AN ASSESSMENT OF CHALLENGES FACING GRADUATION OF MICRO ENTERPRISES, A CASE STUDY OF ENTREPRENEURS IN MAJENGO SLUMS, KAJIADO TOWN.

LUPEMBE JANE NASHIPAE
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University of Nairobi.

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DECLARATION

I declare that this project is my original work and has not been presented for a diploma in any other university.

Signature: ........................................ Date: 07/08/2014

Name: Jane Nashipae
Reg. no: L123/23483/2013

Declaration by the supervisor

This project has been submitted for examination with my approval as the University supervisor.

Signature: ........................................ Date: 05/08/2014

Marie Wanjeri Mugo
ABSTRACT

The role of enterprises in developing countries is increasingly being recognized as pollinators of the development process. It contributes to creation of pollinators of the development process. It contributes to creation of employment opportunities, training of entrepreneurs, generating income and providing a source of livelihood to the majority of low income households. However, there is a high concentration of micro businesses as compared to small and medium enterprises in terms of work force. As such, the purpose of this study will be to assess the challenges hindering graduation of micro enterprise into small and medium enterprises. For the sake of achieving objectives of this study, questionnaires were analyzed using statistical analysis such as descriptive survey, study design. The descriptive design is appropriate for it is fact finding and explanatory in the capacity of establishing the truth. The information gleaned through questionnaires from a sample of 237 operators and face to face interviews were conducted with 20 operators of MSEs. The respondent’s operators were selected using stratified sampling technique. Besides, the interview questions were analyzed using descriptive narrations through concurrent triangulation strategy. The empirical study elicited three major challenges which seem to affect graduation of micro enterprise in Majengo slums which include financial barriers; these are for example high cost of credit loans, lack of access to equity and also market barriers which include late bill payment by customers. Too high cost, threats of competitors and social barriers which include lack of government support, lack of trust in society. The findings further indicate that, there exists linear and positive significant ranging from substantial to strong relationship was found between independent variables and dependent variable. Moreover, the selected independent variable may significantly explain the variations in the dependent variables at 1% level of significance. Further research could target medium and large firms that have dominated the markets having graduated from MSEs. This can be achieved by conducting more researchers in related area. Based on findings, recommendations, conclusions and suggestions for further research to the government bodies and to operators of MSEs are forwarded.