limuru Town Market positively are: access to business information, access to infrastructure and government policy and regulations. The study recommended that the government should start offering basic business and financial management skills as this will enable entrepreneurs to make informed investment decisions as well as enhance their entrepreneurial skills that enable them to recognize and exploit the available business opportunities.

Index Terms- Small And Micro Enterprises, Performance, Investment Decisions

I. Introduction

SMEs are important both to the individual and to the nation. To the individual they provide employment and raise the standard of living of both employers and employees. To the nation, they complement large scale modern sector enterprises, they utilize agricultural and other raw materials that would have gone to waste, they serve limited or closed markets that warrant only small scale production, they mobilize resources otherwise left out of the mainstream formal mobilization channels and they provide the necessary platform for take-off into large scale modern production by many indigenous Kenyans (Bwisa 2011). SMEs are the main source of employment in developed and developing countries comprising of over 90% of African business operations and contributing to over 50% of African employment and GDP (Okafor, 2006).The small and micro Enterprises play an important role in the Kenyan Economy. According to the economic survey (2006), the sector contributed over 50 per cent of new jobs created in the year 2005.

While the contributions of small businesses to development are generally acknowledged, SME entrepreneurs face many obstacles that limit their long term survival and development. Research on small business development has shown that the rate of failure in developing countries is higher than in the developed world (Arinaitwe, 2002). Past statistics indicate that three out of five businesses fail within the first few months of operation (Kenya National Bureau of Statistics, 2007).

Small businesses increasingly face competition not only from their peers but also from large corporations participating in niche markets once regarded as a preserve for small businesses (Ntakobajira, 2013). According to Amyx (2005), one of the most significant challenges is the negative perception towards SMEs. Potential clients perceive small businesses as lacking the ability to provide quality services and are unable to satisfy more than one critical project simultaneously. Often larger companies are selected and given business for their clout in the industry and name recognition alone (Bowen, Morara & Mureithi, 2009). Lack of planning, improper financing and poor management have been cited as the main causes of failure of small enterprises (Longenecker, 2006). Regardless of the high failure rate by SMEs in Kenya, their enormous contribution to the entire economy cannot be overlooked (Mbogo, 2011).

SMEs have been identified the world over as the stepping stones for industrialization. Robust economies like the United States of America and the United Kingdom trace their development from growth and development of their SMEs. Studies by Hatega (2007), Kauffmann (2005) attest that SMEs cover more than 95% of all firms in Sub-saharan Africa and their importance cannot be overestimated. Small and Medium Scale Enterprises are mostly found in the service sector of various economies which in most countries account for two-thirds of employment levels. In Kenya the SME sector contributes an estimated 18% of the GDP as well as creating employment for 80% of the workforce population (Kithae, 2012).

Small and medium enterprises are widely recognized for their role in the social, political and economic development. Their importance is particularly apparent in its ability to provide reasonably priced goods, services, income and employment to a number of people (Kauffmann, 2006). There has therefore been a growing concern and interest by the government and development agencies for the improved performance and growth of the small and medium enterprises.

A positive relationship has been documented between small-business development and economic growth in developed countries (Harris and Gibson, 2006; Monk, 2000; Sauser, 2005). However, not much research has been conducted on this relationship in developing countries. Studies in small-business development and performance are necessary in countries like Kenya because of the dissimilarities in the process between developed and developing countries (Arinaitwe, 2002). It is also essential to understand the factors influencing small-business performance in African countries because they are significantly different from those facing developed countries. These factors include: availability of business information, access to finance, availability of managerial experience and access to infrastructure. The First 1993 Small & Medium Enterprises (SME) baseline survey revealed that there were approximately 910,000 SMEs employing up to 2 million people. The second SME baseline survey (1995), estimated the size of the SME sector at 708,000 enterprises employing up to 1.2 million people. Compared to the other sectors of the economy, the contribution of the SME sector to the country's Gross Domestic Product (GDP) increased from 13.8% in1993 to over 18% in 1999, (Sessional Paper No. 2 of 2005). Currently, it is estimated that the contribution to the GDP by this sector stands at over 25% (Economic Survey, 2012).
Despite the statistics, the Kenyan SME sector usually operates on small-scale, locally and at a subsistence level. They have fewer employees (especially home based enterprises), they operate for a shorter period, and have poor access to water and electricity and few sell outside the establishments where the entrepreneurs live (World Bank, 2006).

Majority of the SMEs are micro enterprises with fewer than 10 employees, while 70 per cent of them are one person, own account workers. This means that majority of SME entrepreneurs are operating at the bottom of the economy, with a significant percentage falling among the 53 percent of Kenyans living below the poverty line of USD 1 per day. The latter are largely for subsistence and engage in economically uncompetitive activities both in urban and rural areas (Kihonge, 2014).

At the fore front of challenges in Kenya lies the high unemployment rate among young people, which is estimated to be double the national level of unemployment of 12.7 percent. Those young people who have a job are often engaged in low-paying work. Hence, most of the unemployed people disproportionately stem from the youth segment of the population and belong to the bottom 40 percent of the income distribution (UNDP, 2013).

Several studies have been carried out focusing on performance of entrepreneurs. Mwania, (2011), did a research on the effect of Biashara Boresha Loan on Performance of Micro and Small enterprises owned by KCB Ruiru branch customers. Gathitu (2007) did a study on Factors affecting performance of entrepreneurs in privately run secondary schools in Thika district. Mugo, (2012), did a study on Factors affecting entrepreneurs' performance in Kenya dwelling on Nairobi women groups in the Central Business District. Kinyua, (2014), did a study on factors affecting the performance of Small and Medium Enterprises in the Jua Kali Sector in Nakuru town, Kenya.

Though the said studies dwelt on performance, they were done in their specific areas and covered specific objectives. Mwania, (2011) for instance did not consider other factors that can affect performance apart from finance. Gathitu (2007) on the other hand was specific on the entrepreneurs investing in the education sector. Mugo (2012) only considered performance of women entrepreneurs and left out the male entrepreneur. Kinyua (2014) did study on the informal sector in Nakuru town specific to the area. These studies have been done in urban Centres of Nairobi, Nakuru, Thika and Ruiru.

Since SMEs in Limuru market employ a huge population, their positive performance can bring hope to the problem of unemployment in Kiambu County. This study seeks to establish the factors that influence performance of traders in Limuru town market of Kiambu County.

The main objective was to explore the factors affecting performance of small and micro enterprises in Limuru town market of Kiambu County. Specific objectives included: to establish the influence of access to business information on performance of small and micro enterprises in Limuru town market of Kiambu County, to examine the effect of access to finance on performance of small and micro enterprises in Limuru town market of Kiambu County, to determine the effect of availability of managerial experience on performance of small and micro enterprises in Limuru town market of Kiambu County and to determine the effect of access to infrastructure on performance of small and micro enterprises in Limuru town market of Kiambu County.

The study is beneficial to the following parties:

I. The Central government of Kenya- for the purpose of policy formulation that will create a suitable environment for the small and micro entrepreneur to increase business growth and the consequent social standard improvement.
II. County Government of Kiambu- the research will assist the county government of Kiambu when formulating policies on planning so as to assist them build holistic policies that will include all traders in the county including small and micro entrepreneurs.
III. The Kenya Revenue Authority- for the purpose of taxation and also reaching out to this group of income earners who may not know that they have an obligation to pay tax as per the laws of Kenya.
IV. Future researchers- the study is of much significance to research institutions, students and other researchers who would get the findings useful in their investigation in the area of study.

This research was limited to the factors affecting performance of small and micro enterprises in Limuru town market of Kiambu County and the 965 businesses the traders carry out therein. The study mainly depended on the data provided by the respondents. This means that the accuracy of the data provided depended on the information provided. The researcher handled the problem by making follow-up calls to clarify any issues that were not clear.

Business information is usually confidential. Most of the respondents approached were reluctant in giving information due to fear of being victimized. The researcher handled the problem by carrying an introduction letter from the University so as to assure the respondents that the information would be treated as confidential and would be used for academic purposes only.

Further, the respondents had busy working schedules in the market which delayed the filling of questionnaires. The researcher had to exercise utmost patience and make extra effort in reminding respondents and making constant follow-ups so as to acquire sufficient data from respondents. This explains why only 58.76% of the respondents were able to complete the questionnaires.

II. LITERATURE REVIEW

This chapter reviews existing literature on the subject of this study. It outlines the literature review, the theoretical and conceptual frameworks, empirical review, research gap and summary.

2.2 Theoretical Framework

2.2.1 The Balanced Scorecard (BSC)

BSC suggests managers to view organization's performance from four dimensions, customer perspective, internal perspective, innovation & learning perspective, financial perspective (Kaplan and Norton 1996). BSC incorporates financial and non-financial measures in one measurement system. The objectives and measures of BSC are derived from an organization's vision and strategy. The Balanced Scorecard provides executives with a comprehensive framework that translates a company's vision and strategy into a coherent set of performance measures. According to Kaplan & Norton (1996) the balanced scorecard not only allows the monitoring of present performance, but also tries to capture information about how well the organization is positioned to perform in the future. Furthermore, the Balanced Scorecard has evolved to become a core management tool, in that it helps CEOs not only to clarify and communicate strategy, but also to manage strategy. In practice, companies use the BSC approach to accomplish four critical management processes, clarify and translate vision and strategy, communicate and link strategic objectives and measures, plan, set targets, and align strategic initiatives and enhance strategic feedback and learning.

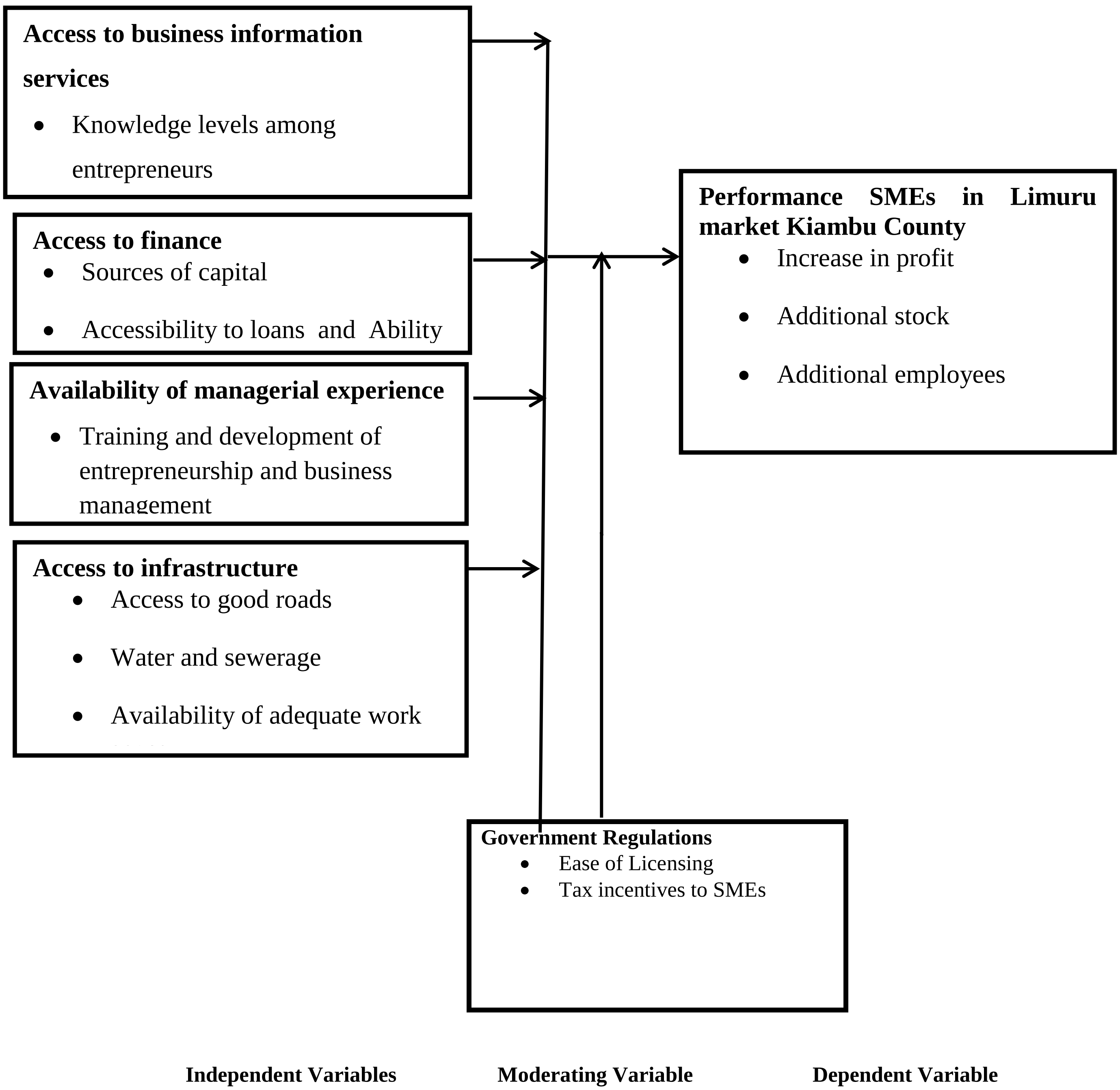
2.2.2 Sociological Theory

The sociological theory of entrepreneurship holds social cultures as the driving force of entrepreneurship. The entrepreneur becomes a role performer in conformity with the role expectations of the society, and such role expectations base on religious beliefs, taboos, and customs. Weber, (1920) held religion as the major driver of entrepreneurship, and stressed on the spirit of capitalism, which highlights economic freedom and private enterprise. Capitalism thrives under the protestant work ethic that harps on these values. The right combination of discipline and an adventurous free-spirit define the successful entrepreneur.

2.3 Conceptual Framework

Performance of traders in Limuru market depends on certain factors as set out into two categories as dependent and independent variables. Independent variables include: access to business information, access to financial resources, availability of managerial experience in business and access to infrastructure. Government regulations are included as a moderating variable. The relationship of the variables is displayed in the figure 2.1 below:

Figure 2.1 Conceptual Framework



2.3.1 Access to business information services and performance of SMEs

Access to business information services has been identified as one area that needs attention from governments and business services providers if the SMEs sector in developing countries is to achieve sustainable levels of growth and development. Many firms in Africa operate in an information-poor environment due to lack of adequate business support services and the poor information technological infrastructures (Oshikoya & Hussain, 2007). Access to information has however not been given the same attention as other constraints to growth of SMEs like access to finance, markets, technology or training.

Accessing business information services has over the years been greatly enhanced with the emergence of various information and communication technologies. In developed countries, because of well-developed information and communication technologies (ICTs) infrastructure and easy access to computer hardware and software, SMEs enjoy easy access to business information services. In developing economies there are many challenges regarding ICTs infrastructure and the cost of IT hardware and software. This in itself has created many problems in the area of business information services for the SMEs sector. As governments and business

service providers try to address the many challenges facing the SME sector, it is also important that the present use of ICTs in accessing business information services be identified in order to provide more development support in this area (Levy, 2000).

2.3.2 Access to finance on performance of SMEs

Lack of access to credit/ finance is almost universally indicated as a key problem for SMEs. Credit constraints operate in variety of ways in Kenya where undeveloped capital market forces entrepreneurs to rely on self-financing or borrowing from friends or relatives which is not enough to enable SMEs undertake their business activities optimally. Lack of access to long-term
credit for small enterprises forces them to rely on high cost short term finance. There are various financial challenges that face small enterprises. They include the high cost of credit, high bank charges and fees. The scenario witnessed in Kenya particularly during the climaxing period of the year 2008 testifies the need for credit among the common and low earning entrepreneurs. Numerous money lenders in the name of Pyramid schemes came up, promising hope among the 'little investors,' which they can make it to the financial freedom through soft borrowing. The rationale behind turning to these schemes among a good number of entrepreneurs is mainly to seek alternatives and soft credit with low interest rates while making profits. Financial constraint remains a major challenge facing SMEs in Kenya (Wanjohi and Mugure, 2008).

Finding start-up finance for the business is the biggest hurdle that many entrepreneurs go through. Even after getting started, getting sufficient finance to sustain business growth is another problem. Research findings by McCormick et al (1996), Daniels et al (2003) Kinyanjui (2006) show how SMEs are constrained by finance. Studies undertaken by Kiiru, Mirero and Masaviro (1988) for Kenya Rural Enterprise Programme (K-Rep) confirm that a major constraint within the small business enterprise sector is financing. In the study carried in Nairobi among small manufacturing enterprises, Nyambura (1992) established that finance was rated among the biggest problem. In South Africa Eeden (2004) found finance as cited as one of the most prominent constrains. The problem related to finance includes lack of information on where to source for finance, restrictive lending offered by commercial banks, lack of access to finance, insufficient financing, lack of track record required by the banks, limited access to collateral, and the fact that financial institutions lack appropriate structure for dealing with SMEs.

Insufficient financing is as much a problem as lack of finance and as a result of scarcity of finance, small enterprises are unable to expand, modernize or meet urgent orders from customers. The profit Margins are usually little to support growth. Harper (1984) notes that businesses like grain millers and tailors are unable to compete with large manufactures of ready-made goods because they have to wait until a customer provides them with raw material or money to buy it. Some may be unable to get started until a customer pays the deposit, which will be used to buy the raw material.

Access to finance is essential for improving SME competitiveness, as SMEs have to invest in new technologies, skills and innovation. Access to finance issues cannot be resolved by implementing financing schemes or programs in a vacuum. There are institutional issues covering a spectrum from the macro level to the micro level, which are accompanied by capacity deficiencies (Basil, 2005). A wide spectrum such as this may only be tackled by mainstreaming SME development in national frameworks. It is also noteworthy to add that effort to resolve access to finance issues is not solely the responsibility of governments. SMEs need to take a better initiative than pointing it out as their number one obstacle: they need to mobilize joint advocacy and recommendations, based on sound analyses, through their membership organizations. Most significantly, SMEs must implement sound business practices and continuously invest in good internal management systems: in accounting, planning, financial, operations and human resource management.

SMEs identify financing, especially medium to long-term finance, as their topmost obstacle to growth and investment. These obstacles come at two levels. In least developed economies, and in some transition and developing economies deficiencies in both the macroeconomic and microeconomic environments pose challenges: high budget deficits and unstable exchange rates and legal, regulatory and administrative environment poses major obstacles to access of SMEs to financing. In some economies, capital may just not be available, property rights regimes may not allow ownership of land, markets for transfer of immovable assets may be very underdeveloped, credit and collateral legislation may not allow certain assets that SMEs commonly have access to, to be used as collateral, absence of registries for mortgages and pledges may increase risks to lenders, contract enforcement and asset liquidation may be hampered due to weaknesses in legislation and in the judiciary (Kinyanjui, 2006).

The obstacles may be due to organizational capacity weaknesses: For example, in least developed economies, business services markets in accounting, auditing, financial management and legal counsel may be so underdeveloped that SMEs may not be able to access or afford such services: essential services they would need when they approach banks and other types of lenders. In more advanced developing countries, where there is reasonable progress in the fundamental institutions, SMEs may still face challenges in accessing formal finance in the form of bank loans, guarantees, venture capital and leasing. For instance, although SMEs are by far the largest group of customers of commercial banks in any economy, loans extended to SMEs are often limited to very short periods, thereby ruling out financing of any sizable investments. Moreover, due to high-perceived risks in SME loans, access to competitive interest rates may also limit.

In many developing economies, banks prefer to lend to governments, which offer less risk and higher returns, crowding out most of the private sector from the financial system. The problem related to finance includes lack of information on where to source for finance, restrictive lending offered by commercial banks, lack of access to finance, insufficient financing, lack of track record required by the banks, limited access to collateral, and the fact that financial institutions lack appropriate structure for dealing with SMEs. As a result of scarcity of finance, small enterprises are unable to expand, modernize or meet urgent orders from customers. Capital is therefore necessary for the long-term survival and growth of small enterprises. It should also be noted that more money than required can be much of a problem as less money. More money means high cost for money in terms of interest and may also lead to un-worthwhile investments.

Most studies (Ngobo, 1995; Kibera and Kiberam, 1997; Chijoriga and Cassiman, 1997), point to finance as one of the key constraints to small enterprise growth. This is worsened by the absence of financial markets in the developing countries. Small enterprise owners cannot easily access finance to expand business and they are usually faced with problems of collateral, feasibility studies and the unexplained bank charges. This means that they cannot access finance to enable them to grow. Ngobo (1995) , makes a detailed analysis of finance as a constraining factor and includes collateral, interest rates, extra bank charges, inability to evaluate financial proposals and lack of financial management skills as hindrances to small enterprise growth. Under developed financial markets impose additional constraints. There are no financial instruments and no independent financial sources that are market driven.

Lack of access to credit/ finance is affects technology choice by limiting the number of alternatives that can be considered. Many SMEs may use inappropriate technology because it is the only one they can afford. In some cases, even where credit is available, the entrepreneur may lack freedom of choice because the lending conditions may force the purchase of heavy, immovable equipment that can serve as collateral for the loan. Credit constraints operate in variety of ways in Kenya where undeveloped capital market forces entrepreneurs to rely on self-financing or borrowing from friends or relatives. Lack of access to long-term credit for small enterprises forces them to rely on high cost short term finance.

2.3.3 Availability of Managerial experience on performance of SMEs

Many SMEs owners or managers lack managerial training and experience. The typical owner or managers of small businesses develop their own approach to management, through a process of trial and error. As a result, their management style is likely to be more intuitive than analytical, more concerned with day-to-day operations than long-term issues, and more opportunistic than strategic in its concept (Hill, 1987). Although this attitude is the key strength at the start-up stage of the enterprise because it provides the creativity needed, it may present problems when complex decisions have to be made. A consequence of poor managerial ability is that SMEs owners are ill prepared to face changes in the business environment and to plan appropriate changes in technology.

Majority of those who run SMEs are ordinary lot whose educational background is lacking. Hence they may not well be equipped to carry out managerial routines for their enterprises (King& McGrath, 2002). Management skills relate to the owner/manager and the enterprise. Bennet (1997) defines management as concerned with the deployment of material, human and finance resources with the design of organization structure. Haimann (1977) looks at management as a process of getting tasks accomplished with and through people by guiding and motivating their efforts.

Cant and Lightelm (2003) in a survey of small business failure maintain that entrepreneurs often have good ideas and are competent but they do not have a clue on how to run a business and have no underlying appreciation of business fundamentals. Professional experience has been cited as an important factor affecting many aspects of entrepreneurial firms. Experience takes many guises and breadth of experience is shown to be an important factor driving the performance of firms, with the number of previous jobs positively related to new firm performance (Lumpkin & Marvel 2007). Thapa (2007) found a positive association between education and small business success. The likelihood of failure was also found to be associated with the owner/manager's work experience prior to business launch and education. Human capital is the most critical agent of SME performance. The recruitment of academically qualified employees is a necessary start for sustainable human capital development in all organizations. Human capacity has become a critical index of competition in the world of business to the extent that the development of such capacities through training has become top priority in designing the strategic plan of business organizations (Tim & Brinkerhoff, 2008).

Education and skills are needed to run micro and small enterprises. Research shows that majority of the lot carrying out micro and small enterprises in Kenya are not quite well equipped in terms of education and skills. Studies suggest that those with more education and training are more likely to be successful in the SME sector (King & McGrath, 2002). As such, for small businesses to do well in Kenya, people need to be well informed in terms of skills and management. SMEs in ICT appear to be doing well with the sprouting of many commercial colleges offering various computer applications. Further, studies show that most of those running SMEs in this sector have at least attained college level education (Wanjohi & Mugure, 2008).

Management is therefore necessary to enable group or business goals to be accomplished through the functions of planning, staffing, directing, controlling activities, coordination and directing. Personal characteristics of the owner/manager were interpreted by Larson and Clute (1979) as lack of experience among small business managers who happen to be the owners leading to poor performance and consequently to business failure. Bamback and Lawyer (1979) also identified poor management as the root cause of many failings and poor performance of small business. Nzioka (1995) in the role of education in business performance notes that one of the things that hold back the development of small – business is the need for better management.

Good management means need for proper planning, control, organizing skills and proper staffing with qualified and competent employees.

Harper (1984) observes that the poor growth of many enterprises of all sizes, suggest that the scarcity of competent managers is a more serious constraint on economic development. As the enterprise becomes larger, the more need for managers to plan, coordinate and control the activities of the enterprise. The owner who is likely to be the manager of the small enterprise may not have the training, skills and experience to steer the operations of the business successfully hence affecting business performance. He/she may operate in a very rigid environment sometimes not dictated by sound business and management decision but by social and cultural norms. The inability to keep proper records, to separate business operations from personal, manage cash flow and growth is likely to affect business performance.

The informal sector has proved that it can be a factor that can boost economic growth in Kenya. In this sector, practical skills are being developed at low cost and with financial support, various types of small scale technology could be developed for labour-intensive enterprises that could absorb hundreds of young job seekers. However, those who run the businesses in this sector lack adequate business skills mainly attributed to low levels of education. It is not sufficient to know how to produce a high quality product. The producer must also know how to sell it effectively and how to control the financial side of the business and in doing that the entrepreneur must be skilled in business (Wanjohi, 2009).

2.3.4 Access to infrastructure

The inadequacy of the physical infrastructure is a principle cause of low levels of investment and unsatisfactory performance of small and micro enterprises. The economic recovery strategy paper, 2003 has identified poor infrastructure as a critical factor that constrain profitable business in Kenya. The infrastructure problem includes poor state of roads, inaccessibility to land, work space, electricity and utility. Lack of allocation of suitable land to SMEs in most urban and rural areas is a major impediment to growth and development. Inaccessibility to land and lack of property rights hamper access to infrastructure and utilities by line SMEs (Nteere, 2012).

Ombura (1997) points out that infrastructure networks are useful instruments within network economies. Infrastructure and related services help to make things happen, it feeds and it is fed by trade, it fuels foreign direct investment, it backs up the creation and sustainability of industrial clusters, it cuts costs and raises competitiveness. A spatial planning approach ensures the most efficient use of land by balancing competing demands within the context of sustainable development (Rozee, 2003). It becomes an ongoing, enduring process of managing change by a range of actors, in the interests of sustainable development (Tewdwr, 2004). This makes efforts to promote industrial development extremely urgent and rural focused (Kinyua, 2012).

2.3.5 Government regulations on performance of SMEs

The current constitutional framework and the new Micro and Small Enterprise Act 2012 (MSE Act 2012) provide a window of opportunity through which the evolution of SMEs can be realized through the devolution framework. However, the impact of devolution of SMEs development depends on the architecture of the regulatory and institutional framework inclined to support SMEs in an economy (Kigguddu, 2000). Research by Harper (2004) observes that governments that are not concerned with the promotion of small enterprises should examine the impact of its policies and programmes on the small businesses. Mann et al (1984) makes a similar observation that government regulation about wages, taxation, licensing and others are among the important reasons why the informal sector business develops. Without careful attention, government policies could crush the small business sector in any economy.

Government policies should aim to encourage and promote the development of local technologies. Emphasis should be on the promotion of the local tool industry to reduce reliance on imports. SMEs are said to face a “liability of smallness.” Because of their size and resource limitations, they are unable to develop new technologies or to make vital changes in existing ones. Still, there is evidence that SMEs have the potential to initiate minor technological innovations to suit their circumstances. However, for SMEs to fully develop and use this potential, they need specific policy measures to ensure that technology services and infrastructure are provided. (Wanjohi, 2009). Policy initiates in revitalizing the SME sub-sector should not be only government engineered, but all the stakeholders in development arena should take frontline.

2.3.6 Performance of SMEs

Earlier studies have shown that several factors affect performance in SMEs. The major factor has been shown as lack of capital and financial resources. However, Dia (1996) found that additional capital and finance can be overcome through innovation and creativity. Kallon (1990) also found out that access to commercial credit did not contribute to entrepreneurial success in any significant way. Some researchers argue that small businesses are undercapitalized. Business owners in Africa tend to depend upon their own family savings and access to capital remains a challenge. Most of them cannot meet the requirements for commercial loans, and those who do find such loans expensive.

Administrative problems have been cited as a major cause of business failure. Kazooba (2006) found that poor record keeping and lack of basic business management experience and skills were major contributors. Other factors identified are inexperience in the field of business particularly lack of technical knowledge, lack of managerial skills, inadequate planning and failure to do market research (Lusier, 1996, Mahadea & Murphy 1996).

Ntakobajira (2013) exploring performance of SMEs concludes that access to business information services affected the performance of business to a great extent and that access to finance affected performance of SMEs because it limited the entrepreneurs' ability to take advantage of opportunity as and when they arose. The study further concludes that technology affected the businesses to a very great extent by facilitating communication with both the supplier and customers, by easing the transportation of goods and by easing the marketing of the products.

2.4 Empirical Review

A study by Mwania, (2011) on the effect of Biashara Boresha Loan (BBL) on Performance of Micro and Small enterprises owned by Kenya Commercial Bank (KCB) Ruiru branch customers with objectives to review the lending procedures of biashara boresha loan, to assess the effect of BBL on MSEs performance and to find out the challenges faced in lending to SMEs, found out that besides BBL, there are other factors believed to have an effect on business performance. It also found no conclusive results on the relationship between entrepreneurs’ level of education and business performance. Of the 51% respondents who received training in their areas of business, 49.5% reported that their businesses were doing well, concluding that relevant training can produce positive results in the running of businesses. Mwania concluded that infant businesses need support in their early years when their motivation is high and innovation is low and that collateral requirements at KCB Ruiru should be made a bit flexible and repayment period should be increased to at least a year because SMEs only manage to access a small amount of loan due to short repayment periods. 53% of BBL customers interviewed felt the process was cumbersome. Some felt that after availing all the required documentation, the turnaround time was not acceptable. 52% of the entrepreneurs utilized the loan advanced 100% for working capital and their revenue increased from previous thus boosting the business performance. 11.9% diverted the amounts advanced and they confessed as having difficulties in meeting their repayments on time. They also saw their sales turnover decrease from the previous due to the increase in operating costs brought about by the interest rates on the loans advanced.

The study also found a positive correlation between BBL and entrepreneurs business performance and concluded that young businesses require more support financially to supplement their working capital. The study recommended that Kenya Commercial bank had a few issues to address such as lending procedures, collateral requirements and repayment period to ensure better customer satisfaction and that further research should be done on entrepreneur's competencies, competition, government regulations etc.

Another study by Gathitu (2007) on Factors affecting performance of entrepreneurs in privately run secondary schools in Thika had objectives, to find out factors that entrepreneurs consider important when locating a business, to identify the resources and facilities entrepreneurs consider important for a secondary school, to determine the performance of private secondary school owned by professional teachers, to investigate whether those schools owned by professional teachers are more successful than the rest, to investigate the marketing strategies used by entrepreneurs in private schools, to investigate the problems faced by entrepreneurs in secondary schools and what entrepreneurs thought could solve these problems. The study found out that many entrepreneurs do not assess the need when locating a school, but are mainly attracted to their location by personal convenience. It also found out that marketing strategies used were wanting and that most entrepreneurs appear to have more charity like objectives than business, which explains why their enterprises are not doing well. The study recommended that the government should have a policy change to encourage more entrepreneurs to start private schools. The study notes that the government is the main beneficiary of private schools as their presence would go a long way in reducing its fiscal burden in education. The entrepreneurs should also be more aggressive in marketing their schools. Many location decisions are based on personal preferences that could mean that a business owner will locate a business within proximity. It is important though for an entrepreneur to eliminate personal preferences that are emotional other than rational (Gichira & Dickson,1991). It is very important for a business to be near market areas in order to serve the customers. A business owner must study the market and find out who is interested in buying your service or product. Since almost all businesses need to have extra hands apart from the owner, it therefore needs to be located close to workers you need. Some areas especially the remote areas do not attract workers. Some communities will seek development and will welcome new business ventures while others will be hostile. Where the community is hostile, the location should be avoided as it affects the business negatively (Gichira & Dickson, 1991).

Kinyua (2014), researching on factors affecting the performance of small and medium enterprises in the Jua Kali Sector in Nakuru town, Kenya with objectives to investigate the role of finance, management skills, macro-environment factors and infrastructure on performance of small and medium-sized enterprises in the Jua Kali sector in Nakuru town. The findings indicated that; that access to finance had the potential to positively affect performance of SMEs; management skills were found to positively and significantly affect performance of SMEs; macro environment factors were found to significantly affect performance and Infrastructure did not significantly affect performance of SMEs in the study area. The study results also indicated that as number of years in operations increased the performance in SMEs increased. The study recommended that banks should improve access to finance through offering better lending terms and conditions and collateral requirements; focus on acquiring appropriate management skills such as financial, marketing and entrepreneurial skills and effectively strengthen the macro environment in order to increase SMEs performance.

A study by Mugo (2012) to investigate factors affecting women entrepreneurs' performance in Central Business District (CBD) of the city of Nairobi, had the objectives, to assess the financial accessibility, assess the effect of record keeping challenges, to establish effect of budgeting on financial factors affecting women entrepreneurs' performance, and to establish the effect of working capital management on the women entrepreneurs' performance. The study also identifies other factors affecting performance of women entrepreneurs as, lack of entrepreneurial training and education, outdated technology on women, poor access to markets, mismanagement of resources by women, lack of management skills and fraud. The study identifies finance as the major impediment affecting performance of women entrepreneurs. It recommends that banks should develop a product for women entrepreneurs that is special to allow them access loans. It further recommends that government should offer business training to women and that it should have good policies in support of women entrepreneurs. The study advocates for women education through seminars to help them keep proper records which shows proper business operation, and help them assess the business margins and mark-up to weigh the rate of business returns on their own.

2.5 Critique of Existing Literature Relevant to the Study

The study agrees with Mwania, (2011); Mugo (2012) and Kinyua, (2014) that finance affects performance of SMEs. Finance aspect is key in any business and most of the reviewed studies do talk about it. But it is notable that finance alone cannot make entrepreneurs successful. It must be in uniformity with the person's will to succeed in business and the training in the field in which the enterprise is set. The above studies ignore the aspect of government as a regulator of the business environment and the fact that enterprises do not gain their full potential when they do not comply with set laws and regulations. This makes them target to harassment and exploitation by law enforcers which in the long term is expensive, disrupts business and affects its performance.

SMEs continue to be hailed as a huge employer in the Kenyan economy. However, the entrepreneurs still continue to languish in poverty since most of them do the businesses for their survival. Many SMEs though operational stagnate at one stage for many years, performing dismally and employing only the owner. This means that such SMEs die when the owners die. No legacy and perpetuity is expected when performance in these SMEs is negligible.

2.6 Research Gap

A lot of research has been carried out locally and internationally reviewing small and micro enterprises. Most of these research concentrate on businesses in the cities and urban centres. They also concentrate on their study areas based on their own objectives. There is scarcity of literature touching on the rural traders. Therefore, the proposed study will build on the local literature on factors that affect performance of rural market traders. Similar studies have focused on the challenges faced by SME traders but this study will concentrate on what affects their performance. The impact of access to business information, access to finance and availability of managerial experience are yet to be researched as a single intervention in a rural setting. This study will concentrate mainly on the factors that affect performance of vendors in Limuru market of Kiambu County, Kenya. The scarce availability of reliable and valid data continues to be one of the key obstacles in understanding small and micro entrepreneurs in the rural Kenya. This study will help to build on the locally scarce available data.

2.7 Summary

The study is on the factors affecting performance of small and micro enterprises in Limuru town market of Kiambu County. The theories used to explain the study are the balanced score card theory and the sociological theory. The studies quoted are Mwania, (2011) on the effect of Biashara Boresha Loan (BBL) on Performance of Micro and Small enterprises owned by Kenya Commercial Bank (KCB) Ruiru branch customers; Gathitu (2007) on Factors affecting performance of entrepreneurs in privately run secondary schools in Thika; Kinyua, (2014) on factors affecting the performance of small and medium enterprises in the Jua Kali Sector in Nakuru town, Kenya and a study by Mugo (2012), to investigate factors affecting women entrepreneurs' performance in Central Business District (CBD) of the city of Nairobi.

III. METHODOLOGY

3.1 Introduction

This chapter presents the research methodology adopted in conducting the study in order to achieve the study's objective which is to find out the factors that affect the performance of small and micro enterprises in Limuru town market of Kiambu County. The chapter is thus structured into research design, target population and sample, data collection and data analysis.

3.2 Research Design

Research design is the arrangement of conditions for collection and analysis of data in a manner that aims to combine relevance to the research purpose with economy in procedure (Kothari, 2004). The study adopted a descriptive design because the study seeks to answer the why, how and when of the problem under study. There are a number of advantages of descriptive research, however the two main benefits of this research method is being able to use various forms of data as well as incorporating human experience. It gives researchers the ability to look at whatever they are studying in so many various aspects and can provide a bigger overview as opposed to other forms of research.

Descriptive research involves field survey where the researcher goes to the population of interest to ask certain issues about the problem under the study. Mugenda and Mugenda (2003) describe descriptive research design as a systematic, empirical inquiring into which the researcher does not have a direct control of independent variable as their manifestation has already occurred or because they inherently cannot be manipulated. Inferences about relationships between variables are made from concomitant variables.

The research design was a survey conducted on a sample of small and medium sized enterprises (SMEs) within the Limuru market, Kiambu County. According to Owens (2002), survey research design has the advantage of uniqueness since information gathered is not available from other sources, having unbiased representation of population of interest and standardization of measurement as same information is collected from every respondent.

3.3 Target Population

The target population consisted of all the SMEs operating within the Limuru Market in Kiambu County. From the records of Limuru Sub-county of Kiambu County, there are 965 registered business operators in Limuru town Market. The businesses in operation are mainly in cereals, fruits, beverages, vegetables and poultry. This is as shown in table 3.1 below:

Table 3.1 Target Population

Category	**Frequency**
Cereals	300
Fruits	280
Tubers	104
Vegetables	229
Poultry	52
Total	**965**

3.4 Sample size and sampling technique

The section discusses the sampling technique and how the sample size is arrived at. The sampling design refers to the sampling method used to arrive at the sample size.

3.4.1 Sample size

According to Mugenda and Mugenda (2003), a sample of 10-30% is good enough if well chosen and the elements in the sample are more than 30. Mugenda and Mugenda (2003) further explains a simplified formula for calculating sample size of a population that is less than 10,000 as below:

$$nf = \frac{n}{1 + n/N}$$

Where: nf = the desired sample size when the population is less than 10,000

n = the desired sample when the population is more than 10,000

N = the estimate of the population size

$$nf = \frac{384}{1 + 384/965} = 274$$

This gives a sample size of 274 respondents as indicated in the table 3.2 below. The sampling frame included: cereals, fruits, tubers, vegetables and poultry.

Table 3.2 Sample size

Category	Frequency	Sample proportion	Sample size
Cereals	300	28%	84
Fruits	280	28%	79
Tubers	104	28%	29
Vegetables	229	28%	67
Poultry	52	28%	15
Total	**965**	**28%**	**274**

3.4.2 Sampling technique

The study applied stratified sampling technique where 28% of the population in each sampling frame was selected to participate in the study. For the exact individuals to participate in the study, the researcher used simple random sampling technique as it offers every member of the population an equal chance of being included in the sample.

3.5 Research instrument

The study employed the use of questionnaires to collect primary data. Gall and Borg (1996) points out that, questionnaires are appropriate for studies since they collect information that is not directly observable as they inquire about feelings, motivations, attitudes, accomplishments as well as experiences of individuals. They further observe that questionnaires have the added advantage of being less costly and using less time as instruments of data collection. The questionnaire, which was semi-structured, was administered through drop and pick-later method to the sampled population.

3.6 Data collection procedure

The researcher administered the questionnaires to the relevant respondents in an effort to achieve the necessary information. Research assistants were used to assist the researcher in gathering the information. The assistants were trained and understood the research study and what was expected of them. The research assistants were trained on the aspects of the questionnaire and on how to handle the respondents to ensure that ethical considerations were observed. Self-administered questionnaires allow the participants to respond to the questions by themselves and at their own pace. They ease the respondents' burden by giving them the time to think through their responses (Monsen & Horn, 2008).

3.7 Data Analysis and Presentation

3.7.1 Data Analysis

The questionnaire was checked for completion. Mugenda & Mugenda (2003) assert that data obtained from the field in raw form is difficult to interpret unless it is cleaned, coded and analyzed. Qualitative analysis consisted of examining, categorizing, tabulating and recombining evidences to address the research questions. Qualitative data was grouped into meaningful patterns and themes that are observed to help in the summarizing and organization of the data. Quantitative analysis was analyzed through the use of statistical techniques such as frequency counts, percentages, arithmetic means, modes, pie charts and tabulation to show differences in frequencies. Qualitative data was analyzed descriptively. Bar charts were used to display nominal or ordinal data. Statistical Package for Social Sciences (SPSS) versions 21.0 were used to aid in coding, entry and analysis of quantitative data obtained from the closed ended questions.

The study used multivariate regression analysis to establish relationship between the independent variables and the dependent variable by use of the following regression:

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5 + \epsilon$$

Where;

Y = Business performance (Dependent Variable)

$X_1 - X_4$ – Independent Variables

X_5 – Moderating Variable

X_1 = Business Information Services

X_2 = Access to Finance

X_3 = Availability of Management Experience

X_4 = Access to Infrastructure

X_5 = Government Policy and Regulations (Moderating Variable)

β_0 = Co-efficient of the model

$\beta_1 - \beta_5$ = Beta Co-efficients of Determination

ϵ = Stochastic Error Term

3.7.2 Data Presentation

Quantitative data was presented through the use of statistical techniques such as bar charts, pie charts, percentages and frequency counts. Qualitative data was presented descriptively.

IV. FINDINGS AND DISCUSSION

4.1 Introduction

This chapter presents the analysis, presentation, discussion and interpretation of the data collected from the administered questionnaires. The collected data was edited and cleaned for completeness in preparation for coding. Descriptive statistics such as mean and standard deviation were used to analyze the data. Regression analysis was used to test the relationship between the variables under study in relation to the objectives of the study. Analysis of variance (anova) was used to confirm the findings of regression.

4.2 Results of the Pilot study

4.2.1 Data Reliability

To test the reliability of the Likert scale used in this study, reliability analysis was done using Cronbach's Alpha as the measure. A reliability co-efficient of $\alpha \geq 0.7$ was considered adequate. In this case, a reliability co-efficient of 0.805 was registered indicating a high level of internal consistency for the Likert scale used as shown in table 4.2 below.

Table 4.1 Cronbach's Alpha

Reliability Statistics		
Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
0.805	0.767	24

4.3 Demographic Information

4.3.1 Response rate

A total of 274 questionnaires were administered and the study managed to obtain 161 completed questionnaires representing 58.76% response rate. The questionnaires contained questions that addressed the objectives of the study. The objectives of the study were: To establish the influence of access to business information on performance of small and micro enterprises in Limuru town market of Kiambu County; To examine the effect of access to finance on performance of small and micro enterprises in Limuru town market of Kiambu County; To determine the effect of availability of managerial experience on performance of small and micro enterprises in Limuru town market of Kiambu County and To determine the effect of access to infrastructure on performance of small and micro enterprises in Limuru town market of Kiambu County. The response rate is as shown in Table 4.1.

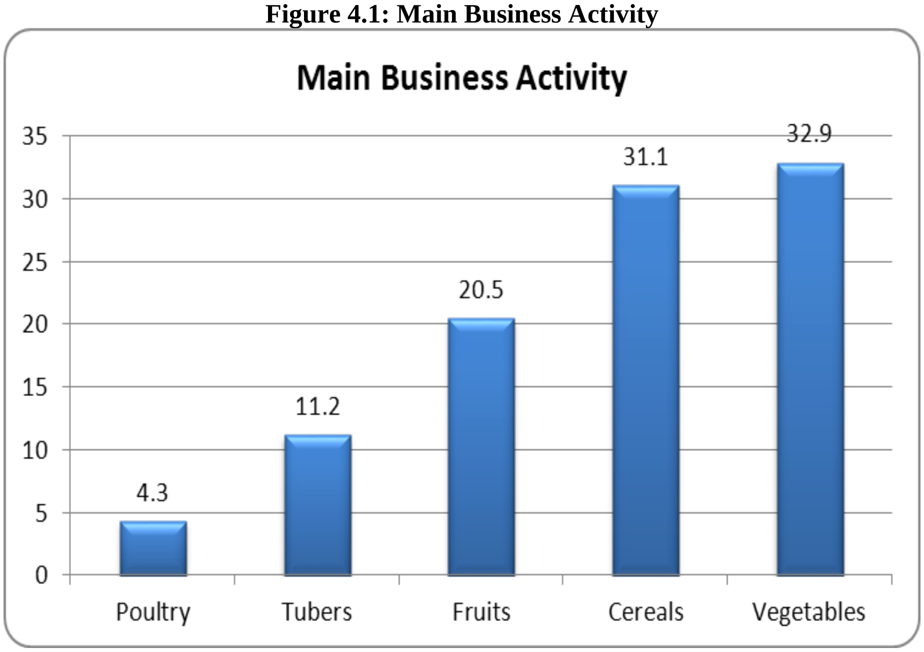
Table 4.2: Response Rate

Response rate	Frequency	Percentage
Completed	161	58.76%
Incomplete	113	41.24%
Total	274	100

4.3.2 Main Business Activity

The study sought to know the business activities the respondents' of Limuru town market were involved in. The study established that most (32.9%) of the respondents' were vegetable dealers followed by 31.1% of the respondents who dealt in cereals and then 20.5% of the respondents who sold fruits. Only 4.3% of the respondents' were poultry dealers. This indicates that the study sought answers from respondents' who engaged in different business activities. The findings are as shown in Figure 4.1;

Figure 4.1: Main Business Activity



4.3.3 Years of Existence

The study sought to know the number of years the businesses had been in existence. The study established that most (42.2%) of the businesses had been in existence for more than 10 years followed by those in existence for 8-10 years at 20.5% and then those with 5-7 years of existence at 15.5%. Only 8.7% had been in existence for 2-4 years. This indicates that the businesses have been around long enough to understand the issues sought by the researcher. The findings are as shown in Table 4.3

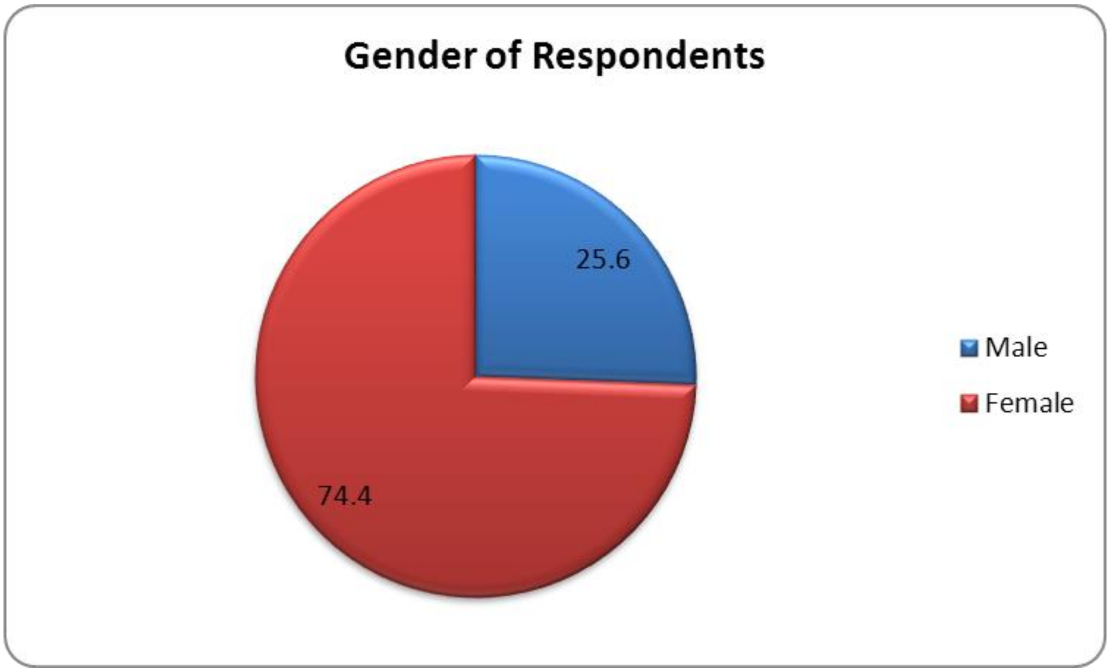
Table 4.3 Years of Existence

	Frequency	Percent
More than 10 years	68	42.2
8-10 years	33	20.5
5-7 years	25	15.5
Less than 2 years	21	13.1
2-4 years	14	8.7
Total	**161**	**100.0**

4.3.4 Gender of the Respondents

The researcher sought and obtained the gender details of respondents who participated in the research. Majority (74.4%) of the respondents were female while 25.6% were male. This is an indication that the researcher observed gender balance in the administration of questionnaires. It also implies that most of the respondents' in Limuru Town market are female. The study findings are as shown in Figure 4.2

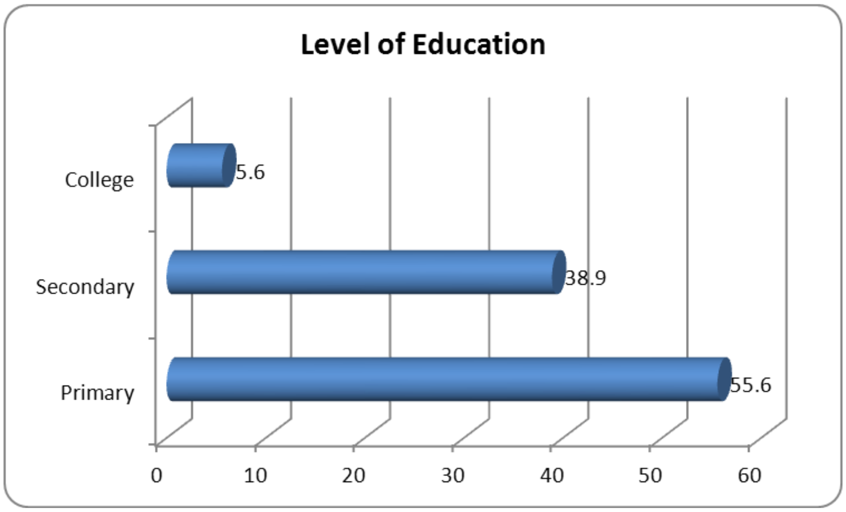
Figure 4.2 Gender of the Respondents



4.3.5 Level of Education

The respondents were further requested to indicate their highest level of education. It is important to consider the level of education of the respondents because it has an impact on the way the respondents interpret the questions. The study found out that majority (55.6%) of the respondents were primary school leavers while 38.9% were secondary school leavers. Those who had a college level of education were the least at 5.6%. The study findings are shown in figure 4.3 below.

Figure 4.3: Level of Education



4.3.6 Number of Employees

The study further sought to know the size of the businesses at Limuru Town market by virtue of the number of employees each had. The study established that 97% of the businesses had 0-5 employees followed by those who had 6-10 employees at 1.8% and those with 11-15 employees at 1.2%. This indicates that most of the businesses in Limuru Town market are micro businesses of less than 5 employees. The results are shown by Table 4.4 below.

Table 4.4: Number of Employees

	Frequency	Percent
0-5	156	97.0
6-10	3	1.8
11-15	2	1.2
Total	**161**	**100**

4.3.7 Source of Initial Capital

The study further requested the respondents' to indicate where they obtained their initial capital from. The study established that majority (75.2%) of the businesses obtained their initial capital from personal savings followed by 11.8% of the respondents who obtained their initial capital from family members. Only 1.9% obtained their capital from bank loans. This implies that most respondents obtain their initial capital from sources that attract little or no interest rates. The study findings are as shown in Table 4.5 below.

Table 4.5: Source of Initial Capital

	Frequency	Percent
Personal savings	121	75.2
Family	19	11.8
Relatives	16	9.9
Bank loans	3	1.9
Others	2	1.2
Total	**161**	**100**

4.4. Business Information Services

In this section, the researcher sought to know the extent to which Business Information Services affected the performance of Micro and Small Enterprises in Limuru Town Market. The extent was measured on a Likert Scale of 1-5 where 5- To a very great extent, 4- To a Great Extent, 3- To a Moderate Extent, 2- Small Extent, and 1- No extent. Interpretation was done as follows: 1-1.5: No extent; 1.6-2.5: Small Extent; 2.6-3.5: Moderate Extent; 3.6-4.5: Great Extent and 4.6 - 5.0: Very Great Extent. The results of the study are as shown in Table 4.5 below;

Table 4.5: Effect of Business Information Services

	Mean	Std. Deviation
Access to business information affects performance of my business	2.95	1.85
Business information is readily available in this market	1.51	1.06
The information available is relevant to our business	1.42	0.91
The information available informs us of the changes in the business environment	1.39	0.90
The information necessary for the business is availed on time	1.31	0.86
Overall Mean	**1.72**	**1.12**

The study established that access to business information affects performance of businesses at Limuru Town Market to a moderate extent (*M*= 2.95, *SD*= 1.85). Business information was only readily available at the Limuru Town Market only to no extent at all (*M*=1.51, *SD*= 1.06) and the available information was not relevant (*M*= 1.42, *SD*= 0.91). Further, the information available does not inform the respondents of the changes in the business environment (*M*= 1.39, *SD*= 0.90) nor does it get availed on time (*M*= 1.31, *SD*= 0.86). The standard deviations recorded indicate the extent to which the respondents' opinions about the statements on business information varied. The respondents' differed more on the statement in regard to whether access to business information affects performance of businesses (*SD*= 1.85) while they differed less on the statement that the information necessary for the business is availed on time (*SD*= 0.86). Overall, the business information services at Limuru Town Market affected the performance of businesses only to a small extent (*M*= 1.72, *SD*= 1.12).

4.5 Access to Finance

The researcher further sought to know the extent to which access to finance affected the performance of Micro and Small Enterprises in Limuru Town Market. The extent was measured on a Likert Scale of 1-5 where 5- To a very great extent, 4- To a Great Extent, 3- To a Moderate Extent, 2- Small Extent, and 1- No extent. Interpretation was done as follows: 1-1.5: No extent; 1.6-2.5: Small Extent; 2.6-3.5: Moderate Extent; 3.6-4.5: Great Extent and 4.6 - 5.0: Very Great Extent. The results of the study are as shown in Table 4.6 below;

Table 4.6: Effect of Access to Finance

	Mean	Std. Deviation
Accessibility to capital exposes my business to better opportunities	4.43	1.38
Accessibility to capital has led to improved business performance	4.37	1.16
Accessibility to capital for my business is very challenging	4.18	1.29
Overall Mean	**4.33**	**1.08**

The study established that access to capital exposes businesses in Limuru Town Market to better opportunities to a great extent (*M*= 4.43, *SD*= 1.38) while it also leads to improved business performance to a great extent (*M*= 4.37, *SD*= 1.16). The study also found out that access to capital for businesses is very challenging to a great extent (*M*= 4.18, *SD*= 0.69). Overall, access to finance affected the performance of business at Limuru Town Market to a great extent (M= 4.33, SD= 1.08). The standard deviation indicated that the responses were not necessarily clustered around the mean but were dispersed.

4.6 Availability of Managerial Experience

In this section, the researcher sought to know the extent to which Availability of Managerial Experience affected the performance of Micro and Small Enterprises in Limuru Town Market. The extent was measured on a Likert Scale of 1-5 where 5- To a very great extent, 4- To a Great Extent, 3- To a Moderate Extent, 2- Small Extent, and 1- No extent. Interpretation was done as follows: 1-1.5: No extent; 1.6-2.5: Small Extent; 2.6-3.5: Moderate Extent; 3.6-4.5: Great Extent and 4.6 - 5.0: Very Great Extent. The results of the study are as shown in Table 4.7 below;

Table 4.7 Effect Availability of Managerial Experience

	Mean	Std. Deviation
Availability of managerial skills and experience affects my business	3.89	1.35
Training on managerial skills are required in my business	3.62	1.54
I get training on business management skills frequently.	2.37	1.49
Overall Mean	**3.30**	**1.45**

The study established that availability of managerial skills and experience affects businesses at Limuru Town Market to a great extent (*M*= 3.89, *SD*=1.35) while training on managerial skills are required in the businesses to a great extent (*M*= 3.62, *SD*=1.54). Further, the respondents reported that they do not get trainings on business management skills frequently (*M*= 2.37, *SD*= 1.49). Overall, availability of managerial experience affected business performance only to a moderate extent (*M*= 3.30, *SD*= 1.45). However, there were variations in the responses as evidenced by the standard deviations shown along side.

4.7 Access to Infrastructure

In this section, the researcher sought to know the extent to which Access to infrastructure affected the performance of Micro and Small Enterprises in Limuru Town Market. The extent was measured on a Likert Scale of 1-5 where 5- To a very great extent, 4- To a Great Extent, 3- To a Moderate Extent, 2- Small Extent, and 1- No extent. Interpretation was done as follows: 1-1.5: No extent; 1.6-2.5: Small Extent; 2.6-3.5: Moderate Extent; 3.6-4.5: Great Extent and 4.6 - 5.0: Very Great Extent. The results of the study are as shown in Table 4.8;

Table 4.8 Effect of Access to Infrastructure

	Mean	Std. Deviation
Good road network is available to us around Limuru market and its easy to bring our stock to the market	4.16	1.09
Infrastructure affects performance in our business	4.05	1.20
The working space allocated is accessible	3.65	1.27
The working space allocated is sufficient for our business	3.45	1.29
There is sufficient light in the allocated working space	3.13	1.67

Foot paths in the market are in good condition	3.06	1.51
Toilets are available and are accessible in the market	2.81	1.41
Overall Mean	**3.47**	**1.35**

The study established that good road network is available to the business people around Limuru market and it's easy for them to bring stock to the market to a great extent (M= 4.16, SD= 1.09). The study also found out that infrastructure affects performance of businesses to a great extent (*M*= 4.05, *SD*= 1.20). The respondents' also reported that the working space allocated to them is accessible to a great extent (*M*= 3.65, *SD*= 1.27) and sufficient only to a moderate extent (*M*= 3.45, SD= 1.29). Foot paths in the market are in good condition only to a moderate extent (*M*= 3.06, *SD*= 1.51) while toilets are available and are accessible also only to a moderate extent (*M*= 2.81, *SD*= 1.41). Overall, infrastructure affected performance only to a moderate extent though varying opinions were given by the respondents' as evidenced by the significant standard deviations.

4.8 Government Policy and Regulations

In this section, the researcher sought to know the extent to which Government Policy and Regulations affected the performance of Micro and Small Enterprises in Limuru Town Market. The extent was measured on a Likert Scale of 1-5 where 5- To a very great extent, 4- To a Great Extent, 3- To a Moderate Extent, 2- Small Extent, and 1- No extent. Interpretation was done as follows: 1-1.5: No extent; 1.6-2.5: Small Extent; 2.6-3.5: Moderate Extent; 3.6-4.5: Great Extent and 4.6 - 5.0: Very Great Extent. The results of the study are as shown in Table 4.9;

Table 4.9: Effect of Access to Infrastructure

	Mean	Std. Deviation
Government policy and regulations affects our business in Limuru market	4.16	1.09
Overall Mean	4.16	1.09

The study established that government policy and regulations affects businesses in Limuru Town market to a great extent as evidenced by (*M*= 4.16, *SD*= 1.09). However, the respondents' had varying opinions on the extent to which policy and regulations have on the businesses as evidenced by the significant value of more than one standard deviation.

4.9 Business Performance

4.9.1 Business Performance Measurement

The study sought to know how the respondents' measured the performance of their businesses. The study found out that majority (88.2%) of the respondents' measured the performance of their businesses using sales while 11.8% measured the performance of their businesses using number of customers as shown in Table 4.10. Further, 59.6% of the respondents' felt their method of measurement to be effective while 40.4% felt their method was very effective.

Table 4.10: Business Performance Measurement

	Frequency	Percent
Using sales	142	88.2
Using number of customers	19	11.8
Total	161	100.0

4.9.2 Extent of Business Performance

The researcher sought to know the extent to which the Micro and Small Enterprises in Limuru Town Market were performing in relation to various performance parameters. The extent was measured on a Likert Scale of 1-5 where 5- To a very great extent, 4- To a Great Extent, 3- To a Moderate Extent, 2- Small Extent, and 1- No extent. Interpretation was done as follows: 1-1.5: No extent; 1.6-2.5: Small Extent; 2.6-3.5: Moderate Extent; 3.6-4.5: Great Extent and 4.6 - 5.0: Very Great Extent. The results of the study are as shown in Table 4.11;

Table 4.11: Extent of Business Performance

	Mean	Std. Deviation
Increase in sales	4.60	0.55
Business expansion	4.41	0.89
Customer retention	3.68	0.98
Increase in stock	3.45	1.13
Waste reduction	1.76	0.74
Cost reduction	1.61	0.71
Overall Mean	**3.25**	**0.83**

In relation to increase in sales, the respondents' rated their businesses to be doing well to a very great extent (*M*= 4.60, *SD*= 0.55) while business expansion was rated to a great extent (*M*= 4.41, *SD*= 0.89). The ratings on customer retention (*M*= 3.68, *SD*= 0.98) and increase in stock (*M*= 3.45, *SD*= 1.13) also indicated that the performance on those aspects was to a great extent and moderate extent respectively. Waste reduction (*M*= 1.76, *SD*= 0.74) and Cost reduction (*M*= 1.61, *SD*= 0.71) were the least rated performance parameters indicating they were rated to a small extent. Overall, the businesses in Limuru Town market were rated to be doing well to a moderate extent (*M*= 3.25, *SD*= 0.83).

4.9.3 Ways of Improving Business Performance

Lastly, the study sought to know the various ways through which the respondents can improve the performance of their businesses. Majority (70.2%) of the respondents' suggested access to finance as the greatest way of improving performance while 14.9% suggested management training and practice. Only 3.1% suggested improved access to information as a way of improving the businesses at Limuru Town Market. The results of the study are as show in Table 4.12;

Table 4.12: Ways of Improving Business Performance

	Frequency	Percent
Access to finance	113	70.2
Management training and practice	24	14.9
Access to infrastructure	19	11.8
Access to business information	5	3.1
Total	**161**	**100.0**

4.10 Regression Analysis

The researcher conducted a moderated regression analysis to explain the effect of various factors on the performance of businesses at Limuru Town Market. The scores to be regressed were computed through factor analysis (data reduction) and then saved as variables. Regression analysis was conducted using Statistical Package for Social Sciences (SPSS).

4.10.1 Model Summary

The model summary is shown in table 4.13 below.

Table 4.13: Model Summary

Model Summary

					Change Statistics			
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	R Square Change	F Change	df1	df2
1	.582[a]	.339	.322	.99401841	.339	6.278	4	126
2	.667[b]	.445	.431	.99498911	.106	7.476	1	125

a. Predictors: (Constant), Access to Infrastructure, Access to Fi
Availability of Management Experience, Business Information Serv

b. Predictors: (Constant), Access to Infrastructure, Access to Fi
Availability of Management Experience, Business Information Se
Government Policy and Regulations

In a model summary, the "R" value is used to indicate the strength and direction of the relationship between the variables. The closer the value gets to 1, the stronger the relationship. In this case as shown in model 1 in Table 4.13, R= 0.582. This means there was an overall strong and positive relationship between the variables. The R-Square in the study was found to be 0.339. This value indicates that the independent variables (Access to Infrastructure, Access to Finance, Availability of Management Experience and Business Information Services) can explain 33.9% of the variance in the performance of businesses at Limuru Town Market.

The "R" for the moderated model summary is 0.667 indicating a stronger relationship between variables as a result of introducing the government policy and regulation variable. In this case, the independent variables now account for 44.5% of the performance of micro and small enterprises in Limuru town market. When Government Policy and Regulations was added as a moderating variable, a 0.106 change in R square was reported as shown in Table 4.13 Model 2. This 10.6% increase in the variation can be explained by the addition of moderating variable (Government Policy and Regulations). This increase is statistically significant ($p \leq 0.0072$).

4.10.2 Coefficients of Determination

The Unstandardized Coefficients of determination under the B column in Table 4.14 (model 2) were used to substitute the unknown beta values of the regression model. The beta values indicated the direction of the relationship. A positive or negative sign indicates the nature of the relationship. The significant values (p-value) under sig. column indicate the statistical significance of the relationship or the probability of the model giving a wrong prediction. A p-value of less than 0.05 is recommended as it signifies a high degree of confidence.

Table 4.14: Co-efficients of Determination

Model	Unstandardized Coefficients		Standardized Coefficients	t	(P-value) Sig.
	B	Std. Error	Beta		
1 (Constant)	.017	.087		5.197	.000
Business Information Services	.108	.086	.112	2.260	.026
Access to Finance	.023	.088	.023	3.263	.001
Availability of Management Experience	.150	.091	.147	2.655	.009
Access to Infrastructure	.011	.086	.011	1.130	.261
2 (Constant)	.019	.087		5.215	.000
Business Information Services	.112	.086	.117	2.308	.022
Access to Finance	.239	.090	.039	3.430	.001
Availability of Management Experience	.173	.095	.169	2.832	.006
Access to Infrastructure	.013	.086	.014	1.155	.250
Government Policy and Regulations	.080	.093	.081	2.868	.005

a. Dependent Variable: Business Performance

In this case, all the predictor variables except Access to Infrastructure (p= 0.250) produced statistically significant results $p < 0.05$ (Access to Finance (p= 0.001), Availability of Management Experience (p= 0.006), Business Information Services (p= 0.022) and Government Policy and Regulations (p= 0.005).

The equation for the regression model is expressed as:

$$Y= \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5 + \epsilon$$

$$Y= 0.19 + 0.112 X_1 + 0.239 X_2 + 0.173 X_3 + 0.13 X_4 + 0.80 X_5$$

Where;

Y = SMEs performance (Dependent Variable)

$X_1 – X_4$ – Independent Variables

X_5 – Moderating Variable

X_1 = Business Information Services

X_2 = Access to Finance

X_3 = Availability of Management Experience

X_4 = Access to Infrastructure

X_5 = Government Policy and Regulations

β_0 = Co-efficient of the model

$\beta_1 – \beta_5$ = Beta Co-efficients of Determination

ϵ = Stochastic Error Term

The results of the regression equation show that if all the predictor variables were rated zero, business performance of the businesses in Limuru town Market would be 0.19. However, all the predictors had a positive relationship with the dependent variable. A unit increase in Business Information Services would lead to improved business performance by 0.112 while a unit increase in Access to Finance would improve business performance by 0.239. A unit increase in the Availability of Management Experience would improve business performance by 0.173. A unit increase in Access to Infrastructure would lead to 0.13 improvement in business performance while a unit increase in Government Policy and Regulations would lead to improved business performance by 0.80. The Stochastic Error Term was assumed to be zero.

4.10.3 Analysis of Variance (ANOVA)

Analysis of variance was also done to establish the significance of the regression model.

Table 4.15 Analysis of Variance

ANOVA[c]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	5.049	4	1.262	6.278	.0001[a]
	Residual	124.497	126	.988		
	Total	129.547	130			
2	Regression	5.796	5	1.159	13.754	.0001[b]
	Residual	123.750	125	.990		
	Total	129.547	130			

a. Predictors: (Constant), Access to Infrastructure, Access to Finance , Availability of Management Experience, Business Information Services

b. Predictors: (Constant), Access to Infrastructure, Access to Finance , Availability of Management Experience, Business Information Services, Government Policy and Regulations

c. Dependent Variable: Business Performance

At 95% confidence interval, a significant value (p-value) of 0.0001 and F-value of 13.754 was registered as shown in Table 4.15 (Model 2). This shows that the regression model has a probability of less than 0.0001of giving the wrong prediction. Hence, the regression model used above is a suitable prediction model for explaining the factors influencing the performance of businesses in Limuru Town Market.

V. SUMMARY, CONCLUSIONS, RECOMMENDATIONS

5.1 Introduction

This chapter provides a summary of the study, discussions and conclusions drawn thereof. The researchers then present the major limitations of the study and the recommendations for both the research and for the policy change and practice.

5.2 Summary of Major Findings

The study sought to establish the factors affecting the performance of micro and small enterprises in Limuru Town Market of Kiambu County. A total of 274 questionnaires were administered and the study managed to obtain 161 completed questionnaires representing 58.76% response rate. The questionnaires contained questions that addressed the objectives of the study.

5.2.1 Access to business information services

The study established that access to business information affects performance of businesses at Limuru Town Market to a moderate extent and this information was not readily available at the Market. Even the available information was not deemed to be relevant nor does it inform the respondents of the changes in the business environment on time. Overall, the business information services at Limuru Town Market affect the performance of businesses at Limuru Town Market only to a small extent.

5.2.2 Access to Finance

Further, the study established that access to finance exposes businesses in Limuru Town Market to better opportunities to a great extent while it also leads to improved business performance to a great extent. The study also found out that access to capital for businesses is very challenging to a great extent. Overall, access to finance affects the performance of business at Limuru Town Market to a great extent.

5.2.3 Availability of Managerial Experience

The study further found out that availability of managerial skills and experience affects businesses at Limuru Town Market to a great extent while the respondents felt that training on managerial skills are required in the businesses to a great extent. Further, the respondents reported that they do not get trainings on business management skills frequently. Overall, availability of managerial experience affected business performance only to a moderate extent.

5.2.4 Access to Infrastructure

On infrastructure, the study established that good road network is available to the business people around Limuru market and it's easy for them to bring stock to the market to a great extent. The respondents' reported that the working space allocated to them is accessible to a great extent but is sufficient only to a moderate extent. Foot paths in the market are in good condition only to a moderate extent while toilets are available and are accessible also only to study also found out that infrastructure affects performance of businesses to a great extent.

5.2.5 Government Policy and Regulations

Government policy and regulations affects businesses in Limuru Town market to a great extent. On previous studies, Kinyua (2014), researching on factors affecting the performance of small and medium enterprises in the Jua Kali Sector in Nakuru town in Kenya found out that access to finance had the potential to positively affect performance of SMEs; management skills were found to positively and significantly affect performance of SMEs; macro environment factors were found to significantly affect performance and Infrastructure did not significantly affect performance of SMEs in the study area. The study results also indicated that as number of years in operations increased the performance in SMEs increased. Therefore, the finding of this study supports existing literature.

5.3 Conclusion

The objective of the study was to establish the factors affecting the performance of micro and small enterprises in Limuru Town Market of Kiambu County. The study concludes that access to finance and availability of management experience are the key socio-economic factors affecting the performance of businesses in Limuru Town Market. These two have the potential of leading to improved business performance.

The other key factors that were found to affect performance of micro and small enterprises in Limuru Town Market positively are: access to business information, government policy and regulations and access to infrastructure.

5.4 Recommendations

5.4.1 Access to business information

There is scarcity of business information in Limuru town market. The County government of Kiambu in collaboration with the Central government should organize seminars and business drills for these SMEs. Other development partners like banks and Saving and credit organizations should also educate these SMEs so that they may performer better.

5.4.2 Access to Finance

The study found out that most SMEs prefer to use personal savings and contributions from relatives because they find it very difficult to access financing from commercial banks due to strict requirements such as collateral security and high repayment costs. The study therefore recommends that banks and other credit giving financial institutions should come up with creative policies that make it easy for the SMEs to access financing.

5.4.3 Availability of Managerial Experience

The government should start offering basic business and financial management skills as this will enable the Limuru market SMEs to make informed investment decisions. This will enhance their entrepreneurial skills that will enable them to recognize and exploit the available business opportunities.

5.4.3 Access to Infrastructure

Access to infrastructure affects performance of Limuru town market SMEs only to a moderate extent. However, the study recommends permanent roofing in the market to prevent the traders and their wares from being subject to weather changes. Also, the county government should consider re-carpeting the market and putting up adequate toilets for the traders.

5.4.4 Government Policy and Regulations

The study found out that the government policy and regulations has a moderating effect on the performance of SMEs at Limuru Town Market. The study therefore recommends that the government should move in quickly to create policies that favour the growth and expansion of SMEs. This will save the businesses from the challenges they face when trying to access financing from mainstream commercial banks.

5.6 Areas for Further Research

Arising from this study, the following directions for future research should be carried out. This research only covered micro and small enterprises Limuru Town Market. However, there are other enterprises that are medium and large firms in the same town. Researchers are encouraged to research on them. In future, other SMEs in other towns should be involved to enable the researcher to make adequate conclusions.

This research didn't concern itself with the challenges and possible solutions hindering SMEs from accessing financing by credit giving institutions. In future, a research should be instituted to establish the challenges and the possible solutions.

In future, a comparison should be done between the financial performance of SMEs that have received microcredit and the ones that have not received the financing. This will help in shedding light on whether accessing microcredit helps the SMEs to perform better than other businesses.

REFERENCES

[1] Brautigam, D., Rakner, L., and Taylor. T. (2002). Business Associations and Growth Coalitions in Sub-Saharan Africa. Journal of Modern African Studies, 40(4).

[2] Calice, Pietro, Chando Victor. M., and Sekioua, S. (2012), Bank Financing to Small and Medium Enterprises In East Africa: Findings of A Survey in Kenya, Tanzania, Uganda and Zambia, Working Paper Series No. 146, African Development Bank, Tunis, Tunisia.

[3] Cameron, Kim, and Tschirhart, Mary (1988) "Managerial competencies and organizational effectiveness." Working paper, School of Business Administration, University of Michigan.

[4] Chen, M. (2005). Rethinking the Informal Economy. United Nations University WIDER Research Paper. No. 2005/10.

[5] Dalberg, (2011). Report on Support to SMEs in Developing Countries Through Financial Intermediaries in D. group (Ed.). Geneva: Dalberg Consultancy.

[6] Dia, M. (1996).African management in the 1990s and beyond: Reconciling indigenous and transplant institutions. Washington, D.C.: The World Bank. Economic Development and Cultural Change, 32(2), 277-302.

[7] Dollinger M. J. (1999). Entrepreneurship: Strategies and Resources, Prentice Hall, Economic survey 2004 Publication: Nairobi, Kenya Central Bureau of Statistics 2004. xvi, 243

[8] Gall, M. D. & Borg, W.R (1996). Educational Research: An Introduction (6thed.). White Plains, NY: Longman Publishers USA.

[9] Gathitu W. C, (2007) Factors Affecting Performance Of Entrepreneurs In Privately Run Secondary Schools. A Case of Thika, JKUAT.

[10] Gichira, R & Dickson, D.(1991). A business of your own: How to start and manage it. Nairobi, East African Educational Publishers Ltd.

[11] Government of Kenya (1992) Small Enterprise and Jua Kali Development in Kenya. Sessional paper No.2 of 1992, Nairobi, Government printers.

[12] Government of Kenya. (2004). Economic Recovery Strategy for Wealth and Employment Creation. Nairobi: Government Printers.

[13] Hallberg, K. (1998). Small and Medium Entities. A framework for Intervention. World bank Small Enterprises unit. Private sector Development. Washington DC.

[14] Harper, M., and Soon, T. T. (1979). Small enterprises in developing countries: Case studies and conclusions. London: Intermediate Technology.

[15] Hart, G. P. (1972). Some socio-economic aspects of African entrepreneurship. Occasional Paper No. 16, Grahams town: Rhodes University.

[16] Hart, K. (2005). Formal Bureaucracy and the emergent forms of the informal economy.

[17] Herbert N. Nyaga (2007). The role of Micro finance institutions in delivery of non-financial services to micro and small enterprises, in Thika District Kenya, JKUAT

[18] ILO (1972). "Employment, incomes and equity: a strategy of increasing productive employment in Kenya."Geneva: International Labour Organization.

[19] Ishengoma, E., & Kappel R. (2006). Economic Growth and Poverty: Does Formalization of Informal Enterprises Matter. GIGA Working Papers ,20.

[20] Kiggundu, M. N. (2002). Entrepreneurs and entrepreneurship in Africa: What is known and what needs to be done. Journal of Developmental Entrepreneurship, 7(3).

[21] King, Kenneth & McGrath, Simon. 2002. Globalization, Enterprise and Knowledge: Education, Training and Development in Africa. Kluwer Academic Publishers

[22] Kinyua, A. N., (2014). Factors Affecting the Performance of Small and Medium Enterprises in the Jua Kali Sector In Nakuru Town, Kenya Egerton University Nakuru.

[23] Kithae P. P., Gakure, R. W., & Munyao, L. M. (2012). The Place of Micro and Small Enterprises in Kenya in Achievement of Kenya's Vision 2030. Journal of US-China Public Administration, 9(12), 1432-1440.

[24] Kothari, C. R, (2004), Research Methodology Methods and Techniques New Age International (P) Limited, Publishers New Delhi

[25] Krueger, A. (1993). Political Economy of Policy Reform in Developing Countries. Cambridge: MIT Press.

[26] Levy, M., Powell, P. & Yetton, P. (2001), "SMEs: Aligning IS and the strategic context", Journal of Information Technology, Vol. 16, pp 133-144.

[27] Levy, M., Powell, P. & Yetton, P. (2002), "The Dynamics of SMEs Information Systems", Small Business Economics, Vol. 19, pp 1341-354.

[28] Liedholm, C. & Mead, D. (1999). Small Enterprises and economic development: The dynamics of micro and small enterprises. London/New York: Routledge.

[29] Longenecker Justin G., Carlos W. Moore, J. William Petty, Leslie E. Palich and Joseph A. McKinney (2006). Ethical Attitudes in Small Businesses and Large Corporations: Theory and Empirical Findings from a Tracking Study Spanning Three Decades

[30] Marvel, M. R and G. T. Lumpkin (2007). Technology Entrepreneurs Human Capital and its Effects on Innovation Radicalness, Entrepreneurship Theory and Practice, Bingley, UK: Emerald Group Publishing.

[31] Mau, Stephen D. (2006). Hong Kong Legal Principles: Important Topics for Students and Professionals. HK University Press. ISBN 962-209-7

[32] Mbogo, M. (2011). Influence of Managerial Accounting Skills on SME's on the Success and Growth of Small and Medium Enterprises in Kenya. Journal of Language, Technology and Entrepreneurship in Africa, 3(1). 15

[33] McKee, D. (1991). Schumpeter and the Political Economy of Change. New York: Praeger.

[34] Mitullah, W. (2003). Street Trade in Kenya: The Contribution of Research in Policy Dialogue and Response. Paper Prepared for Urban Research Symposium on Urban Development for Economic Growth and Poverty Reduction. Washington, DC.

[35] Mitullah, W. (2004) A Review of Street Trade in Africa. A Review Commissioned by Women in Informal Employment Globalizing and Organizing (WIEGO). Cambridge: Kennedy School of Government.

[36] Mugenda, M. O. & Mugenda, G. A. (2003). Research Methods. Nairobi: Acts Press

[37] Mugo, W. L., (2012) Factors Affecting Entrepreneurs' Performance in Kenya: A Case of Nairobi Women Groups in the Central Business District:, University of Nairobi, 2012

[38] Mwania, M. (2011). The effect of Biashara Boresha Loan on Performance of Micro and Small enterprises owned by KCB Ruiru branch customers.

[39] Olila, P. (2000), Lobbying Capacity of Women Street Vendors, The Challenges in the Kenyan Policy Environment, UON Institute for Development (Submitted to the International Development Research Centre IDRC as per Project Memorandum Requirement on 'Women Street Vendors in Kenya: Policies, Regulations and Organizational Capacity' Centre File:98-8556/55399).

[40] Olofsgard, A. (2003). The Political Economy of Reform: Institutional Change as a Tool for Political Credibility. Background Paper to World Bank 2005 World Development Report.

[41] Ombura, C. O. (1997). Towards an Environmental Planning Approach in Urban Industrial Siting and Operations In Kenya: The Case of Eldoret Town. Ph.D Dissertation, Netherlands Geographical Society / Department of Human Geography, Faculty of Environmental Sciences University of Amsterdam.

[42] Oseko M. (2005), Small and medium scale manufacturing enterprises in Kenya: A perspective on alternative sources of financing.

[43] Patrick, D., Els, H. & Wanyama, F. (2005). The Emergence of Multilevel Governance in Kenya. Leuven Interdisciplinary Research Group on International Agreements and Development, Working Paper 7.

[44] Reddy, R. J. P. (1991). Problems and Development of Small Scale Industries in India, New Delhi: Discovery Publishing House.

[45] Retirement Benefits Authority (RBA).(2007). Individual Retirement Benefits Schemes in Kenya. Retirement Benefits RBA Quarterly Newsletter, 4(2).

[46] Rodrik, D. (1996). Understanding Economic Policy Reform. Journal of Economic Literature 34 (1), 9-41.

[47] Sanyal, B. (1991). Antagonistic cooperation: A Case Study of Nongovernmental Organizations, Government and Donor's Relationships In Income-Generating Projects in Bangladesh. World Development 19(10), 1367-1379.

[48] Sanyal, B. (1991). Organizing the self-employed: The politics of the urban informal sector. International Labour Review 130(1), 39-56.

[49] Sarzin, Z. (2006). The Impact of Morbidity and Mortality on Municipal Human Resources and Service Delivery: An Analysis of 3 African Cities. Africa Region Working Paper Series, 100.

[50] Sessional paper no. 2 of 2005 on Development of Micro and Small Enterprises for Wealth and Employment Creation for Poverty Reduction, Government Printer, Nairobi.

[51] Tewdwr, Mark-Jones. (2004). Spatial Planning: Principles and Culture. Journal of Planning and Environment Law. May 2004.

[52] Tim M. & Brinkerhoff, R.O. (2008). Courageous Training: Bold Actions for Business Results. Colorado, Berrett-Koehler Publishers.

[53] Tushabonwe-Kazooba, C. (2006). Causes of Small Business Failure in Uganda: A Case Study from Bushenyi and Mbarara Towns. African Studies Quarterly, 8(4) Retrieved from http// web.Africa.ufl.edu]asq/v8/v8i4a3.htm.

[54] Wanjohi, A. (2009). Challenges Facing SMEs in Kenya. Retrieved July 10, 2014 from http://www.buzzle.com/articles/challenges-facing-smes-in-kenya.html.

[55] Wanjohi, A. & Mugure, A. (2008). Factors Affecting the Growth of Mses in Rural Areas of Kenya: A Case of ICT Firms in Kiserian Township, Kajiado District of Kenya.

[56] Widner, J. (1991). Interest Group Structure and Organization in Kenya's Informal Sector: Cultural Despair or a Politics of Multiple Allegiances? Comparative Political Studies, 24(1), 31-55.

AUTHORS

First Author – Mbugua Stephen Kamunge, Master of Business Administration, Jomo Kenyatta University of Agriculture and Technology
Second Author – Dr. Agnes Njeru, Project Supervisor, Jomo Kenyatta University of Agriculture and Technology
Third Author – A Ondabu Ibrahim Tirimba, Research Fellow and Lecturer, Mount Kenya University- Hargeisa Campus Somaliland