FACTORS AFFECTING GROWTH OF SMALL SCALE ENTERPRISES IN KENYA

(A Survey of Garissa Lodge Market)

BY
HARUN IBRAHIM HASSAN
L126/16261/2011

A RESEARCH PROJECT SUBMITTED IN PARTIAL FULFILLMENT OF THE REQUIREMENT FOR THE AWARD OF DIPLOMA IN PURCHASING AND SUPPLIES MANAGEMENT, UNIVERSITY OF NAIROBI

JUNE 2012
DECLARATION

This research project is my original work and has not been presented to any other examination body. No part of this research should be reproduced without my consent or that of University of Nairobi.

Name ____________________________ Sign ________ Date 14/06/2012

HARUN IBRAHIM HASSAN
L126/16261/2011

Declaration by Supervisor

This research project has been submitted for defense with my approval as the university Supervisor.

Name ____________________________ Sign ________ Date 14/06/2012

Lecturer Supervising

ALICE WANJIKU GAKUMO
ABSTRACT

The study is aimed at determining the factors that affect the growth of small scale enterprises. The study focuses on the management and activities of small scale enterprises in Garissa Lodge building area of Easleagh in Nairobi and will include the managers of the market, shop owners, traders' representatives and related activities in the market.

The researcher adopted a descriptive research design as there are variables which cannot be qualified but can only be described. Through random stratified sampling method the researcher selected 40 respondents out of total population of 80. Data was collected through the administration of questionnaire to the respondents. Quantitative and qualitative techniques of data analysis were used to analyze the collected data and the findings presented through charts, tables and graphs for simple understanding of the findings.

The sample size of 40 was chosen from the total population of 80. Out of the 40 questionnaires which were issued to the respondents, 33 were returned while 7 were not returned. This indicates a response rate of 82 % and non response rate of 18%. The data was analyzed using quantitative and qualitative methodology.

The findings concluded that the factors affecting growth of small scale enterprises in Kenya included: access to capital, government policies, infrastructure, and management skills.

In summary, the study found out that many entrepreneurs lack managerial skills. This was due to lack of formal academic qualification in business related fields and poor exposure in modern business environment.