AN ASSESSMENT OF CHALLENGES FACING GRADUATION OF MICRO ENTERPRISES INTO SMALL AND MEDIUM ENTERPRISES: A CASE OF ENTREPRENEURS IN MUKURU KWA NJENGA SLUMS.

BY
VINCENT MUTUKU MUTISO
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DECLARATION
This research project is my own work and has not been presented to any university for the award of a diploma.

SIGNED.......................... DATE 23/18/2009

VINCENT MUTUKU MUTISO

The research project report has been submitted foe examination to the University of Nairobi with my approval as the university supervisor

SIGNED..........................
WILSON KIGWA
SUPERVISOR.

DATE 4/09/2009
ABSTRACT

The role of micro enterprises in developing countries is increasingly being recognized as 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, which implies that there is a low rate of graduation from micro to small and medium enterprises in terms of the size of work force. As such, the purpose of this study will be to assess the challenges hindering graduation of micro enterprises into small and medium enterprises.

The research will adopt a descriptive survey study design. The descriptive design is appropriate for it is fact finding and exploratory in the capacity of establishing the truth. The research targets Micro and Small enterprises as well as medium enterprises operating their businesses within Mukuru Kwa Njenga slums. The units of analysis for the study will comprise of entrepreneurs in the enterprises; both micro, small and medium enterprises. The total number of MSEs in Mukuru Kwa Njenga is about 2000. The study will employ simple random and purposive sampling. Purposive sampling will be used since the research will be targeting entrepreneurs who have been in operation for at least 3 years. The study will randomly select 5% of the respondents. Hence the study respondents will be 100 entrepreneurs. Questionnaires will be the main instruments of data collection.

Data will be analyzed quantitatively and qualitatively. Descriptive methods will be employed in analyzing data where frequencies and proportions will be used in interpreting the respondent’s perception of issues raised in the questionnaires so as to answer the research questions. The findings of this study and the recommendations of the study will provide good practical and theoretical background for supporting growth of small and micro enterprises in Kenya. It will also be used by government, NGO’s and other scholars who will research in the related area.