



ISSN NO. 2320-5407

Journal homepage: <http://www.journalijar.com>

INTERNATIONAL JOURNAL  
OF ADVANCED RESEARCH

## RESEARCH ARTICLE

## AN ASSESSMENT OF THE BACKGROUND INFORMATION OF MICRO AND SMALL ENTERPRISE ENTREPRENEURS AND THEIR TRAINING NEEDS IN NAIROBI, KENYA

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### Manuscript Info

#### Manuscript History:

Received: 09 May 2013  
Final Accepted: 22 May 2013  
Published Online: June 2013

#### Key words:

Assessment,  
Background Information,  
Micro,  
Small Enterprise, Entrepreneurs,  
Training Needs,  
Nairobi, Kenya

### Abstract

This paper undertakes an assessment of the background information of entrepreneurs of the Micro and Small Enterprises in Nairobi Kenya in order to highlight the training needs. The paper is based on a study which centred on the Asian Foundation/UNDP *Jua Kali* Project on the past and present skill upgrading training for the entrepreneurs in Nairobi Kenya. The study adopted a descriptive survey design. The author used simple random sampling technique to select a sample of 45 respondents for the study. Forty-five semi-structured questionnaire were administered to these respondents out of which 40 were returned constituting a response rate of 89 per cent. Quantitative analysis using descriptive statistics was used to describe distribution of findings. Findings indicated that most of the respondents were between the age group 20-25 with an average of 23 years. The majorities were not married constituting 75 per cent. The education levels of business owners in the sampled enterprises were high with 47.5 per cent of all business owners having passed secondary school while 25 per cent had had college education. In addition, majority of the respondents had work experience of less than 5 year because many joined the training programme from secondary schools. Forty-five per-cent of the respondents had had previous technical training with a number of entrepreneurs critical of the training they had received terming the courses as too basic, too theoretical or too general. The enterprises encountered in the field ranged from metal work, screen printing, herbal soap, disinfectants, detergents, weaving/tie and dye. The most preferred measure of enterprise performance was profit. This was followed by sales volume and also income. Recommendations were based on ensuring access to credit after skills acquisition, regularly reviewing and reformulating the curriculum to keep pace with the rapid change in technological and market demands, focus on wholesome all round skills acquisition including personal, Managerial, and enterprise skills and training be done by successful entrepreneurs or owner/managers with business experience.

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### Introduction

An entrepreneur is a person who organises, manages and assumes the risks of starting a business (Hisrich & Peters, 2002). The characteristics of the entrepreneur are: a) able to identify business opportunities and implement actions to maximize those opportunities; b) initiates enterprise creation; c) undertake risks and manages resources to establish

and operate a business enterprise that is sustainable; d) entrepreneurs are self confident that is believe in themselves; e) they are resourceful; f) they are results oriented with high need for achievement; g) they are innovative, and h) they are tolerant, persevering and enduring for long hours. Entrepreneurs are not necessarily born with all these attributes but can be taught to recognise and nourish their capabilities entrepreneurship development! training then entails

changing attitudes in a way that can indicate in potential entrepreneurs the "philosophy of winners" that gives them a visionary focus (Namusonge, 1998).

### **Entrepreneurship Development**

Namusonge (1998) emphasizes enterprise culture is an environment that prepares the community as a whole to take advantage of available opportunities in the society. It also provides support for entrepreneurs at all levels of development to realize their potential, regardless of gender, colour of race. It has been established that apart from money, business success depends on the personal attributes of the entrepreneur-self confidence, creativity, innovation and the drive to take risk. Within this context, entrepreneurship can be defined as a spirit of recognizing opportunities and taking risks by investing resources in order to produce gainful results through creativity, innovation, increased efficiency and productivity.

### **Stages of Entrepreneurship Development**

For rapid economic growth and development, a country requires a strategic approach to developing its entrepreneurs and enterprises. An entrepreneurship approach can be used to harness the tremendous amount of human resource capabilities that exist in Kenya for faster economic growth. Strategic entrepreneurship development and promotion of an enterprise culture can produce a mass of creative and innovative Kenyans capable of developing into high profile entrepreneurs and industrialists, especially among women and youth, who constitute the majority of the population. Such a strategy can create many business and employment opportunities including self-employment leading to improved standards of living, poverty alleviation and sustainable livelihoods.

Identification of the Kenyan entrepreneurs, and how many entrepreneurs they are, why some entrepreneurs succeed where many others have failed, and how we can motivate our present and future generations to increase the numbers and success rate of Kenyan entrepreneurs, is essential. Kenya, like many developing countries, has no shortage of traders and informal micro enterprises. What it lacks are enterprising indigenous individuals able to transform MSEs to large enterprises. Understanding who entrepreneurs are, and what they do provides an essential starting point for consideration of policies and strategies to improve the delivery for training and business development services to MSE entrepreneurs (Namusonge, 1998).

The needs of entrepreneurs depend on the stages of entrepreneurial activity: different needs arise at different stages of entrepreneurship development. Indeed, the levels of knowledge, skills and attitude required vary, not only with the sophistication and basic education of the entrepreneurs involved, but as the business grows with the entrepreneurs' recognition of the changing need for more formal learning (Namusonge, 1998). The learning needs faced by entrepreneurs are classified into four stages of entrepreneurial development, namely Pre start-up Stage, Business start-up stage, business survival stage and business growth stage.

#### ***Pre Start-up Stage***

This is also referred to as awareness stage and gaining an insight of entrepreneurship as a career choice in self-employment. There is a need to perceive the opportunity, acquire motivation; self-appraisal of technical and managerial skills. The training is given in school or in seminars (Namusonge, 1998).

#### ***Business Start-up Stage***

This stage is also called business creation. It involves building motivation and commitment developing the necessary managerial skills, technical skills and acquiring the finances including a business plan. The stage is charged with the responsibility of mobilizing resources (Namusonge, 1998).

#### ***Business Survival Stage***

The business survival stage is also called the business maintenance stage; it is the stage at which the entrepreneur has mastered the product and production process, markets and basic management of the enterprise. Intervention at the business survival stage includes consolidating the management and control system in the enterprise, upgrading technical skills to maintain required standards refining production process and systems, and upgrading marketing strategies to keep the enterprise operation on course (Namusonge, 1998).

#### ***Business Growth Stage***

The business growth stage involves the growth and development of self-employed business usually with fewer than ten persons. As the entrepreneur gains experience, possibilities for expansion and growth of the business become available, and as small enterprises become larger, different business techniques and procedures are required in various phases of the business activity. The training needs of growing businesses relate primarily to the development of broader aspects of management of the business such as market diversification, product design, marketing, and access to finance, technology and

networks (Namusonge, 1998).

Since independence in 1963, the government have recognized the potential of the MSE sector in employment creation and poverty reduction in its numerous policy documents. GOK (1986) was the first to give explicit recognition of the MSEs role in economic growth and development. GOK (1992) endeavoured to provide a more comprehensive framework for the promotion of the sector, a number of policies and strategies designed to remove the limitations faced by micro and small entrepreneurs, such as the low levels of business skills, inadequate guidance and counselling, and framework in appropriate marketing and product design were outlined.

The major shortcomings in the MSEs sector development in Kenya have been inappropriate policy design, weak implementation and failure to institute and effectively monitor policy implementation. In the past the policies formulation was government driven and failed to address the specific needs of the target group, and lacked ownership by the entrepreneurs. GOK (2005) has been aimed at facilitating the development of a vibrant MSE sector that is able to sustainably contribute to economic growth, employment creation and poverty reduction in Kenya in matters of policy formulation on issues that affect their growth. The policy outputs are enabling policies to support MSE growth and development, favourable institutional framework for policy implementation, and an MSEs sector that is integrated in the economic grid and the highest output is graduation of MSEs into formal sector and promotion of employment creation within the sector (Kinyanjui, 2006).

GOK (2005) aims at improving role of MSEs in matters of policy formulation on issues that affect their growth. However, access to and awareness of such legislations as well as other legal business requirements and information has remained largely confined to elitist business leaders. Rural entrepreneurs in provinces, districts and other towns may not have access to such investment information, which they could take advantage of. This is particularly true for small-scale entrepreneurs, who, not being well informed of the necessary legal-business requirements they should adhere to with respect to their enterprises, may often feel that they are harassed by local authorities. Many local entrepreneurs prefer to run their businesses in an informal state, which hampers their potential for growth, expansion and innovation. This also prevents them from taking advantages of the incentives

provided by the government for formal investment businesses.

According to the 2003 economic survey employment within the MSE sector increased from 4.2million persons in the year 2000 to 5.1 million in 2002. The sector employs about 74.2 per cent of the Kenyan work force and contributes to about 18.4 per cent of the country's Gross Domestic Product by the end of 2002 (CBS, 2003) on economic survey. MSEs contribute to over 75 per cent of all new jobs created. The government of Kenya therefore considers this sector as an important sector in the development process, and is in the process of putting in place some programmes to develop this sector (GOK, 2005).

According to GOK (2003), for Wealth and Employment Creation MSE's and in particular *Jua Kali* expansion are identified as one of those activities that will assist in economic recovery and growth. GOK (2005) has been aimed at improving role of MSEs in matters of policy formulation on issues that affect their growth. However, access to and awareness of such legislations as well as other legal business requirements and information has remained largely confined to elitist business leaders. Rural entrepreneurs in provinces, districts and other towns may not have access to such investment information, which they could take advantage of. This is particularly true for small-scale entrepreneurs, who, not being well informed of the necessary legal business requirements they should adhere to with respect to their enterprises, may often feel that they are harassed by local authorities. Many local entrepreneurs/prefer to run their businesses in an informal state, which hampers their potential for growth, expansion and innovation. This also prevents them from taking advantages of the incentives provided by the government for formal investment businesses.

The MSE Act which is yet to be passed has proposed to set policies for developing the MSEs. Some of these policies include, among others: continued legal and regulatory reforms in the sector; harmonization of trade licensing and regulatory services; decentralization of business registration to the provincial levels and eventually to district levels; quickening the process of business registration; reforming and enforcing the local authority Act to limit and maintain its essential regulatory powers; formulating and implementing a MSEs Act to provide a framework for implementing the MSEs policies; improving market and marketing opportunities for MSEs both locally and internationally, through improved business linkages,

increased participation of MSEs in public procurement and increased subcontracting, among other initiatives; increasing financial services to MSEs; promoting gender equity by increasing equal access to financial services for women and men, empowering women, improving gender access to education, technology development and entrepreneurship.

### **Government Policies for the Promotion of MSEs in Kenya**

KIPPRA (2003) introduces entrepreneurship education in degrees and diplomas. It also recommends conducting of in-depth market surveys periodically to identify emerging skills and abilities needed in business, develop mass media techniques for dissemination of information on all phases of self-employment and entrepreneurship, use of innovative methods such as distance learning, action learning groups, self instruction materials and short booklets on specific business problem areas, train MSE operators and their workers in technical, managerial and entrepreneurship skills and offer extension services/technical assistance in such specialized areas as accounting, cash flow management, product development and use of appropriate technology.

The MSEs sector in Kenya has grown tremendously over the last two decades despite poor policy conceptualization and implementation in the sector. However, this growth is characterized by low productivity and survivalist activities despite the fact that this sector is very strategic in providing future employment. This paper reviews the evolution of policy in the MSE sector, the impediments to policy implementation in this sector, and makes recommendations for the development of this sector. The paper notes that the support framework pursued since 1986 in this sector has been characterized by unsustainable subsidies and stop-go policies that emanate from an inadequate understanding of the sector and its relationship with the rest of the economy (KIPPRA, 2003).

KIPPRA (2003) recommends creation of a conducive environment and incentives for the formation of industrial structures rich in linkages among MSEs and between MSEs and large enterprises. Finally, the paper notes that efforts towards the promotion of the MSE sector and poverty reduction need to go hand in hand with other policies of raising rural incomes. According to Ikiara and McCormick (2004), self-employment has been an increasing focus of attention like in many other countries. With slower growth, economic crises, unemployment and the pursuit of structural adjustment accompanied by public sector

as instruments of promoting growth and full employment hopes are raised that self-employment is the means of injecting vitality into economies while creating employment, capital and income. Since independent in 1963 a lot of funds have been spent to implement government policies and programmes aimed at promoting the small enterprise (GOK, 1992).

The GOK (1986) and the National Development Plan (1993) highlighted development of Micro and Small Enterprises as a primary means of strengthening Kenyans economy. The results have been very poor due to poor coordination of the implementing agencies. The government has made efforts to address the situation through numerous interventions like the GOK (2005) and CBS (1999, 2003, 2006) on economic survey and the ERS (2004-2007). Some of the benefits of enterprise growth and development are: a) contribution to the economy items of output of goods and services; b) development of skilled workers who are the base for future industrial expansion; c) offering opportunities for entrepreneurial and managerial talent to mature the critical shortage of which often a great handicap to economic development.

### ***Enterprise Culture and its Enhancement in Kenya***

The communities that dominate in business success have a strong enterprising cultural background. Examples are the Asian communities and the kikuyu in Kenya. Culture is seen as consisting of a set of values, attitudes and beliefs that support the existence in the community of independent entrepreneurial behaviour in the business context (Gibb, 1988). As articulated in government policy documents, a critical constraint in the development of the micro and small enterprise (MSE) sector in Kenya has been lack of enterprise culture, i.e. the ability to perceive business opportunities and take advantage of them by creating new businesses (ICEG, 1999). An enterprise culture is an environment that prepares the community as a whole to take advantage of available opportunities in the society. It also provides support for entrepreneurs at all levels of development to realize their potential, regardless of gender, colour of race.

Participation from when the children are very young makes people grow up with numerous positive role images of entrepreneurial way of life. The Asian community, for instance, children work in family businesses when not in school and also encouraged to engage in income generating activities, inculcating values of self-reliance, saving in the formative years (Cauri & Namusonge, 2004). Previously the Kenyan



community exposed the youth to role models associated with formal education achievement leading to professional status.

Kenya has adopted small enterprise development as a strategy towards social and economic development. Various steps have been taken towards ensuring that small scale enterprise proliferates. This will slowly and surely change the populace towards an enterprise culture. The values, attitudes, skills and knowledge of the enterprise culture are bound to evolve and propagate in the populace (Cauri & Namusonge, 2004). In Kenya, this will be done through education system. Adams (1968) argues that education was a medium through which the ideas produced transformed society leading to social and economic revolution. Efforts towards using already existing education structure were started in the 1980s. The 8-4-4 system was meant to prepare the primary graduate for self-employment. At the vocational centres and technical training institutions entrepreneurship education has been institutionalized.

In 1993, the Jomo Kenyatta University of Agriculture and Technology (JKUAT) started the Masters programme, which has since spread to other universities (Cauri & Namusonge, 2004). The challenge for the future growth of enterprise culture in Kenya will therefore require an urgent and comprehensive review of the policy framework in order to integrate entrepreneurship training at all levels of the education system; allocation of more resources to enable amore expanded outreach and financing of networking and business contacts, and the creation of a conducive and enabling environment that permits new businesses to emerge and flourish (ICEG, 1999). Many vocational centres have been initiated by the government in conjunction with other stakeholders and some are running well such as the Asian foundation UNDP *Jua Kali* Project.

#### ***Factors that Hinder Entrepreneurship Development in Kenya***

GOK (2005) outlines the challenges that hinder entrepreneurship development in Kenya. Despite the previous policy prescriptions the sector has stagnated prompting need for drastic change of attitude to this sector. The constraints are: unfavourable policy environment; inhibitive legal and regulatory environment; limited access to land and serviced worksites; limited access to markets, limited access to financial services, inadequate supply of skills and technology; limited linkages with medium and large enterprises; gender inequality, limited access to information; unfavourable tax regime, health and safety in work places and HIV/AIDS (GOK, 2005).

The government" also shows its renewed commitment to provide the necessary support and impetus for its development within this framework private sector participation, continuous consultation and dialogue with the MSEs entrepreneurs and other supporting organizations are considered critical for effective implementation of this framework (GOK, 2005).

#### ***Entrepreneurship Development Policy and Training Objectives in Kenya***

The acquisition of relevant vocational, technical and business skills is generally regarded in Kenya as one of the critical factors necessary for growth and development of micro and small enterprises. For this reason, the policy of providing technical and vocational training at the primary and secondary levels has been in place since 1986 when the MSE sector emerged as one of the key strategies in economic Management for renewed Growth (Namusonge, 1996). Access to training and skills upgrading programmes by entrepreneurs and employees increase the mean sales of the enterprise. Enterprises whose owners and employees access relevant training skills upgrading courses have mean sales which are 16.2 per cent higher than those businesses that do not benefited from such programmes (IPAR, 2005).

Training and skills upgrading is crucial for sustained MSE productivity, innovation and adaptation to new technology. Despite this many entrepreneurs approached in this and other research felt that training and other skills upgrading programmes should target young entrepreneurs (Omolo & Omiti, 2005).

To achieve the objectives set in GOK (1992) where the overriding goal of the policy framework is to facilitate the development of a vibrant MSE sector that is able to contribute to economic growth, employment creation and poverty reduction in Kenya. Skills and technological capacity of MSEs will seek to enhance new technology improved capacity of institutions increase to overall access to information on available technology and acquisition of skills, task to be implemented through MLHRD and DMSD. Introduction of entrepreneurship education in degree and diploma programmes, conduct in-depth market survey to identify emerging skills and abilities needed in business., use innovative methods of distance learning, action learning, self instruction on specific areas, Training MSE operators and their workers in technical, managerial and entrepreneurship skills and offer technical services in areas of accounting, cash flow management, , product

development and use of technology, provide incentives for graduates, develop curriculum for apprenticeship (Namusonge, 1998).

### **Implementation of Policies**

Training of entrepreneurs was introduced in local universities, technical training institutions and youth polytechnics. Curriculum for artisan, craft, technician and higher education level was introduced. A major hindrance accessing entrepreneurial training by the practical skills imparted through the formal training systems and industry requirements. About 65 per cent of MSEs interviewed argued that formal training offered through framework of institutes of Technology, vocational training centres are rigid and not sensitive to needs and changing dynamics within the sector.

Modules offered by the training providers were not frequently reviewed to match technology changes and the entrepreneurs needs (IFAR, 2005). Integrated entrepreneurship education in Kenya shows that the government artisan certificate takes 2 years, Craft certificate takes 3 years, technician, diploma 3 years, technician higher diploma 2 years as presented by KIE (2002). Entrepreneurship education content is emphasized in all the modules and examined in the National Examination in form of business projects (KIE, 2002).

According to the Ministry of Research, Technical Training and Applied Technology (MRTTT), the objectives for informal sector training (including *Jua Kali*) are categorized under three main areas namely: i) Technical skills acquisition and up-grading; (ii) Basic Business management and book keeping and focusing on, (iii) Basic Entrepreneurship training.

### **Statement of the Problem**

The micro and small scale enterprises (MSEs) sector is globally acknowledged as the engine of growth of any economy with immense contribution to output, employment generation and income. Despite the sector being constrained by lack of access to markets, limited access to capital and lack of firm to firm linkages that would provide opportunities for growth, lack of entrepreneurial skill necessary for the growth of this sector seems to be among the most limiting (Arnold *et al.*, 1994).

Entrepreneurial training and development is expected to impact on business management, technical and personal entrepreneurial skills to the entrepreneur. These skills are further expected to facilitate the growth of the MSEs. The skills acquired through training facilitate a progressive and vibrant MSEs

sector. However, despite there being concerted efforts through workshops and seminars by various stakeholders to equip the entrepreneurs with knowledge and skills necessary to enhance their performance in their businesses; many are not having the desired results which include better sales, increase in sales, increasing number of employees, better capital base and increased profits and consequently these businesses are dying or slowly being phased out. It is against this background that this study has been proposed to examine the influence of entrepreneurial training on MSEs growth in Kenya.

### **Limitations of the Study**

The limitations to the study included financial resources, time and the conduct of the respondents. Financial resources constituted constraints in this study because the study was funded solely by the researcher. The author overcame this constraint by setting aside adequate resources for the study. Time also was a constraint but the researcher strictly followed the work plan in order to complete the study on time. The respondents were uncooperative in completing the instruments especially due to post 2007 election conflicts. However the researcher administered the instruments only after creating rapport with the respondents.

### **Material and Methods**

The research design for this study was descriptive survey design. This design was selected for this study because the study was exploratory by nature aimed to assess the impact of entrepreneurship skill on MSEs growth. The research design assisted in fulfilling the purpose of the study; to examine how the entrepreneurial skills influence the performance of MSE in Kenya.

The target population for the study was Micro and Small entrepreneurs who worked in metal fabrication, textile and related industry and who had gone through skills upgrading in the *Jua Kali* Project. The target population included Metal fabrication, textile and related courses in Shampoos, Herbal soap, Disinfectants, Detergents, Weaving, and Tie and Dye techniques. The target population for the trained entrepreneurs was 100 basing on the sampling frame provided by the project coordinators. The project coordinators assisted in identifying the potential trainees for the project.

The target population of the potential enterprises for the study was 100 basing on the sampling frame provided by Asian foundation UNDP *Jua Kali*

project. A sample of 40 respondents representing 40 per cent of the total population was selected for the study.

Simple random sampling procedure was employed to ensure that every grandaunt of the Jua Kali skill upgrading centre, Kariobangi was given a fair chance of being selected for the study. The sampling list obtained from the project coordinators constituted the sampling frame. Numbers were assigned to all elements from the target population and forty were randomly picked to represent the target population. Primary data was collected from the respondents in the study using questionnaires and interview guides. The data collection instruments were administered to the respondents by the researcher with the assistance of the research assistant. The respondents constituted the entrepreneurs who were trained under the project and the managers of the project. Secondary data is a good source of information since it gives the researcher room to make good groundwork for the current study to be undertaken. The author looked for information from newspapers, magazines and textbooks on entrepreneurial training related issues. The author also got information from previous relevant research on metal fabrication, textile and related products. The author assessed the relevance of the data before use.

The data collected from the respondents was edited, coded and put into various categories, which were distinct from each other. The author used the computer software package, Statistical Package for Social Sciences (SPSS) to facilitate data analysis. To permit quantitative analysis, the data collected was converted to numerical codes representing attributes or measurements of the variables. The mass of the raw data collected was systematically organized in a manner that facilitated analysis. The author used both the qualitative analysis technique and quantitative analysis techniques in the study.

## Results and Discussion

### Background Information of MSE Operators in Nairobi

#### *Gender*

The study revealed that 60 of the respondents were males while the remaining 40 per cent were females. Unlike the observation by Downing (1990) that women entrepreneurs were less likely to be driven primarily by entrepreneurial goals and employed less profit-oriented business strategies women in the training programme tended to be very enterprising just as men were. However, many women entrepreneurs tended to fit their business activities around household and child-rearing responsibilities

making graduation to a larger business not to suit their business programmes. Their lesser number in the training programme is not because women are inherently less entrepreneurial than men rather; it was because of the gendered nature of income generating opportunities in Kenyan community. In most families men tend to undertake income generating activities as women are involved in domestic non income earning work.

#### *Age*

Most of the respondents were between the age group 20-25 with an average age of 23 years. It is generally argued that enterprises are most likely to succeed when their entrepreneurs are older, have built up networks; experience and capital. However, more than half the owners were younger than 25 years, and only 10 per cent were older than 45 years. Given the short establishment of sampled enterprises it is not surprising that more than half of the owners were less than 25 years.

#### *Marital Status*

Majority of the respondents was not married constituting 75 per cent of the respondents. This was not surprising given those respondents of age brackets 20-30 constituted the majority of the sampled population. This group of people is usually without a lot of family responsibilities and commitments are flexible and can afford to try new skills and ventures. However, older age is usually associated with responsibility, built up networks; experience and capital, which in this case were missing. This led to difficulties in making viable business ventures and the overall growth of these enterprises.

#### *Education Level*

The education levels of business owners in the sampled enterprises were high. Of all owners, 47.5 per cent had passed secondary school while 25 per cent had had college education. This was true with younger respondents, where the majority had postsecondary qualifications. Higher education can influence appropriate selection of skills one wants to pursue, demand for relevance of programmes to the venture one wants to apply the skill on as well as sector-specific knowledge of providers. Given the relatively high educational levels in the sample, it appears that many interventions are pitched too low for at least some of those they are intended to benefit.

#### *Work Experience*

The study revealed that the majority of the respondents (67.5 per cent) had work experience of less than 5 year. Entrepreneurs with work experience

of between 5-10 years were 27.5 per cent while those with more than 10 years in business were 10 per cent. This was mainly because the many of the entrepreneurs interviewed joined the training programme from secondary schools with no experience at all. It was noted that some entrepreneurs were yet to start their own businesses due to lack of capital while others had resulted formal employment by other enterprises that required the skills they had attained. Though many years in business suggest wide experience, exposure and ability to overcome performance challenges, this was lacking in this study. To determine whether or not the skills acquired during training led to business viability may require more time to assess.

#### ***Training attended before***

The study revealed that 45 per cent of the respondents had had previous technical training. In addition 7.5 per cent had acquired technical skills and

business management skills while 12.5 had had entrepreneurship training. This is presented in Table 1. However, there were a number of entrepreneurs who were very critical of the training they had received. Across all business types, courses were seen as too basic, too theoretical or too general. One thing that emerges from these criticisms is that the same course by the same instructor could be criticized by one participant but praised by another. These points out to possible problems of initial selection of learners and poor training need assessment.

Given the great diversity the enterprises, it seemed likely that a course could meet some needs but not others. Some respondents claimed that facilitators needed to be experts in their field and those instructors were not really experts in their field.

**Table 1: Training attended before**

<b>Training</b>	<b>Frequency</b>	<b>Per cent</b>	<b>Cumulative Per cent</b>
None	11	27.5	27.5
Technical training	18	45	72.5
Technical skills upgrading	3	7.5	80
Business management	3	7.5	87.5
Entrepreneurship training	5	12.5	100
<b>Total</b>	<b>40</b>	<b>100</b>	

*Source: Survey data*

**Table 2: Form of Business Organization**

<b>Nature of Business</b>	<b>Frequency</b>	<b>Per cent</b>	<b>Cumulative Per cent</b>
Sole Proprietor	36	90	90
Partnership	4	10	100
Limited company	0	0	100
<b>Total</b>	<b>40</b>	<b>100</b>	

*Source: Survey data*

**Table 3: Business Activity**

<b>Business activity</b>	<b>Frequency</b>	<b>Per cent</b>	<b>Cumulative Per cent</b>
Metalwork	16	40	40
Screen printing	9	22.5	62.5
soap	2	5	67.5
Disinfectants	10	25	92.5
Detergents	2	5	97.5
Weaving tie and dye	1	2.5	100
<b>Total</b>	<b>40</b>	<b>100</b>	



**Table 4: Preferred Measure of Enterprise Performance**

<b>Measure of performance</b>	<b>Frequency</b>	<b>Per cent</b>	<b>Cumulative Per cent</b>
Sales Volume	16	40	40
Income	5	12.5	52.5
Profit	19	47.5	100
<b>Total</b>	<b>40</b>	<b>100</b>	

*Source: Survey data*

### ***Form of Business Organization***

It emerged that 90 per cent of the businesses from which the respondents were selected were sole proprietor as summarized in Table 2. Partnership businesses were represented by 10 per cent of the respondents. Since the scale of production was generally low, the respondents preferred sole proprietor businesses, which they argued, were easy to manage especially with regards to decision making. Unlike sole proprietor businesses, which seemed largely informal, especially on accountability matters, partnership businesses were 'more formal in their operations and tended to keep accountability records, operate at higher capital base and at a higher production level.

### ***Business Activity***

Our sample illustrated some diversity in terms of businesses conducted. The enterprises encountered in the field ranged from metal work (40 per cent) screen printing (22.5 per cent) herbal soap (5 per cent) disinfectants (25 per cent) detergents (5 per cent) weaving tie and dye (2.5 per cent). The study revealed that metal work, which was dominated by men, represented a high number of respondents who even after entrepreneurship training could not put their skills into practice. This was attributed to a high level of capital required to venture in this sector.

According to some respondents, their enterprises came into existence through desperation as the entrepreneur's missed school opportunities or other higher costing training opportunities perceived to be more rewarding. However, many had a strongly entrepreneurial desire. They had a good level of formal schooling and often a further qualification. Moreover, several of the entrepreneurs identified particular career objectives, which they were pursuing. It emerged that in general all the sampled enterprises had employed 18 people before training but the number had increased to 64 since then. Though this may be due to other factors like the countries, economic growth and a favourable political will, the skills acquired in training undoubtedly play

important role in taking advantage of these situation for business growth.

### ***Preferred Measure of Enterprise Performance***

The most preferred measure of enterprise performance was profit accounting for 47.5 per cent of the respondents. This was followed by sales volume accounting for 40 per cent while income accounted for 12.5 per cent. Some respondents argued that all these measures of enterprise performance were used and were related in that increase in sales tended to increase profits made. In addition increase in profits from the business increased the total income earned by the entrepreneur. The tendency to reinvest the profits accrued from the business was high across business types, gender and age as this was seen as the only ways to increase the growth of the businesses.

### ***Conclusion and Recommendations***

The main objective of the study was to examine how entrepreneurial skills and education influences the development of micro and small enterprises in Kenya. Most of the respondents were males while the remaining 40 per cent were females. Many women entrepreneurs tended to fit their business activities around household and child-rearing responsibilities making graduation to a larger business outside the home not to suit their business programmes. Most of the respondents were between the age group 20-25 and the majorities were not married with generally less built up networks, experience and capital which in this case were missing. The education levels of business owners in the sampled enterprises were high with close to half of all business owners having passed secondary school while a few had had college education. The study revealed that the majority of the respondents had work experience of less than 5 year because many joined the training programme from secondary schools.

It also emerged that that a number of the respondents had had previous technical training with a number of entrepreneurs who were very critical of the training they had received terming the courses as too basic,

too theoretical or too general. The sample illustrated some diversity in terms of businesses conducted. The enterprises encountered in the field ranged from metal work, screen printing, herbal soap, disinfectants, detergents, weaving tie and dye. The most preferred measure of enterprise performance was profit. This was followed by sales volume and then.

The study has established that the MSEs studied were operating at low capital base and were rather new with few years since their establishment. Such businesses have many needs and supplementary measures may be put in place at both micro and micro-levels if the growth of these sector businesses is to be realized. Entrepreneurship training should be viewed as an instrument which causes other inputs to yield success. This suggests that interventions which address training as well as access to credit, technology, and markets are more likely to help increase productivity and growth of the MSEs in Kenya.

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