

**INFLUENCE OF BUSINESS ASSOCIATIONS SERVICES ON THE GROWTH OF
MICRO AND SMALL ENTERPRISES: A CASE OF STAREHE SUB COUNTY,
NAIROBI COUNTY, KENYA**

FELIX GONZA OGUTU

**A RESEARCH PROJECT REPORT SUBMITTED IN PARTIAL FULFILLMENT OF
THE REQUIREMENTS FOR AWARD OF THE DEGREE OF MASTER OF ARTS IN
PROJECT PLANNING AND MANAGEMENT OF THE UNIVERSITY OF NAIROBI**

2016

DECLARATION

This research project report is my original work and has not been submitted for an award of a degree in any University.

Signed.....

Date.....

FELIX GONZA OGUTU

L50/66356/2010

This research project report has been submitted for examination with my approval as the university supervisor.

Signed.....

Date.....

DR. ANNE ASEY

Senior lecturer, University of Nairobi

DEDICATION

This research project report is dedicated to the memory of my late grandmother Isabella Agutu who appreciated the need to educate the girl child. Due to her efforts my mother attended school and was able to facilitate my education and assisted many others to attend school.

ACKNOWLEDGEMENT

First and foremost I thank the University of Nairobi for giving me the opportunity to pursue my studies. Secondly I recognize the important contribution of the lecturers at the University of Nairobi, particularly Dr. Anne Aseey for her guidance, support and insights when I was writing this research project. Special thanks to Dr. John Mbugua and Mr. Joseph Awino resident Lecturers at University of Nairobi, Extra Mural Centers of Nairobi and Kisii respectively, who were very accessible for consultations during my period of studies. I also recognize the immense role played by my previous employer, the County Government of Isiolo, through the Chief Officer in charge of Tourism and Trade Mr. Hudson Kinyua who supported my studies by paying part of the tuition fees. Thank you very much. To My classmates led by Tony Magwaga and Juma Aguko who were very helpful as we tackled various term papers and assignments. Thank you very much for your support. Finally I take this opportunity to appreciate the crucial role played by my mother Simphorosa Omondi, for mentoring me during my early childhood education.

LIST OF ABBREVIATIONS AND ACRONYMS

CGAP	Consultative Group to Assist the Poor.
CGSs	Credit Guarantee Schemes
EFSA	Egyptian Financial Supervisory Authority.
KEPSA	Kenya Private Sector Alliance
KNCC&I	Kenya National, Chamber of Commerce and Industry.
MSEA	Micro and Small Enterprise Authority
MSEs	Micro and Small Enterprises
NITA	National Industrial Training Authority
NITA	National Industrial Training Authority.
OECD	Organization for Economic Development and Cooperation.
ROSCAS	Rotating savings and credit associations
SPSS	Statistical Package for Social Scientists.
TQM	Total Quality Management.

ABSTRACT

According to the Sessional paper No. 2 of 2005 on growth and development of micro and small enterprises in Kenya, only seventeen percent of small and medium firms grow out of micro firms. This is a real cause of concern to policy practitioners and development agencies. Enterprises are therefore advised to continuously improve their services in order to attract more customers and experience growth in sales and income. The purpose of this study was to investigate the influence of business association's services on growth of micro and small enterprises in Starehe Sub- County. The study was guided by these research objectives, to examine the role of entrepreneurship training in business associations on growth of micro and small enterprises in Starehe Sub- County, to determine how technology transfers services in business associations affect growth of micro and small enterprises in Starehe Sub- County. Other objectives were to explore how networking services in a business association affect growth of micro and small enterprises in Starehe Sub- County and to establish the impact of financial services offered by business associations on growth of micro and small enterprises in Starehe Sub- County. Descriptive survey design was used on the registered business associations by MSEA in Starehe Sub- County selected through purposive and random sampling techniques. Questionnaires were administered to selected members of each of the registered associations. Data was collected and analyzed with the aid of SPSS Version 20 computer program and Microsoft Excel 2007. Descriptive statistics and have been computed to show the relationship between variables. Finally the findings have been presented in the form of tables. The findings have revealed that training services by business associations had positive influence on the growth of micro and small enterprises. The study revealed that technology transfer services offered by business associations have very little influence on the growth of micro and small enterprises. Similarly the study established that networking services in business association had a positive influence on growth of micro and small enterprises. Finally the study found out that financial services offered by business associations have little influence on growth of micro and small enterprise in Starehe Sub-County. It is hoped that the findings will be used to improve business development programs for the micro and small enterprise sector. The study recommends that the government through the Micro and Small Enterprise Authority (MSEA) should partner with business associations to sponsor more training events for the micro and small enterprise sector. It is further recommended that for effective transfer of technology to the micro and small enterprises, MSEA should design more practical oriented training programmes for micro and small enterprises through collaboration with other agencies especially the National Industrial Training Authority. Another recommendation is that large enterprises should be offered tax incentives by the government to encourage them to sign subcontracting agreements with micro and small enterprises. Finally it is recommended that business associations should be encouraged to enter into lending agreements with other financial institutions to increase loans uptake by their members.

TABLE OF CONTENT

Declaration	Error! Bookmark not defined.
Dedication	Error! Bookmark not defined.
Acknowledgement	Error! Bookmark not defined.
List of Abbreviations and Acronyms	Error! Bookmark not defined.
Abstract	Error! Bookmark not defined.
Table of Content	Error! Bookmark not defined.
List of Figures	Error! Bookmark not defined.

CHAPTER ONE

INTRODUCTION

1.1 Background of the study	Error! Bookmark not defined.
1.2 Statement of the problem	Error! Bookmark not defined.
1.3 Purpose of the study	Error! Bookmark not defined.
1.4 Objectives of the study	Error! Bookmark not defined.
1.5 Research questions	Error! Bookmark not defined.
1.6 Significance of the study	Error! Bookmark not defined.
1.7 Basic Assumptions of the study	Error! Bookmark not defined.
1.8 Limitations of the study	Error! Bookmark not defined.
1.10 Definition of Significant Terms used in the study	Error! Bookmark not defined.
1.11 Organization of the study	Error! Bookmark not defined.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction	Error! Bookmark not defined.
2.2 Entrepreneurship Training in business associations and growth of Micro and Small Enterprises.	Error! Bookmark not defined.
2.3 Technology transfer services in business associations and growth of Micro and Small Enterprises.	Error! Bookmark not defined.
2.4 Networking services in business associations and growth of Micro and Small Enterprises	Error! Bookmark not defined.

2.5 Financial Services in business associations and growth of Micro and Small Enterprises.	Error! Bookmark not defined.
2.6 Knowledge Gap	Error! Bookmark not defined.
Table 2.1 Research Gap	Error! Bookmark not defined.
2.7 Theoretical Framework.....	Error! Bookmark not defined.
2.8 Conceptual Framework.....	Error! Bookmark not defined.
2.9 The Summary of literature review	Error! Bookmark not defined.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction.....	Error! Bookmark not defined.
3.2 Research Design.....	Error! Bookmark not defined.
3.3 Target Population.....	Error! Bookmark not defined.
3.4 Sample Size.....	Error! Bookmark not defined.
3.4.1 Sample Selection	Error! Bookmark not defined.
3.4.2 Sampling techniques	Error! Bookmark not defined.
3.5 Research instruments	Error! Bookmark not defined.
3.6 Pilot Testing.....	Error! Bookmark not defined.
3.6.1 Validity.....	Error! Bookmark not defined.
3.6.2 Reliability.....	Error! Bookmark not defined.
3.7 Data collection Procedure.....	Error! Bookmark not defined.
3.8 Data Analysis	Error! Bookmark not defined.
3.9 Ethical Consideration.....	Error! Bookmark not defined.
3.10 Operational definition of Variables.	Error! Bookmark not defined.

CHAPTER FOUR

DATA ANALYSIS, INTERPRETATION, PRESENTATION AND DISCUSSION

4.1 Introduction.....	Error! Bookmark not defined.
4.2 Response Return Rate	Error! Bookmark not defined.
4.3. General characteristics of respondents and business associations.	Error! Bookmark not defined.
4.3.1 Gender distribution of the respondents	Error! Bookmark not defined.
4.3.2 Age of the respondents	Error! Bookmark not defined.

- 4.3.3 Duration of existence of the business association.**Error! Bookmark not defined.**
- 4.3.4 Duration of membership in a business association:**Error! Bookmark not defined.**
- 4.3.5 Size of business association.**Error! Bookmark not defined.**
- 4.4 The influence of Entrepreneurship Training, on growth of micro and small enterprises.**Error! Bookmark not defined.**
 - Bookmark not defined.**
 - 4.4.1 Frequency of training events.**Error! Bookmark not defined.**
 - 4.4.2 Lead agency in initiating training of respondents**Error! Bookmark not defined.**
 - 4.4.3 Relevance of training to micro and small entrepreneurs...**Error! Bookmark not defined.**
 - 4.4.4 Sponsorship of training events**Error! Bookmark not defined.**
 - 4.4.5 Cost of training**Error! Bookmark not defined.**
- 4.5 Influence of Technology transfer services in business associations on growth of micro and small enterprises**Error! Bookmark not defined.**
 - 4.5.1 Cost reduction Techniques adopted by the respondents ...**Error! Bookmark not defined.**
 - 4.5.2 Dissemination of information on New Technology**Error! Bookmark not defined.**
 - 4.5.3 Apprenticeship as a means of technology transfer**Error! Bookmark not defined.**
- 4.6 Influence of Networking Services in business associations on growth of micro and small enterprises.....**Error! Bookmark not defined.**
 - 4.6.1 Networking with Government officials and agencies.**Error! Bookmark not defined.**
 - 4.6.2 Business to Business Networking**Error! Bookmark not defined.**
 - 4.6.3 Networking with research institutions.....**Error! Bookmark not defined.**
 - 4.6.4 Networking and access to new markets by micro and small enterprises**Error! Bookmark not defined.**
- 4.7. The influence of financial Services in business associations on growth of micro and small enterprises.....**Error! Bookmark not defined.**
 - 4.7.1 Amount of loan received by micro and small enterprises.**Error! Bookmark not defined.**
 - 4.7.2 Lead institutions which advance loans to micro and small enterprises..**Error! Bookmark not defined.**
 - 4.7.3 Type of collateral used by micro and small enterprises to secure loans **Error! Bookmark not defined.**
 - 4.7.4 Saving habits of micro and small entrepreneurs**Error! Bookmark not defined.**
 - 4.7.5 Risk management by micro and small enterprises**Error! Bookmark not defined.**

4.8. The influence of business association’s services on growth, of micro and small enterprises in Starehe Sub- County.....	Error! Bookmark not defined.
4.8.1 Sales levels and growth of micro and small enterprises....	Error! Bookmark not defined.
4.8.2 Employment levels as indicators for growth of micro and small enterprises	Error! Bookmark not defined.

CHAPTER FIVE

SUMMARY OF FINDINGS, CONCLUSIONS AND RECCOMENDATIONS

5.1 Introduction.....	Error! Bookmark not defined.
5.2 Summary of findings.....	Error! Bookmark not defined.
5.3 Discussions of the findings	Error! Bookmark not defined.
5.3.1 Influence of Entrepreneurship Training in business associations on growth of micro and small enterprises.....	Error! Bookmark not defined.
5.3.2 Influence of Technology transfer services in business associations on growth of micro and small enterprises	Error! Bookmark not defined.
5.3.3 Influence of networking services offered by the business associations, on growth of micro and small enterprises.....	Error! Bookmark not defined.
5.3.4 Influence of financial Services offered in business associations on growth of micro and small enterprises	Error! Bookmark not defined.
5.4 Conclusions.....	Error! Bookmark not defined.
5.5 Recommendations.....	Error! Bookmark not defined.
5.6 Contribution of study to knowledge	Error! Bookmark not defined.
5.7 Suggestions for Further Research	Error! Bookmark not defined.
REFFERENCES	Error! Bookmark not defined.

APPENDICES

APPENDIX 1: Letter of Transmittal	Error! Bookmark not defined.
APPENDIX II: Questionnaire For the Members of Business Association	Error! Bookmark not defined.
APPENDIX IV: Krejcie and Morgan’s Table for Determining Sample Size(s) for a given Population (N)	Error! Bookmark not defined.
APPENDIX V: Research Permit	Error! Bookmark not defined.

LIST OF TABLES

Table 3.1 Distribution of business associations in Starehe sub County.	30
Table 3.2 Operationalisation Definition of Variables.....	35
Table 4.1:Response Return Rate.....	38
Table 4.2:The Gender Distribution of Respondents.	39
Table 4.3:Age Distribution of the Respondents.....	39
Table 4.4:The Duration of Existence of the Business Association.....	40
Table: 4.5:The Duration of Membership in Business Associations.	41
Table 4.6: Number of Members in a Business Association.....	41
Table 4.7: Position of the Respondent in the Associations.....	42
Table 4.8:Type of Business Activity	42
Table 4.9:Frequency of Training Events Attended by Respondents.	43
Table 4.10:Lead agency in initiating training events.....	44
Table 4.11:Relevance of Training.....	44
Table 4.12:Sponsorship of Training Events.....	45
Table 4.13:Role of Business association in Negotiating Cost of Training	45
Table 4.14:Cost Reduction Techniques and quality Control Measures.....	46
Table 4.15:Frequency of Meetings on new technology.....	47
Table 4.16:Referrals for Apprenticeship.....	48
Table 4.17:Attendance of Networking Meetings.....	49
Table 4.18:Lead Agency in Networking.....	49
Table 4.19: Benefits of networking.	50
Table 4.20:Lead Agency in Subcontracting and Collaboration in Research	51
Table 4.21:Ability to Access New Markets.....	52
Table 4.22:Lead Agency in the Facilitation of Market Access	52
Table 4.23:Amount of Loan Received.....	53
Table 4.24:Lead Institutions Which Advance Loans.....	53
Table 4.25:Type of Collateral Used to Secure Loans	54
Table 4.26: Savings With the Business associations	55
Table 4.27:Savings With Other Institutions.....	55
Table 4.28:Uptake of Insurance policy	56
Table 4.29:Lead agency in acquisition of insurance policy.....	56
Table 4.30:Current Daily Sales Levels Attained by the enterprise.....	57
Table 4.31:Sales Levels at Start of Business	58
Table 4.32:Employees Engaged by the Micro and Small Enterprise	58
Table.5.1: Contribution of the study to the body of knowledge.....	67

LIST OF FIGURES

Figure 2.1 Conceptual Framework	26
---------------------------------------	----

CHAPTER ONE

INTRODUCTION

1.1 Background of the study

In Kenya and Africa as a whole only few enterprises grow from micro to small and medium enterprises. Many business startups fail due to lack of adequate capital (Sivak et al., 2013) .This is a real cause of concern to policy practitioners and development agencies. According to the Sessional Paper No.2 of 2005 on growth and development of micro and small enterprises only seventeen percent of small and medium firms grow out of micro firms. Authors such as ,Kiernan(1995) recognize that enterprises must innovate and innovate continuously to have any hope of survival .He observes that while innovations in technology, production, marketing and finance all remain essential, it is innovation in management and strategy that is in short supply. In order to survive in the fiercely competitive world some enterprises have come up with built in policies to encourage innovations. For instance at 3M, in the United States Of America(USA), the policy is that thirty percent of annual revenues must come from products less than four years old. To ensure this is implemented executive compensation is tied to the achievement of these targets. Similarly in Japan Sony and Mitsubishi use the technique of systematic abandonment to encourage innovation .Whenever they introduce a new product they simultaneously set a sunset date at which they will deliberately abandon that same product. Toyota the leading global car building company has maintained its lead due its lean production system which incorporates different production methods. A key strength of Toyota is that its methods depend on each workers competence and the utilization of creativity and knowledge creation within the company, (Axelson, 2005).

In the retail sector multi nationals have not been left out when it comes to innovations. Wall Marts, which is one of the most successful retail outlets attained market dominance by redefining retailing as the moving of merchandise rather than its sale. This led to dramatic cost reductions due to the integration of its processes, (Drucker, 1995). He argues that the modern retail store has redefined service to mean providing accurate information to enable the customer spends less time at the store. The tremendous success of the retail stores has been made possible through the use of technology such as the enterprise resource planning systems. Kenya's micro and small enterprises are still averse to the use of modern technology. A study by the World Bank in Kenya (1992) revealed that about forty percent of all trainees in the MSE sector acquire their skills through the apprenticeship system. It was further reported that most MSE operators have acquired their own skills within the sector. Research conducted in Nigeria by the world bank's economic development institute (1995) revealed that women who attend hands on training courses adopted innovative practices in their business. For instance they adopted product diversification and joint marketing practices among them leading to more profits for their enterprises.

Associations among micro and small enterprises are supposed to help them by reducing costs, amplifying benefits and putting the enterprises in a position where they can effectively engage with big business and government (Bigg and Satterthwaite, 2005). Kobia (2011) argues that business associations being associations of people should operate on business principles, but with a human face. Thus if associations are managed based on the principles of self-Help the benefits will trickle to all members. Kobia (2011) argues that business associations especially in the cooperative sector face numerous challenges in adhering to good corporate governance practices due to weakness in the selection or election of management committees. This leads to

ineffective management committees who are compromised and cannot make independent judgment on issues to do with strategy and prudent use of resources. Muthoni et al (2013) in a study conducted in Kenya, recommend that MSEs operators should join business associations which are better placed to invest in research and development .Furthermore such associations are well poised to collaborate with relevant research institutions and offer the entrepreneurs a forum for technological learning. Similar views are held by McCormick, (1996) who argues that organizational networks are helpful to enterprises as is it centered on exchange or communication transaction. She asserts that micro enterprises have not reaped the advantages of organizational and entrepreneurial networks as many micro entrepreneurs tend to avoid business associations for various reasons, such as lack of time to attend meetings. Another reason for the apparent reluctance of micro entrepreneurs to join the associations is that benefits are indirect or delayed, McCormick, (1996). In Egypt, the EFSA, (2010) report notes that business associations can be useful forums for members to negotiate favorable lending terms and conditions. They also encourage lenders to give full disclosure to their clients. This in turn has reduced credit risks such as over loaning to clients, EFSA, (2010).Similarly in Zimbabwe studies show that the Rotating savings and credit associations (ROSCAS) have significantly assisted poor women to improve their earnings, Chuma et al (2013). Well-functioning business associations can therefore be used to encourage innovation in the micro enterprise sector based on diffusion of innovation theory and the actor network theory.

1.2 Statement of the problem

The Kenya Government development plans and policy documents such as Sessional Paper No.2 of 2005, and the Micro and Small enterprises Act of 2012, have noted the importance of micro and small enterprises in the economy as drivers of growth and employment. Policy makers have often assumed that micro enterprises will act as the launching pad for small and medium sized enterprises. Despite the various initiatives to encourage the growth and graduation of micro enterprise little progress has been achieved. The Kenya national MSE baseline survey (1999) revealed that three out of five micro enterprises fail within the first year. There continues to be a missing link between medium enterprises and micro and small enterprises. This state of affairs could be attributed to lack of effectiveness of business association's services in facilitating growth of micro and small enterprises among other variables. This study therefore set to find out the influence of business associations services on the growth of the micro and Small enterprises.

1.3 Purpose of the study

The purpose of this study was to investigate the influence of business association's services on growth of micro and small enterprises in Starehe Sub- County, Nairobi, Kenya.

1.4 Objectives of the study

The study was guided by the following objectives;

1. To examine the role of entrepreneurship training in business associations on growth of micro and small enterprises in Starehe Sub- County, Nairobi
2. To determine how technology transfers services in business associations affect growth of micro and small enterprises in Starehe Sub- County, Nairobi.

3. To explore how networking services in a business association affect growth of micro and small enterprises in Starehe Sub- County, Nairobi.
4. To establish the impact of financial services offered by business associations on growth among micro and small enterprises in Starehe Sub- County, Nairobi.

1.5 Research questions

The study seeks to answer the following research questions

1. To what extent does entrepreneurship training in a business association influence growth of micro and small enterprises in Starehe Sub- County, Nairobi?
2. How does technology transfer services in business associations influence growth of micro and small enterprises in Starehe Sub- County, Nairobi?
3. How does networking services in business associations influence growth of micro and small enterprises in Starehe Sub-County, Nairobi?
4. To what extent do the financial services in business associations influence growth of micro and small enterprises in Starehe Sub- County, Nairobi?

1.6 Significance of the study

The study may be significant to the Micro and Small Enterprise Authority as well as the Kenya National Chamber of Commerce and Industry together with the Kenya Private Sector Alliance, who are involved in the development and management of Micro and Small enterprises. Information generated by the study may be used for policy advocacy and review both at the County and National Government in the design of business development programmes for micro enterprises.

1.7 Basic Assumptions of the study

The study assumed that the selected respondents would agree to participate in the survey .Another assumption was that respondents would be truthful when making responses.

1.8 Limitations of the study

One limitation of the study was that it was based on the list of registered members provided by MSEA. Due to the dynamic nature of the sector, membership in the associations keeps on changing as the operators relocate frequently. The study therefore involved officials of association to identify currently active members in each business associations who were then traced and interviewed for the study.

1.9 Delimitation of the study

The study was delimited to Starehe sub County in Nairobi which is one of the densely populated Counties in Kenya with a high rate of population growth, Kenya Population and Heath Survey (2009). Further according to the National Micro and Small Enterprise Baseline Survey (1999), the largest percentage of all closed micro and small enterprises were found in urban areas. Starehe Sub County was suitable for the study as it is leading in the number of registered associations with some of the highest levels of membership, MSEA, (2015).It therefore provided a good opportunity to analyze the influence of business associations on growth of micro and small enterprises.

1.10 Definition of Significant Terms used in the study

The following significant terms were used in the study.

Business association refers to a group of not less than twenty micro and small entrepreneurs registered under the Micro and Small Enterprise Act for the purpose of accessing common services and mobilizing resources.

Business association services refer to any service to members and include financial services such as operating a savings scheme.

Business growth refers increase in the level of sales, profits, income or employment realized by a micro or small enterprise.

Enterprise refers an undertaking or a business concern whether formal or informal engaged in either the production of goods or provision of service.

Entrepreneurship training means business management training.

Financial services refers credit, savings and insurance services

Innovation: is the introduction of a new product or techniques of doing business and includes new techniques in management and strategy.

Micro Enterprise refers to enterprise that employs between one to ten people

Networking services refers means business linkages services

Small enterprise refers to an enterprise that employs between ten to fifty people

Technology refers to a body of techniques, methods, process and designs.

Technology transfer refers to dissemination of information, and creative adaptation of items for new uses.

1.11 Organization of the study

The study was organized into chapters. The chapters are introduction, literature review and methodology. Chapter One covers the study's background, purpose, objectives, research questions and statement of the problem. The chapter on literature review critically evaluated the past and current studies and literary works on the variables or themes of the study, pointing out any similarities, differences or areas of complement with the study. The chapter on methodology outlines the research and statistical methods used in the study. In chapter four the findings of the study are presented. It presents the findings in subheadings such as: General characteristics of the respondents, the role of entrepreneurship training on growth of micro and small enterprises in Starehe Sub-County and the influence of technology transfer services in business associations on growth of micro and small enterprises in Starehe Sub-County. Other subheadings include; the influence of networking services in business associations on growth of micro and small enterprises in Starehe Sub-County and impact of financial services in business associations on growth of micro and small enterprises in Starehe Sub-County. Chapter five provides summary of the findings of the study. It also presents the discussions, conclusions and recommendations of the study. In addition, the chapter deals with contribution of the study to the body of knowledge and suggestions for further studies.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

The literature review focused on previous work in relation to enterprise growth and business association's services. The review discusses the influence of business association services on growth of micro and small enterprises. In the literature review, the following thematic areas are discussed. The first one is the effects of entrepreneurship training services on growth of micro and small enterprises. The second part of the review discusses the influence of technology transfer services in business associations on growth of micro and small enterprises. In the third part, the influence of networking services in a business association on growth of micro and small enterprises is discussed. Finally the impact of financial services offered by business associations on growth of micro and small enterprises is discussed.

2.2 Entrepreneurship Training in business associations and growth of Micro and Small Enterprises.

Stevenson (1983) defines entrepreneurship as the pursuit of opportunity beyond resources currently controlled. The Merriam-Webster dictionary defines training as a process by which someone is taught the skills that are needed for an art, profession or job. Authors such as Sanchez (2013) recognize that cognitive psychology is very useful in the study of entrepreneurial behavior. The three main cognitive aspects that influence entrepreneurship are self-efficacy, schema and cognitive styles. Self efficacy refers to the self belief in one's ability to perform a certain task, Sanchez, (2013). Two broad categories of cognitive style are utilized by

entrepreneurs. These include the knowing style which relates to the use of conceptual as well as analytical skills and relies on facts and data when making business decisions. The other one is the creative style in which case the entrepreneur uses holistic thinking to recognize business opportunities. Whereas Schema is defined as the cognitive structure of beliefs and standards that provides the individual with a reference point from which action and decisions are based. Sanchez (2013) .According to Sanchez, individuals with high levels of cognitive schema have higher levels of entrepreneurial intention regardless of the level of education. He argues that expert entrepreneurs have a superior schema that allows them to perform better in the business environment than novice entrepreneurs. Mitchell et al., (2000) in Sanchez (2013) argues that the collective schema of a team of entrepreneurs is significantly greater than the collection of individual schema. Thus key strategic business decisions should be subjected to the collective cognition of the entrepreneurial team. Business associations are therefore expected to offer strategic business advice to their members'. However Gibb (1994) notes that a formal program of education can influence attitudes, personal goals, creativity, risk-taking and how they perceive and control events affecting them. It is through this link that education influences entrepreneurship. He therefore advocates for the establishment of an enterprise culture in the education process. Bandura (1986) concurs with this view. He argues that through the transfer of knowledge and skills education increases an individual's self efficacy and effectiveness which are essential for entrepreneurship. Whereas Vecchio (2003) argues that some businesses do not grow since the entrepreneur has low levels of self-efficacy. In addition, people with a higher level of self-efficacy feel more competent to deal with business challenges.

Studies by Olivveria et al (2005) also revealed that entrepreneurs that have a favorable social support from family and friends have higher levels of self-efficacy than those who had

unfavorable social support .Business associations are therefore expected to increase the levels of self-efficacy of the members by giving favorable social support especially in the urban settings where family ties are weak.

Williamson et al., (2013) found out that practical entrepreneurship education activities in school stimulate learners to start their business or make positive contribution to existing business. In this manner it increases the student's chances of being employed. Singh (1990) suggests that education systems in developing countries in many instances inhibit entrepreneurship. He recommends that the education system should be aligned to impart entrepreneurship values to the youth. Gasse (1985) agrees that entrepreneurship education in secondary schools is vital since the students can be nurtured to be entrepreneurs at the development stage.

Hood and Young (1993) suggest that the key subject areas in entrepreneurship education should comprise marketing, leadership skills and creativity. Gupta (1992) has a different view and argues that formal education has minimal impact in shaping entrepreneurship attitudes .According to him cultural conditioning and family conditioning has more impact on entrepreneurship in India, perhaps due to the caste system predominant in that country.

Investing in people through education, health, nutrition and other aspects of human development is crucial in the struggle to raise living standards and reduce poverty in the developing world, World Bank (1995). Research conducted in Nigeria by the world bank's economic development institute (1995) revealed that women who attend hands on training courses adopted innovative practices in their business.

For instance they adopted product diversification and joint marketing practices. This enabled them to earn more profits for their enterprises. The programme was executed by using the training of trainer's technique. The trainers were trained on learner centered approach in adult

education. The project was a resounding success as the relevant skills were imparted on the beneficiaries. Bechard and Toulouse (1991) suggest that the androgogical approach, should be used when imparting entrepreneurship skills to learners. In Kenya a study was done by the World Bank in 1992, and revealed that about forty percent of all trainees in the MSE sector acquire their skills through the apprenticeship system. It was further reported that most MSE operators have acquired their own skills within the sector.

Storey (2002) in a report for the Organization for economic Cooperation and Development (OECD), argues that lack of management training is a major cause of small firm failure. He also observed that MSEs are less likely to obtain management training than larger firms due to financial constraints, information gaps and other factors. The literature indicates that there is a positive correlation between the degree of management training and the bottom-line performance of an MSE. Smaller firms were also found to be less likely than larger enterprises to provide external training to all grades of workers, including managers. In addition to financial constraints, information gaps make smaller firms less aware of the benefits they would obtain from management training and few see training as a strategic tool. Due to higher turnover in managerial staff, small firms may not realize the same benefits from training investments as larger firms. It was also realized that training providers are forced to group many MSEs together to realize economies of scale in training. Such generic training is of little value to a small firm. Business associations are therefore well poised to coordinate trainings for the MSEs by exploiting the economies of scale in training and helping in identifying specific training needs of their members. According to officials in the United Kingdom, the balance of evidence indicates that formal training and development cuts failure rates by half – all other things being equal, (SFEDI, 1999) and failure rates could fall from one in three in the first three years to one in ten

where training was undertaken, Storey (1994). As is indicated in data on firm survival rates in most OECD countries, it is the smallest firms which are the least likely to last more than five years. This shows that failure rates are twice as high for the smallest size of firm as for the largest of small firms.

2.3 Technology transfer services in business associations and growth of Micro and Small Enterprises.

In developing countries, micro and small enterprises play a crucial role in technological innovation. They help to adapt and adopt existing technological applications from other environments to provide local solutions; thereby contributing to economic growth, Edum-fotwe and Sohal, (2002). The transfer of technology is a gradual process through diffusion of innovation. In most cases the diffusion is characterized by personal contacts where the innovations are transferred through friendship or close collaborative networks, Edum-fotwe and Sohal, (2002).

Technology as a concept is concerned with the use of information and knowledge as inputs which are transformed into the final outputs. The successful Asian economies such as Japan, Singapore and Korea are countries in which economic and scientific information are widely and easily available, Feather(1998). In these countries the critical factor has been the use of information technology in the redesign of existing products and in the creation of new systems for the manufacturing and distribution of Goods. Information systems also support the vital service sectors such as banking, insurance, transport and the Media. Thus the choice of appropriate technology is a key factor for competitive edge in the new business environment,

Sharma, (2011), Internet and web technologies have given rise to virtual corporations, automation, mechanization, and computer based design and manufacturing system. Nepal et al. (2003) defines technology transfer as dissemination of information, matching technology with needs and creative adaptation of items for new uses. Alxelsson (2005) argues that a competitive production technique that leads to profitability must focus on cost reduction, quality improvement and flexibility in production. For instance In China's Yunnan Province, business associations assist members in coming up with new packaging designs. Thus the Coffee Chamber in Baoshan helps members to attune the product to market demand and apply new technology in value addition. Bigg & Satterthwaite, (2005).Muthoni et al. (2013) argue that education and training is the key determinant of transfer of technology. Accordingly they contend that technological information, finances, technological infrastructure and governments support do not significantly influence transfer of technology among MSEs in Kenya.

However they note that Kenya's MSEs have inadequate institutional capacities to support adaptation of modern technological skills. They recommend that, MSEs Operators should join business associations which are better placed to invest in research and development .Furthermore such associations are well poised to collaborate with relevant research institutions and offer the entrepreneurs a forum for technological learning. Axelson (2005) based on a study conducted in Sweden, argues that, MSEs operators get confused by the many research actors who sometimes do not grasp the real issues affecting MSEs. The Government of the republic of Kenya through the Micro and Small Enterprise Authority has committed itself to the development of micro enterprises. One of the Key functions of the authority is to encourage innovation and transfer of technology to increase competitiveness of micro and small enterprises. MSEA, Act (2012). Whereas Kobia, (2011) argues that business associations being associations of people should

operate on business principles, but with a human face. Thus if associations are managed based on the principles of self-Help the benefits will trickle to all members. The Centre for Corporate Governance in Kenya defines corporate governance as the manner in which power is exercised in the management of economic and social resources for sustainable human resources development''. The centre observes that governance involves both formal and informal processes, system, practices, procedures and rules that govern institutions. It recommends that the power of a corporation should be exercised in the stewardship of its assets and resources with the objective of increasing shareholder value. It should also ensure the satisfaction of relevant stakeholders as per its corporate mission. Good corporate governance promotes efficient, effective and sustainable organizations. It also ensures that organizations are managed with integrity, probity, transparency, equity, efficiency and effectiveness. However in most organizations completion among members and officials sits, alongside cooperation, Buchanan and Badham, (2008).Where as Bigg & Satterthwaite, (2005) contend that resilient associations are those with a clear Agenda, dynamic leadership, equitable distribution of costs and benefits and rigorous operating principles. Western, (2008) argues that power elites in an organization may limit and oppress others instead of promoting new thinking and learning in the organization. Dynamic and emancipator leadership, should create conditions where individuals' are allowed to maximize their ability to self-create, be autonomous and be creative as to pursues the greater good for all, Western,(2008).Where leaders are not aware of their own conscious and unconscious roles then tensions will arise in the organization. The Guyanese Kamuni women Handicraft and saving Development Association is an example of success due to strong leadership, Bigg & Satterthwaite, (2005).

Fisher & Tees, (2005) argue that leaders at the community level should be guided by the principles of good governance. These principles include openness, transparency and respect for the rule of law. Others are sustainability, equity, inclusiveness, efficiency and effectiveness. Good governance principles also require that leaders are accountable for their deeds and encourage active participation of stakeholders. Therefore business associations would serve their members more effectively if they are managed based on good corporate governance practices. In Kenya business associations have been characterized by constant wrangles and power struggles among the leadership. The Kenya national chamber of commerce and industry was at one time paralyzed by such power struggles which diminished its role in trade settlement mechanisms, Ochieng & Majanja, (2007).Whereas Kobia (2011) argues that MSEs especially in the cooperative sector face challenges in adhering to good corporate governance practices due to weakness in the selection or election of management committees. This leads to ineffective management committees who are compromised and cannot make independent judgment on issues to do with strategy and prudent use of resources. Similarly a study by VAS Consultants limited in the year 2008 commissioned by the Ministry of Cooperative Development and marketing, identified inadequate interpretation and understanding of the society by laws as a major constraint affecting governance in cooperative societies. Other constraints identified by the study include insufficient clarity of roles of stakeholders and low education of stakeholders. Inadequate human resource capacity, policies and procedures was also listed as a constraint. It was also found out that leadership was manipulating members by failing to hold elections on time. This situation is made worse when members skip crucial meetings and officials withhold information from members. To improve on accountability, business associations registered under the MSE Act 2012, are required by law to set out rules and by laws to guide officials and

members in the management of the associations, MSE act (2012). Another possible reason for the paralysis in business associations in Kenya is failure by the leaders to manage group dynamics in the associations. According to D`Souza, (2010) effective leaders recognize group dynamics and devise strategies for managing it. This can be done by creating conditions that channel emotional energies in the group into productive effort. D`Souza identifies three underlying causes of problems in Groups. These are the identity problem, the goals and needs problem as well as power control and influence in the group. Good corporate governance practices in a business association can help in minimizing group problems by providing clear guidelines for the group leaders. Kobia, (2011) also suggests that business leaders should be those that people know and admire for business to flourish. He notes that the leadership style that an organization adopts should be that which leads to maximum achievement of the organization. However the leadership style adopted should take into account the interest of all Stakeholders. In this respect it can either be autocratic, democratic, or free reign. D`Souza, (2010).

2.4 Networking services in business associations and growth of Micro and Small Enterprises

The actor network theory is useful when looking at entrepreneurial opportunities and business networks strategies, Korsgaard, (2011). By utilizing the actor network theory entrepreneurs are able to integrate e-commerce, marketing and training to achieve success within the business network, Harris ,(2015). Enterprises participate in at least two types of networks, organizational networks and entrepreneurial networks, McCormick, (1996). In organizational networks the organization is the central actor. Entrepreneurial networks on the other hand depend on the individual business owner and may include a wide range of social and professional contacts.

Networks can be used by organizations to enhance knowledge acquisition through benchmarking and bench learning, Axelson, (2005). Networks may also influence labour markets, financial capital, human capital and distribution channels, Hardy et al., (2011). According to McCormick, (1996) organizational networks are helpful to enterprises as is it centered on exchange or communication transaction. She asserts that micro enterprises have not reaped the advantages of organizational and entrepreneurial networks as many micro entrepreneurs tend to avoid business associations. One of the reasons advanced for this phenomenon is the fact that the micro entrepreneur is faced by pressure of time and may feel unable to assume the additional demands that membership in a business association would place on their time. Another reason for the apparent reluctance of micro entrepreneurs to join the associations is that benefits are indirect or delayed, McCormick, (1996).

Main actors in the micro enterprise networks include government, non-governmental organizations, donor agencies, financial institutions, large enterprises as well as research and training institution. Government policy can be supportive or harmful to enterprises. It has been observed that when governments pursue open policies, there is a better chance for diffusion of knowledge in the economy, Hoekman and Kostecki, (2009). They argue that the research and development that is embodied in imported capital goods offer a mechanism through which productivity in an economy can be increased. Business associations need to lobby to ensure favorable macro-economic policies. In addition they also ensure political and social policies that enhance stability and encourage the establishment of business. In Uganda, The Nyangole B community forest management association used its collective bargaining power to access sixteen hectares of forest land from the National forest Authority .In this instance the supportive policy

environment enabled the association to flourish, Bigg & Satterthwaite, (2005). In cases where the policy environment is disabling and favors large scale enterprises the micro enterprises invent ways to avoid the law. Faced with lean staff levels, micro enterprises find it difficult to do the paper work relating to insurance, municipal levies and tax returns. Studies conducted in India shows that government protection of micro enterprises can encourage inefficient production as the enterprises do not receive scarcity signals that demand investment in improved technology, Bigg & Satterthwaite, (2005).

Large enterprises relate to small and micro enterprises as competitors, suppliers, trainers of labour and occasionally as customers', McCormick & Pedersen, (1996). Whereas Hoekman & Kostecki, (2009) in their analysis of international trade note that a significant portion of global trade is between parent firms and their network of affiliates. Through business association's micro enterprises can be able to negotiate sub-contracting agreements which can improve their access to markets. In sub-contracting the large firms are mainly concerned with cost, quality and efficiency issues. Porter, (1988) argues that the ability of an organization to perform particular activities and to manage the linkages between these activities is a source of competitive advantage. Galabova, (2014) argues that knowledge sharing, skill development and relationship networks are important for the development of micro enterprises.

2.5 Financial Services in business associations and growth of Micro and Small Enterprises.

The Consultive Group to Assist the Poorest (CGAP) defines micro finance as all financial services offered to low income and poor segments of the population, including loans, savings, remittance and insurance. This view is shared by Sibghatullar, (2013) who describes micro

finance as small savings, credit and insurance services extended to socially and economically disadvantaged segments of society. Despite the proliferation of several Micro finance institutions, studies indicate that they have been able to penetrate only a small percentage of the total market for micro finance services (CGAP). Many potential entrepreneurs avoid business start ups and fail to sustain business due to lack of capital, Sivak, et al, (2013).

Lack of information on available source of credit and other financial services is one of the major challenges facing micro and small enterprises in Kenya, Rotich et al., (2015).

Business associations are involved in the provision of micro finance either as providers or promoters, Sriram and Updhyayula, (2002). Several non-governmental organizations are involved in micro enterprise finance schemes directly and indirectly. Commercial banks and other financial institutions are usually reluctant to extend uncollateralized credit to MSEs even at high interest rates in part due to the high cost of obtaining adequate information on the credit risk of a micro enterprise, Aurora et al, (2014). In Egypt Banks have devised a model where they provide micro finance through cooperation with micro finance service providers, EFSA (2010). Similarly the Alexandria Businessmen Association in Egypt has collaborated with several insurance companies to offer micro insurance to entrepreneurs, EFSA (2010). However Sibghatullar (2013) observes that current efforts in micro insurance are mainly focused on direct risks associated with loan repayments and should be expanded to include medical, life and fire insurance. Business associations in the micro enterprise sector can act as credit reference points for their members and help in reducing the overall credit cost. EFSA, (2010) in their report, note that business associations can be useful forums for members to negotiate favorable lending terms and conditions. They can also encourage lenders to give full disclosure to their clients. This in turn will reduce credit risks such as over loaning to clients, EFSA, (2010). Associations among

micro and small enterprises are supposed to help them by reducing costs, amplifying benefits and putting the enterprises in a position where they can effectively engage with big business and government, Bigg & Satterthwaite, (2005). When poor households are facilitated to join the market place, they are able to exploit economic opportunities thereby increasing livelihood security, Maheswaranathan & Kennedy, (2010). One of the ways in which business associations assist their membership is by running micro credit programs. Such programs are often designed to offer loans to members to engage in self employment at low interest rates, Maheswaranathan & Kennedy (2010). The South Indian Federation of Fishermen's Societies (SIFFS) is an example of a business association which transformed itself from a promoter to a provider of micro finance with tremendous benefits to its members. By working closely with local banks, it was able to provide a vital linkage to the members. Initially they acted as guarantors of loans given by the banks to their members. Later they were able to establish their own revolving fund and progressed to offer bulk loans to their members, Sriram & Updhyayula, (2002) In Kenya, Kimuyu & Omiti (2000) observe that due to lack of collateral to secure loans, MSEs are in many instances excluded from the credit market. This position is supported by the financial access survey, FinAccess survey, (2013). The survey found out that a quarter of the adult population in Kenya is still excluded from financial services. In Zimbabwe studies show that the Rotating savings and credit associations (ROSCAS) significantly assisted poor women to improve their earnings, Chuma et al (2013). The ROSCAS are popular due to the fact that they impose few transaction costs on members and they build mutual trust among the members. Field studies from Vietnam however reveal that the practice of group collateral (joint liability) can pose serious challenges to lenders when individuals engage in free riding, Kono, (2007). When this occurs the default rate increases as compared to when the individual provides collateral. According to Kono

(2007), members in group set up should be allowed free hand in selecting members in order to screen out strategic defaulters since they have more information about the character of the members. Other means of improving on joint liability (group lending) are cross reporting and social sanctions on defaulters, Kono (2007). Other authors such as Zohra & Shyam, (2011) suggest that borrowers from a micro finance institution should belong to only one joint liability group to prevent multiple lending. The government of the republic of Kenya initiated the MSEA act 2012 to ensure, that MSE access funding at favorable terms among other benefits. To realize this objective; the micro and small enterprise fund has been created. Any association registered under the act may, on application to the authority access funds by way of loan, factoring, guarantee and micro-insurance from the fund for the benefit of its members, MSEA act, (2012). In The European Union, Credit guarantee Schemes (CGSs) have been used to convince banks to absorb more risks from small enterprises, Aurora et al, (2014). The schemes provide guarantee on loans to borrowers by covering a share of the default risk of the loan. In case of default by the borrower, the lender recovers the value of the guarantee. Guarantees are usually provided against a fee, covered by the borrower, the lender or both. CGSs are therefore very similar to credit insurance. CGSs can be public or private. In many cases private CGSs are based on industry associations where members jointly provide guarantees on loans taken by individual members, Aurora et al, (2014).

2.6 Knowledge Gap

The following table shows the knowledge gap created in this study.

Table 2.1 Research Gap

Authors(s)	Method	Main findings	Knowledge gap
Harris. K (2015)	Qualitative exploratory case study using focus group discussions.	Business networks enabled enterprises to access financial and non financial recourses	The case study was done in a transition economy thus limiting its generalization. This study will use descriptive survey methods to enable generalization to other parts of the world.
Rotich et al(2013)	Exploratory research design	Access to saving schemes and training has a significant effect on performance of Micro and small enterprises	The study did not examine the role of business associations in the saving schemes.
Muthoni et al(2013)	Descriptive survey design with regression model used for analysis	The level of education and training is the main determinant of transfer of technology to micro enterprises.	The study did not capture the role of business associations in training and dissemination of information to Micro and small enterprises.
Chuma et al, (2013)	Qualitative design using focus group discussions	Saving schemes and social networks enable micro enterprises to thrive	The study was limited to female headed households only. While this study covers both men and women.
Maheswaranathan & Kennedy.(2010)	Qualitative design with in depth interviews	Micro credit programs assist women to alleviate economic hardships.	The study was Limited to women beneficiaries of micro credit programme while this study focuses on both men and women

2.7 Theoretical Framework

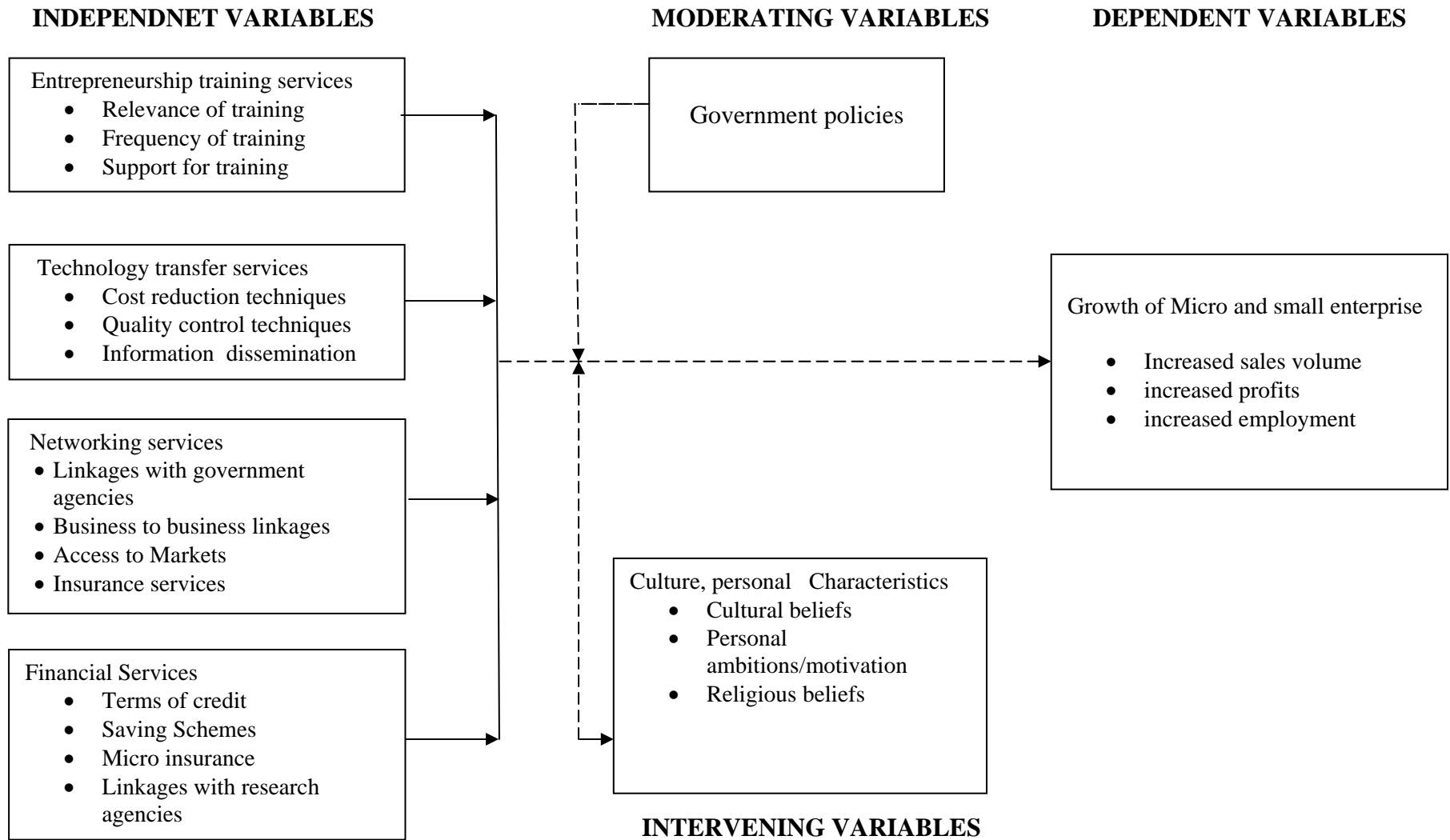
A Theory is an attempt to explain a segment of experience in the world. The particular thing that a theory explains is referred to as the phenomena of interest, Hatch, (1997). In this study the phenomena of interest is diffusion of innovation. Thus the theory of diffusion of innovations as propounded by Everett M. Rogers in the year 1962 is relevant to this study. According to the theory the adoption of an innovation is a process and some people adopt faster than others depending on their personal characteristics. In the theory five categories of adopters have been identified. These are innovators, early adopters, early majority, late majority and laggards. According to Rogers, the major factors that influence the spread of an innovation are; the innovation itself, communication channels, time and the social system. A notable advantage of the theory is that it utilizes a mathematical model the, Sigmoid Curve to estimate with precision the number of adopters falling on each of the five categories. This makes it ideal for targeting a particular segment of a population when launching a new product, idea or innovation. However, a major drawback of the theory is that it does not take into account an individual's resources or social support to adopt the new innovation. This study intends to augment the theory by looking at business associations as part of the social system to support the entrepreneur and contribute to the growth of micro and small enterprises. The Actor network theory is another theory that is relevant in this study. The theory evolved from the work of Michael Callon (1991) and Bruno Latour (1992), Actor network theory is an approach to social theory and research which considers both human and non human actors as part of social networks, Callon (1986). In this study the two theories are complementary.

2.8 Conceptual Framework

Conceptualization is the process of carefully thinking through the meaning of a construct, Neuman, (2004). According to Ngechu (2004) a conceptual framework is a diagrammatic explanation of the research problem. Figure 2.1 shows the conceptual framework for the influence of membership in business associations on micro and small enterprises.

Figure 2.1 Conceptual Framework

Influence of business associations services on growth of micro and small enterprises.



2.9 The Summary of literature review

So as to investigate the influence business association's services on growth of micro and small enterprises this chapter reviewed literature related to the role of entrepreneurship training on enterprises. The chapter also reviewed literature related to the effects of technology transfer services in a business association on performance of micro and small enterprises. Further the review covered areas in relation to the effects of networking services of a business association on performance of micro and small enterprises. Finally literature was reviewed relating to role of financial services offered to members of a business association on growth of micro and small enterprises .From the review, it emerged that training has a significant influence in the formation and development of entrepreneurial attitudes. This occurs when education influences the cognitive skills of an entrepreneur, Sanchez, (2013). Many research findings support this view .However further research is required before making generalizations. Most authors agree with the view that education has a significant influence on entrepreneurship. However a few others support the view that cultural conditioning is more important especially where cultural practices are deeply entrenched in the society,Gupta, (1992), the literature also revealed that individuals with high levels of cognitive schema have higher levels of entrepreneurial intention regardless of the level of education, Sanchez, (2013). The review also revealed that the androgical approach should be used when imparting entrepreneurship skills to micro and small business operators. Thus members of a business association are more likely to gain from entrepreneurship training when the emphasis is on practical skills, Bechard and Toulouse (1991). From the literature, external support to business associations is vital in the implementation of development interventions to micro enterprises. Such support should be for long term and tailored to the needs of members of the associations, Bigg & Satterthwaite (2005). The literature further reveals that

Kenya's MSEs have inadequate institutional capacities to support adaptation of modern technological skills. MSEs Operators miss out on new technology due to ignorance about the right technology for their enterprises, Muthoni, et al, (2013). MSEs Operators are therefore advised to join associations, which are better placed to invest in research and development. Such associations are well poised to collaborate with relevant research institutions and offer the entrepreneurs a forum for technological learning information dissemination. From the literature it has been observed that poor corporate governance practices hinder the ability of associations to transfer relevant skills and technology to their membership, Kobia, (2010). The literature shows that micro enterprises have not reaped the advantages of organizational and entrepreneurial networks as many micro entrepreneurs tend to avoid business associations due to pressure of time. Benefits that accrue to entrepreneurs when they join associations are often indirect or delayed thereby discourage the business operators, Bigg & Satterwaite, (2005).

The literature further reveals that it is more economical to offer business development and financial services to MSEs through their associations in order to benefit from economies of scale when offering the services to their members, Storey, (2002). From the literature it is also evident that micro and small enterprises face numerous challenges when accessing credit, including lack of relevant information and collateral, Kimuyu & Omiti, (2000). Further the literature shows that the practice of group lending can pose serious challenges to lenders in the MSE sector as individuals engage in strategic defaulting, Kono,(2007). However credit guarantee schemes can be used to encourage banks to lend to the MSE sector, Aurora et al, (2014).

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter of the research report includes, research design, target population, sample size and sample selection. It also includes research instruments, pilot study, reliability and validity of instruments, data collection procedure, data analysis techniques and ethical considerations.

3.2 Research Design

According to Chandaran, (2004), research design defines the techniques that are to be used in collecting data, sampling strategies and tools appropriate for a study. It's the arrangement of conditions for collection and analysis of data in a manner that aims to instill relevance to the research purpose. Hakim, (1987) observes that design deals primarily with aims, uses, purposes, intentions and plans within the practical constraints of location, time, money and availability of staff in research. The research design adopted for this study was descriptive survey. This design was used as it enabled the researcher to collect large amounts of data from the large population of the micro and small enterprises in a highly economical way.

3.3 Target Population

The study targeted members of business associations registered by the Micro and Small Enterprise Authority (MSEA). According to MSEA, (2015) there were 10 registered associations in Starehe sub-County. The total registered members in these associations were 4576.

3.4 Sample Size

This study used the Krejcie and Morgan's table to get a suitable sample size. According to Krejcie and Morgan's table, for a population of 4576, the suitable sample size is 354. This is shown in appendix V.

3.4.1 Sample Selection

Whenever generalization is the aim, the selection of the sample must be made with corresponding care and rigor, Madge (1969). The study used population census on the business associations'. Thus research questionnaires were administered to members drawn from the registered association in Starehe-sub County. The number of members interviewed in each association was arrived at by multiplying the number of members in the association by the sample size (354) and then divided by the total population (4576). Therefore the proportionate number of respondents was drawn from each association. This is illustrated in Table 3.1.

Table 3.1 Distribution of business associations in Starehe sub County.

Name of association	Registered members	Selected respondents
Ziwani Jua kali association	2100	162
Kariokor synod Jua kali association	1200	93
City park hawkers association	960	74
New Ngara open air market traders	51	4
Njema Jua kali association	51	4
Street vendors association	50	4
Nairobi veranda shoe makers Jua kali	46	4
Solidarity Jua kali association	46	4
Mugaa Jua kali association	40	3
Kimathi Jua kali association	32	2
Total	4576	354

Source: Registrar of Micro and Small Enterprises, Kenya (2015).

3.4.2 Sampling techniques

A purposive sampling technique was used to select the sample. Each registered association was included to capture all the sectors of micro and small enterprises in Starehe sub County. The officials in each association were asked to identify respondents within each association from the list of registered and active members.

3.5 Research instruments

A research instrument is used to gather and record information for assessment, decision making and ultimately understanding, Colton & Covert, (2007). A questionnaire is a typical research instrument which can be used to obtain factual information, support observations or assess attitudes and opinions, Colton & Covert, (2007). This study used questionnaires to conduct the survey as it was cost effective and it helped in collecting large amount of data at once. The questionnaire was divided into sections as per the research objectives. Each section comprised of both structured and unstructured questions. Data collection was done by the researcher with the help of two research assistants.

3.6 Pilot Testing

Pilot testing is to try out the instrument under the same conditions to be used for the formal administration. This gives the researcher the opportunity to observe the time it takes to complete the instrument, reliability, the influence of environmental conditions, and any problems respondents have with wording or format, Colton & Covert ,(2007). In this study pilot testing was conducted in Kamkunji sub-county on members of Mlango Kubwa Jua kali association with 100 registered members. Ten members were selected to participate in the pilot testing. This was

based on the recommendation of Mugenda and Mugenda, (2003) that a sample of 1% to 10% of the target population is adequate for pilot testing.

3.6.1 Validity

Validity describes the extent to which we measure what we purport to measure, Colton & Covert, (2007). The greater the evidence that an instrument is producing valid results, the greater the likelihood that we obtain the information needed for the research. Validity is inferred or judged from existing evidence not measured or calculated directly, Colton & Covert (2007). To enhance validity in this study, content related validity of the questionnaire was determined with the help of research supervisor. The supervisor's guidance was sought to ensure the instrument was well constructed and that it captured the information as per the research objectives.

3.6.2 Reliability

Reliability is the extent to which an instrument produces the same information at a given time over a period of time. It depicts whether the instrument is stable, dependable, repeatable, and consistent and regular, Colton & Covert (2007). In this study reliability was assessed using the test-retest method and was done alongside the pilot study. The researcher selected a pilot group comprising 10% of the population from Mlango Kubwa Jua Kali association. The aim was to detect inconsistencies in administering the research instruments. The research instruments were tested for reliability using the split half method. This was done by collecting data from 10 respondents. The responses were divided into two halves. One half comprised of odd numbers while the other was of even numbers. The responses of the two halves were correlated using Pearson's correlation. A correlation coefficient of 0.71 was obtained. This indicated that the

instrument was reliable. In addition the questionnaires comprised both open ended and closed ended questions which enabled the researcher to seek clarification and obtain accurate responses.

3.7 Data collection Procedure.

A letter of introduction from the University of Nairobi was sent to the National Council of Science and Technology in order to secure the research permit. Other relevant permission was sought from MSEA and the Sub County Commissioner for Kamkunji and Starehe sub counties. The researcher together with the research assistants reported to the relevant authority and informed them of the exact date and duration of the exercise. A letter of transmittal was written to the respondents. The letter introduced the researcher and explained the purpose of the research. The drop and pick technique was used to administer the questionnaire. This method was preferred as it enabled the researcher to reach many respondents within a short period. The whole process of data collection was done by the researcher together with the research assistants with the guidance officials of business associations.

3.8 Data Analysis

Once the data collection exercise was over the raw information was organized and grouped for analysis. The raw data was checked for consistency and accuracy then coded as per type and source. The data was then subjected to further analysis as per the research objectives. Analysis was aided by the use of SPSS for windows software version 20 computer program and Microsoft excel 2007(for coding).From the analysis, both quantitatively and qualitatively interpretation was made. Further quantitative and statistical techniques were be used to describe and summarize the

data. The data was analyzed for descriptive statistics such as frequencies and percentages. The analyzed data is hereby presented in the form of tables.

3.9 Ethical Consideration

Ethics relates to the study of right and wrong conduct, Dooley (2007). In order to ensure maximum considerations of ethical factors during the study both the respondents and relevant authorities were fully briefed on the study. Thus permission was obtained from the relevant authorities before the start of the study. This is an ethical practice in line with the Science and technology act chapter 250 laws of Kenya. In addition, respondents were informed in writing and assured that strict confidentiality would be observed during the study. To demonstrate this, respondents were not required to indicate personal identification details when responding to the questionnaires. Thus respondents were anonymous. Another ethical consideration is that all the sources of data and literature reviewed have been shown and acknowledged as appropriate.

3.10 Operational definition of Variables.

This section shows the dependent variable as well as the independent variables alongside the associated indicators and how they have been measured. Data collection instruments were outlined and the scale of measures shown. Another aspect is that data analysis techniques were identified in advance. Finally the independent and dependent variables were operationalized as shown in Table 3.2

Table 3.2 Operationalisation Definition of Variables

Objectives	Variables	indicators	Tool of Data collection	Measuring scale	Tools of Analysis
1. To examine the role of entrepreneurship training services in business associations on growth of micro and small enterprises in Starehe sub county.	Dependent	Increase in sales	Questionnaire	Nominal	Descriptive Inferential
	Business	Increase in profits			
	Growth	Increase in number employed			
	Independent	Number of entrepreneurship trainings attended, Relevance of the training, Cost of training			
2. To determine how technology transfers services in business associations affect growth of micro and small enterprises in Starehe sub county.	Independent	Number of cost reduction measures introduced, Number of quality control measures introduced, Number of meetings to disseminate information of new technology.	questionnaire	Nominal	Descriptive Inferential
	Technology transfer services	Number of people on apprenticeship.			

3. To explore how networking services in business association affect growth of micro and small enterprises in Starehe sub county.	Independent Networking Services	Number of Meetings with Government officials, Number of subcontracting agreements negotiated, number of collaborating agreements with research institutions. New markets found for products	Questionnaire	Nominal	Descriptive Inferential
4. To establish the impact of financial services offered by business associations on growth among micro and small enterprises in Starehe sub county.	Independent Financial services	Amount of loans received, Type of loan collateral used, amount of money saved, Number of insurance policies acquired, credit guarantee schemes in place.	Questionnaire	Nominal	Descriptive inferential

CHAPTER FOUR

DATA ANALYSIS, INTERPRETATION, PRESENTATION AND DISCUSSION

4.1 Introduction

This chapter presents the findings of the study.

The chapter is presented under subheadings such as: General characteristics of the respondents, the influence of entrepreneurship training on growth of micro and small enterprises in Starehe Sub-County and the influence of technology transfer services in business associations on growth of micro and small enterprises in Starehe Sub-County. Other subheadings include; the influence of networking services in business associations on growth of micro and small enterprises in Starehe Sub-County and influence of financial services in business associations on growth of micro and small enterprises in Starehe Sub-County.

This chapter also presents the quantitative analysis of data collected from the sampled respondents who are members of registered business associations Starehe Sub-County. The study was able to interview three hundred respondents. The data was collected coded and analyzed with the aid of SPSS for windows software version 20 and Microsoft excel 2007.

The section below presents the findings in accordance with the study objectives. The findings have been presented in tables and figures. The interpretation of the data is included here as well.

4.2 Response Return Rate

A total of 354 questionnaires were distributed to the ten business associations in Starehe Sub County, Nairobi, Kenya as identified in Table 3.1. There was a response from 300 respondents

out of the 354 questionnaires distributed to the members of the business associations. This is a response return rate of 84.7%.The reason cited in the case of non response is that some respondents misplaced the questionnaires while others had travelled elsewhere on business engagements or had relocated elsewhere. This return rate was acceptable since it was above 65% return rate recommended by Amin, (2005).

The response return rate is hereby presented in Table 4.1.

Table 4.1

Response Return Rate.

Name of association	Questionnaires distributed	Responses recorded
Ziwani Jua kali association	162	147
Kariokor synod Jua kali association	93	80
City Park Hawkers association	74	49
New Ngara open air market traders	4	4
Njema Jua kali association	4	4
Street vendors association	4	3
Nairobi verandah shoe makers Jua kali	4	4
Solidarity Jua kali association	4	4
Mugaa Jua kali association	3	3
Kimathi Jua kali association	2	2
TOTAL	354	300

4.3. General characteristics of respondents and business associations.

4.3.1 Gender distribution of the respondents

The response for the gender characteristics of the respondents is as shown in Table 4.2

Table 4.2

The Gender Distribution of Respondents.

Gender	Frequency	percentage
Male	216	72
Female	84	28
Total	300	100

Table 4.2 indicates that, 28% of the respondents were female while 72% were male. Thus most of these business associations are composed of men.

4.3.2 Age of the respondents

Table 4.3

Age Distribution of the Respondents.

Age	Frequency	percentage
15-20	36	12
21-25	42	14
26-30	72	24
31-35	54	18
36-40	36	12
41-45	21	7
46-50	24	8
51-55	15	5
Total	300	100

Table 4.3 shows that, 24% of the respondents were aged between 26-30years, 18% were aged between 31-35 years, 7% were aged between 41-45 years. Only 5% of the respondents were aged between 51- 55 years. This is an indication that majority of members of these associations are young individuals who are actively engaged in various economic activities.

4.3.3 Duration of existence of the business association.

Table 4.4

The Duration of Existence of the Business Association.

Response	Frequency	percentage
Less than 1yr	66	22
1-5yrs	147	49
6-19yrs	51	17
Over 10yrs	36	12
Total	300	100

Table 4.4 indicates that,(49%) of the associations had existed for duration of 1-5years, 22% had existed for less than one year, and 17% had existed for 6-10 years while only 12% had existed for over 10 years. The findings show that most of these associations had been formed in the recent years as the number of individuals engaged in entrepreneurship increased among the youth especially due to inadequate employment opportunities in the formal sectors of the economy

4.3.4 Duration of membership in a business association:

Table: 4.5

The Duration of Membership in Business Associations.

No.	Frequency	percentage
Less than 1yr	78	26
1-5yrs	144	48
6-10yrs	69	23
Over 10yrs	15	5
Total	300	100

The data presented on Table 4.5 shows the duration the respondents had been members of the associations, based on the data, 26% had been members for a period of less than one year, 48% had been members for 1-5 years while only 5% had been members of the associations for more than 10 years. The major findings were that, majority had been members of the business associations for more than 1 year and therefore they understood the operations of the business associations and their influence on micro and small enterprises.

4.3.5 Size of business association.

Table 4.6

Number of Members in a Business Association.

No.	Frequency	percentage
Below 25	2	0.66
25-50	14	4.67
51-100	8	2.67
101-500	0	0
Over 500	276	92
Total	50	100

Table 4.6 shows that, 2.67% of the respondents reported that their associations had 51-100 members, 14(4.67%) reported 25-50 members, none reported 101-500 members while only 276(92%) of the respondents reported that their associations had more than 500 members. The findings indicate that most of the business associations had membership of above 50.

Table 4.7
Position of the Respondent in the Associations.

Position	Frequency	percentage
Chairperson	5	1.67
Secretary	16	5.33
Treasurer	23	7.67
Member	256	85.33
Total	300	100

Table indicates that, 4.7, 1.67% of the respondents were chairpersons, 5.33%, were secretaries, 7.67% were treasurers while 85.33% were just members. The findings imply that most of the respondents were ordinary members of the associations.

Table 4.8
Type of Business Activity

Business	Frequency	percentage
Motor Vehicle repair	30	10
Metal Fabrication	96	32
Carpentry	138	46
Catering	24	8
Total	300	100

Table 4.8 shows that, a greater proportion of the respondents (46%) reported carpentry as their business, 32% were metal fabricators while 10% were motor vehicle mechanics.

4.4 The influence of Entrepreneurship Training, on growth of micro and small enterprises.

This section presents the findings in respect to the first objective which sought to examine the role of entrepreneurship training in business associations on growth of micro and small enterprises in Starehe Sub-County.

4.4.1 Frequency of training events.

Table 4.9

Frequency of Training Events Attended by Respondents.

Training event	Frequency	percentage
None	30	10
1-2	96	32
Over 3	174	58
Total	300	100

Table 4.9 presents the training events that the respondents have attended. 58% reported having attended more than three training events, and 32% reported having attended 1-2 events while only 10% reported that they had never attended any training event. The findings reveal that the business associations encourage members to attend training events in order to improve their business skills.

4.4.2 Lead agency in initiating training of respondents

Table 4.10

Lead agency in initiating training events

Lead agency	Frequency	percentage
Business Association	150	50
Self	10	4
Government Agencies	138	46
Total	300	100

The researcher sought to establish the entities responsible for initiation of training, the data on Table 4.10 shows that 50% reported that the training events were initiated by the business associations, 46% reported that the training events were initiated by government agencies and only 2% reported that they initiated the trainings themselves. The findings imply that business associations play a leading role in organizing training for their members.

4.4.3 Relevance of training to micro and small entrepreneurs

Table 4.11

Relevance of Training

Relevancy	Frequency	percentage
Slightly relevant	114	38
Very relevant	168	56
Not relevant	18	6
Total	50	100

Table 4.11 56% indicates that, training were very relevant, 38% reported that the training were slightly relevant while 6% reported that the trainings were not relevant. It shows that business associations organize relevant trainings for their members.

4.4.4 Sponsorship of training events

Table 4.12

Sponsorship of Training Events

Sponsors	Frequency	percentage
Business Association	16	32
Government agencies	34	68
Total	50	100

The data on table 4.12 indicates that 32% of the respondents reported that their training events were sponsored by the business associations, 68% of the respondents reported that the training events were sponsored by government agencies. This shows that the government is a major sponsor of training events to empower the enterprises. Business associations also play a significant role in sponsorship of training for their members.

4.4.5 Cost of training.

Table 4.13

Role of Business association in Negotiating Cost of Training .

Is business association involved in negotiating, training cost?	Frequency	percentage
Yes	192	64
No	108	36
Total	300	100

Based on the findings in Table 4.13, 64% reported that the business associations are involved in negotiations of training costs while 36% reported that their business associations were not

involved in negotiating training cost. Thus the associations help members to access affordable trainings.

4.5 Influence of Technology transfer services in business associations on growth of micro and small enterprises

This section presents the findings in respect to the second objective which sought to determine how technology transfers services in business associations influence growth of micro and small enterprises in Starehe Sub- County.

4.5.1 Cost reduction Techniques adopted by the respondents

The researcher sought to find out the extent to which respondents utilize technology transfer services to reduce cost of production in their business as well as improve the quality of their products. The findings are shown in Table 4.14

Table 4.14

Cost Reduction Techniques and quality Control Measures

Response	Cost reduction		Quality Measures	
	Frequency	percentage	Frequency	percentage
None	150	50	120	40
1-2	126	42	90	30
Over 3	24	8	90	30
Total	300	100.0	300	100

The result of the analysis is that 50% of the respondents reported that they had not introduced any cost reduction techniques in their business in the preceding year, 42% reported introducing

1-2 cost reduction techniques, while 8% reported having introduced over 3 cost reduction techniques in their business during the last one year. Further, 40% reported having not introduced any quality control measures into their business in the last one year, 30% reported having introduced, 1-2 quality control measures while another 30% reported having introduced over three cost control measures. The findings imply that technology transfer services to members of the business associations have not been very effective in encouraging members to adopt new technology for the growth of micro and small enterprises in Starehe Sub- County.

4.5.2 Dissemination of information on New Technology

In this part, the researcher sought to assess how frequent business associations organize meetings to pass information on new technology to their members. The question was posed to them as follows: How many meetings did you attend to receive information on new technology? The response is shown in table 4.15

Table 4.15

Frequency of Meetings on New Technology

Response	Frequency	Percentage
None	30	10
1-2	180	60
Over 3	90	30
Total	300	100

The findings in table 4.15 indicate that 10% of the respondents indicated that business associations did not organize any meetings, 60% reported that the business associations organized 1-2 meetings while 30% reported that their associations organized more than three meetings. This means that business associations have been very active in calling meetings to pass information on new technology to their members.

4.5.3 Apprenticeship as a means of technology transfer

Table 4.16

Referrals for Apprenticeship

Referring entity	Frequency	Percentage
Business Association	270	90
Parents/Guardian	18	6
Government	12	4
Total	300	100

Based on the findings on table 4.16, a greater proportion of respondents (90%) of the respondents reported the apprentice were referred to them by their business associations, 6% were referred by their parents/guardians while 4% were referred by the government. On the number of apprentice engaged by the business, the findings are that 44% reported having one to two apprentices, while 48% reported having more than three. However 8 % reported having not engaged any apprentice at all. The findings reveal that business associations support the system of apprenticeship to transfer technology to micro and small enterprises in Starehe Sub- County.

4.6 Influence of Networking Services in business associations on growth of micro and small enterprises.

This section presents the findings in respect to the third objective which sought to explore how networking services in a business association influence growth of micro and small enterprises in Starehe Sub- County.

4.6.1 Networking with Government officials and agencies.

The findings shown on Table 4.17 indicate that 72% of the members attended networking meetings while only 28% reported that they did not attend networking meetings and events with

government officials. The findings imply that the members of the associations are keen on networking services to improve their businesses. Regarding the initiation of the networking meetings and events, 46% reported that the events were initiated by the business associations, 32% by government agencies while only 22% were initiated by the business association members themselves. This is illustrated in Table 4.18. The findings reveal that business associations are the lead agency in initiating networking meetings for their members in Starehe Sub-County.

Table 4.17

Attendance of Networking Meetings

Attended networking meetings	Frequency	percentage
Yes	216	72
No	84	28
Total	300	100

Table 4.18

Lead Agency in Networking

Lead Agency	Frequency	percentage
Self	66	22
Business association	138	46
Government Agencies	96	32
Total	300	100

4.6.2 Business to Business Networking

In this part the researcher was interested in finding out how business association assist their members in gaining market access through sub contracting agreements with large enterprises. The data presented on table 4.19 shows that as a result of networking services 64% of micro and small enterprises benefited from sub-contracting agreements. Whereas 34% indicated that they did not benefit from such agreements. Regarding negotiations for the subcontracting agreements, 38% of the respondents reported that subcontracting were negotiated by business associations, 21% by government institutions and 10% by the association members. This therefore means that networking services in business association promote the growth of micro and small enterprises in Starehe Sub- County.

Table 4.19

Benefits of networking.

Response	Sub-contracting agreements		Collaborations in research	
	Frequency	percentage	Frequency	percentage
Yes	192	64	246	82
No	108	36	54	18
Total	300	100.0	300	100

4.6.3 Networking with research institutions

The findings show that 82% of members of business associations benefited from collaboration with research institutions, while 18% recorded no benefits from such efforts .Further; it shows that 44% of the collaborations were negotiated by business associations for their members, 26% were negotiated by individual business operators and 30% by government institutions. This is

presented in table 4.19 and table 4.20. The findings imply that business associations were keen on collaborations in research to enhance the growth of micro and small enterprises in Starehe Sub- County

Table 4.20

Lead Agency in Subcontracting and Collaboration in Research

Response	Sub-contracting		Collaborations	
	Frequency	percentage	Frequency	percentage
Business Associations	114	38	132	44
Self	60	20	78	26
Government Institution	126	42	90	30
Total	300	100	300	100

4.6.4 Networking and access to new markets by micro and small enterprises

The findings reveal that 83% of the members of the business associations were able to access new markets for their products due to the efforts of the associations, 17% on the other hand reported that they were unable to access markets. Whereas 70% of the new markets gained were attributed to the efforts of the business associations, 18% to government efforts and 12% due to efforts of individual traders in Starehe Sub- County. This is illustrated in table 4.21 and table 4.22. The findings imply that the business associations enable their members to access markets through networking and information services.

Table 4.21*Ability to Access New Markets*

Able to access markets	Frequency	percentage
Yes	249	83
No	51	17
Total	300	100

Table 4.22*Lead Agency in the Facilitation of Market Access*

Response	Frequency	percentage
Business Association	210	70
Self	36	12
Government Agencies	54	18
Total	300	100

4.7. The influence of financial Services in business associations on growth of micro and small enterprises.

This section presents the findings in respect to the fourth objective which sought to establish the impact of financial services offered by business associations on growth among micro and small enterprises in Starehe Sub- County.

4.7.1 Amount of loan received by micro and small enterprises.

The findings shown in Table 4.23 indicate that,10% received loans of below Ksh 20,000 , 32% received Ksh. 20,001-50,000, 46% received a loan of between Ksh. 50,001-100,000, , only 8% were received a loan of Ksh 100,000 and above. The mean amount borrowed was Ksh 15000 with as standard deviation of 18. The findings imply that the micro and small enterprises lack the capacity to borrow large sums of money from the financial institutions in Starehe Sub- County.

Table 4.23***Amount of Loan Received***

Amount Ksh	Frequency	percentage
Below 20,000	30	10
20,001-50,000	96	32
50,001-100,000	138	46
Over 100,000	24	8
Total	300	100

4.7.2 Lead institutions which advance loans to micro and small enterprises

The findings as shown on table 4.24 shows that 24% of the enterprises were advanced loans by the business associations, 56% by micro-finance institutions, and 16% were advanced loans by the banks, while 4% were advanced by government institutions. It means that business associations have not been able to meet the financial needs of their members probably due to lack of capacity.

Table 4.24***Lead Institutions Which Advance Loans***

Institution	Frequency	percentage
Business Association	12	24
Banks	8	16
Micro-finance institutions	28	56
Government institutions	2	4
Total	50	100

4.7.3 Type of collateral used by micro and small enterprises to secure loans

On the type of collateral, 76% of the respondents reported that their loans were guaranteed by the business associations, 16% were guaranteed by their friends, and 4% had their land title deeds as collaterals, while 4% did not present any collateral. The findings imply that most of the micro and small enterprises lack adequate collaterals to obtain loans from the major financial institutions such as commercial banks. This is illustrated in table 4.25.

Table 4.25

Type of Collateral Used to Secure Loans

Type of collateral	Frequency	percentage
Guarantee by business association	228	76
Plots/land title deeds	12	4
Guarantee by friends	48	16
None	12	4
Total	300	100

This study has shown that MSEs in Starehe Sub-County have low capacity to borrow.

4.7.4 Saving habits of micro and small entrepreneurs

The researcher further sought to establish the saving habits of micro and small enterprise operators and the role of business association's services on saving mobilization. Based on the findings presented in Table 4.26, 89% of the respondents reported that they save money with the business association, while only 11% reported that they do not save with the association. The study also found out other institutions in which micro and small entrepreneurs save. This is shown in Table 4.27.

Table 4.26***Savings With the Business associations***

Do you save with business Association?	Frequency	percentage
Yes	267	89
No	33	11
Total	300	100

Table 4.27***Savings With Other Institutions***

Institutions where MSEs save	Frequency	percentage
Banks	75	25
Micro finance institutions	147	49
Friends merry go round	78	26
Total	300	100

The data as presented in Table 4.27 indicates that 49% of the respondents reported saving with micro-finance institutions, 25% saved with commercial banks while 26% saved with friends/merry go round. The findings imply that the micro and small enterprise operators prefer saving with the business associations and micro finance institutions.

4.7.5 Risk management by micro and small enterprises

The researcher was interested in finding out whether business associations encourage members to acquire insurance policies to manage risks associated with their businesses. The findings are shown in table 4.28.

Table 4.28*Uptake of Insurance policy*

Do you have insurance Policy?	Frequency	percentage
Yes	69	23
No	231	77
Total	300	100

Based on the findings as shown in Table 4.28, 77% of the respondents reported that they had insurance policy, while 23% reported they did not have any insurance policy.

Table 4.29*Lead Agency in Acquisition of Insurance Policy.*

Who initiated the policy?	Frequency	percentage
Self	36	12
Business association	141	47
Insurance institution	129	43
Total	300	100

Regarding the lead agency in acquisition of the insurance policy, 47% of the respondents reported that the policy was initiated by the business association, 43% reported that the policy was initiated by the insurance institution while 12% reported that it was initiated by the individual entrepreneur. The findings mean that business associations assisted their members to insure their business to enhance growth in Starehe Sub-County.

4.8. The influence of business association’s services on growth, of micro and small enterprises in Starehe Sub- County.

In this section the focus was on assessing the indicators for business growth for micro and small enterprises in Starehe Sub-County.

4.8.1 Sales levels and growth of micro and small enterprises

The findings as shown in table 4.30 and 4.31 reveal that the micro and small enterprises have recorded a steady growth in sales since inception. The mean sales level at inception of the enterprise was Ksh.1150 with a standard deviation of 526. Whereas the mean sales level at the time of the study was ksh1525 with a standard deviation of 477. This shows that at inception sales were low and more variable as compared to later periods of the enterprise.

Table 4.30

Current Daily Sales Levels Attained by the Enterprise.

Current daily sales level(Ksh)	Frequency	percentage
Below 500	6	2
500-1000	24	8
1001-3000	147	49
Over 3000	123	41
Total	300	100

Based on the findings, a greater proportion of the respondents (49%) reported daily sales of Kshs. 1001-3000, 41% reported daily sales of over Ksh. 3000, while 8% reported daily sales of Kshs.500-1000, while only 2% reported daily sales of below Kshs. 500.

Table 4.31***Sales Levels at Start of Business***

Sales level at start of business(Ksh)	Frequency percentage	
Below 500	30	10
501-1000	36	12
1001-3000	60	20
3001-5000	135	45
Over 5000	39	13
Total	300	100

The result is that during inception, 45% of the respondents reported daily sales of Kshs. 3001-5000, 20% reported daily sales of Kshs. 1001-3000 12% reported sales of Ksh. 501-1000, 10% reported daily sales of below Kshs. 500 while 13% reported Kshs. 5000 and above. The findings imply a steady business growth for the micro and small enterprises in Starehe sub-county.

4.8.2 Employment levels as indicators of growth for micro and small enterprises

In this part the findings reveal that there has been a steady increase in the levels of employment by the micro and small enterprise in Starehe Sub-County. This is presented in table 4.32.

Table 4.32***Employees Engaged by the Micro and Small Enterprise***

Response	At the start of business		Current Levels	
	Frequency	percentage	Frequency	percentage
1-3	102	34	78	26
4-6	60	20	138	46
7-9	24	8	30	10
10 and above	18	6	36	12
None	96	32	18	6
Total	300	100	300	100

The data on table 4.32 shows the findings on the number of employees engaged by the enterprise at inception and at the time of the study. Based on the findings, 34% of the respondents indicated that they had 1-3 employees, 32% did not have employees, 20% had 4-6 employees, 8% had 7-9 employees while only 6% had more than 10 employees. At the time of the study, 46% of the respondents reported having 4-6 employees, 26% had 1-3 employees while 12% had more than 10 employees. The findings imply a steady business growth for the businesses since they increased the number of employees.

CHAPTER FIVE

SUMMARY OF FINDINGS, CONCLUSIONS AND RECCOMENDATIONS

5.1 Introduction

This chapter provides the summary of the findings of the study, and the conclusions and recommendations of the study. In addition, the chapter deals with contribution of the study to the body of knowledge and suggestions for further studies.

5.2 Summary of findings

The study investigated the influence of business association's services on the growth of micro and small enterprises in Starehe Sub-County. The first objective of the study was to examine the role of entrepreneurship training services on growth of micro and small enterprises in Starehe Sub-County. The second objective of the study focused on how technology transfer services of business associations, influence growth of micro and small enterprises in Starehe Sub-County. The third objective of the study was to explore how networking services offered by the business associations, influence growth of micro and small enterprises in Starehe Sub-County. The fourth objective of the study was to establish the impact of financial Services offered in business associations on growth of micro and small enterprises in Starehe Sub-County.

The study findings indicate that business associations influenced the level of attendance of training events by their members. The majority (58%) reported having attended more than three training events in the preceding year. The associations also influenced the training events to make them relevant to their members. The majority (56%) of the respondents indicated that training were very relevant. It was further indicated that the government plays an important role

in the training, (68%) of the respondents reported that the training events were sponsored by government agencies.

The other finding is that very few enterprises adopted new technology despite attending numerous meetings organized to disseminate information on new technology. Half (50%) of the respondents reported that they had not introduced any cost reduction techniques in their business in the preceding year. A minority (8%) reported having introduced over 3 cost reduction techniques in their business during the preceding year. While only (30%) reported having introduced three cost control measures. The interesting bit is that business associations organized many meetings to disseminate information of new technology. A majority (60%) reported that the business associations organized 1-2 meetings. It shows that the numerous meetings organized have not translated into more adoption of new technology by the enterprises.

The study found that networking services offered by business associations have been effective in increasing access to markets by the micro and small enterprises. The findings further reveal that business associations are the lead agency in initiating networking meetings. Almost half (46%) reported that the events were initiated by the business associations. The meetings were well attended by their members. A majority, (72%) of the members attended the networking meetings. As a result of networking meetings a majority, (64%) of micro and small enterprises benefited from sub-contracting agreements. Further many members of the business associations were able to access new markets for their products due to the efforts of the associations. Findings also indicate that majority, (82%) of members of business associations benefited from collaboration with research institutions. A majority, (83%) of the members of the business associations were able to access new markets for their products due to the efforts of the association.

This study has also shown that business associations have not been able to meet the financial needs of their members due to lack of capacity, as majority of their members,(56%) received loans from micro-finance institutions, Further most of the micro and small enterprises lack adequate collaterals to obtain loans from the major financial institutions such as commercial banks. Majority (76%) of the respondents reported that their loans were guaranteed by the business association. This is further reinforced by the fact that the majority, (89%) of the respondents reported that they save money with the business association. Thus there is a close correlation between savings and borrowing. Further, majority (77%) of the respondents reported that they had insurance policy.

5.3 Discussions of the findings

The findings of the study are discussed in the following sections.

5.3.1 Influence of Entrepreneurship Training in business associations on growth of micro and small enterprises.

The study revealed that the government plays an important role by sponsoring the training of micro and small enterprise operators. The operators lack the financial capability to pay for the cost of training. A majority reported that the business associations are involved in negotiating the cost of training. This could be attributed to their recognition that most of their members cannot afford high training expenses. This agrees with the report of the OECD, (2000) that MSEs are less likely to obtain management training than larger firms due to financial constraint among other challenges. The associations also influenced the training events to make them relevant to their members. The majority of the respondents indicated that training were very relevant to their businesses. This finding tends to agree with those of the World Bank's Economic Development

Institute (1995) that hands on training courses for adults lead to better business performance. Similarly it was found out that, a greater proportion of micro and small enterprise participates in apprenticeship training. Many of the apprentices were referred to them by their business associations .This indicates that business associations support the system of apprenticeship to train micro and small enterprise operators. This compares well with the findings of a study by the World Bank in Kenya, (1992), which showed that about forty percent of all trainees in the MSE sector acquire their skills through the apprenticeship system.

5.3.2 Influence of Technology transfer services in business associations on growth of micro and small enterprises

The study revealed that technology transfer services in business associations are inadequate and ineffective. These findings agree with those of Muthoni et al, (2013) who found out that business associations lack the institutional capacity to transfer modern technological skills. As observed by Edum-fotwe & Sohal, (2002) the transfer of technology is a gradual process through diffusion of innovation. It is noted that diffusion is more effective through personal contacts where the innovations are transferred through friendship or close collaborative networks. This could be the missing link in business associations and results in the production of poor quality products in the micro enterprise sector. As observed by Feather (1998) the use of information technology in the design and redesign of products is a critical factor in the production of high quality products.

5.3.3 Influence of networking services offered by the business associations, on growth of micro and small enterprises.

The study found that networking services offered by business associations have been effective in increasing access to markets by the micro and small enterprises. The findings agree with those of

Galabova (2014) who found out that knowledge sharing, skill development and relationship networks are important for the development of micro enterprises. Studies by Olivveria et al ,(2005) also observed that entrepreneurs who have a favorable social support from family and friends have higher levels of self-efficacy than those who had unfavorable social support .Business associations therefore increased the levels of self-efficacy of the members by giving favorable social support and business linkages. By linking their members with large enterprises, the associations were able to influence the distribution channels. This is similar to the findings of Hardy et al., (2011) who observed that networks influence labour markets, financial capital, human capital and distribution channels. These views are shared by Hoekman and Kostecki, (2009) who in their analysis of international trade noted that a significant portion of global trade is between parent firms and their network of affiliates.

5.3.4 Influence of financial Services offered in business associations on growth of micro and small enterprises

The study revealed that a majority of micro and small enterprises still lack adequate financial services. This is in agreement with the financial access survey in Kenya (FinAccess survey, 2013), that found out that a quarter of the adult population is still excluded from financial services. The low uptake of micro insurance could be attributed to lack of information on available financial services. This finding is similar to that of Rotich et al., (2015) who found out that one of the major challenges facing micro and small enterprises in Kenya is lack of information on financial services. These findings are similar to those of Sibghatullar (2013) who found out that current efforts in micro insurance are mainly focused on direct risks associated with loan repayments. Thus there is need to expand micro insurance services to include medical,

life and fire insurance. This also agrees with the report by the Egyptian Financial Supervisory Authority, (2010) which found out that business associations are important facilitators of micro insurance when involved in passing relevant information to their members.

5.4 Conclusions

The purpose of this study was to investigate the influence of business association's services, on growth of micro and small enterprises in Starehe Sub-County. Business associations influenced the type and cost of training to their members. It is therefore concluded that business associations offered strategic business advice to their members to ensure business growth. Therefore the study concludes that training services offered by business associations had a positive influence on growth of micro and small enterprise in Starehe Sub –County.

The study findings show that very few enterprises adopted cost reduction techniques and quality control measures in their enterprises despite efforts by the business associations to disseminate information to their members. Thus diffusion of technology did not occur through the business associations. This could be attributed to the fact that diffusion of technology occurs better through personal contacts where the innovations are transferred through friendship or close collaborative agreements which could have been lacking in the associations. Therefore the study concludes that technology transfer services offered by business associations have very little influence on the growth of micro and small enterprises in Starehe Sub County. The findings equally showed that business associations are the lead agency in initiating networking meetings which were well attended and enabled members to negotiate sub-contracting agreements as well as access new markets. It is recognized that business associations through their networks

influence access to markets and distribution channels .Hence the study concludes that networking services offered by business association had a positive influence on the growth of micro and small enterprises in Starehe Sub- County.

The study found out that financial services offered by business associations are not well established. Only a small percentage of the total market for micro finance services has been catered for. The enterprises still face numerous challenges in accessing financial services. This is in agreement with recent studies that show that about a quarter of the adult population in Kenya is excluded from financial services. The study therefore concludes that financial services offered by business associations are still on a limited scale and do not have significant influence on growth of micro and small enterprises in Starehe Sub County.

5.5 Recommendations

Based on the findings made the following are the recommendations.

1. The government through the Micro and Small Enterprise Authority (MSEA) should partner with business associations to sponsor more training events for the micro and small enterprise sector.
2. For effective transfer of technology to the micro and small enterprise, MSEA should design more practical oriented training programmes for micro and small enterprises through collaboration with other agencies especially the National Industrial Training Authority.
3. Large enterprises should be offered tax incentives by the government to encourage them to sign subcontracting agreements with micro and small enterprises.

4. Business associations should be encouraged to enter into lending agreements with other financial institutions to increase loans uptake by their members.

5.6 Contribution of study to knowledge

This study has documented and added information on the influence of business association's services, on growth of micro and small enterprises through the utilization of training services, technology transfer services, networking services and financial services. The study has contributed to the identification of business associations as a crucial player in filling up the gap between micro and small enterprises and large and medium enterprises. As per the study objectives the contribution of the study to knowledge are presented in Table 5.1

Table.5.1 Contribution of the study to the body of knowledge

Objective of the study	Contribution to body of knowledge
1. To examine the influence of entrepreneurship training services on growth of micro and small enterprises in Starehe Sub-County.	It was established that business associations play a key role in identification of relevant training to their members.
2. To determine how technology transfer services of business associations, influence growth of micro and small enterprises in Starehe Sub-County.	It was found out that numerous meetings organized by business associations to disseminate information on new technology were not effective in encouraging adoption of new technology
3. To explore how networking services offered by the business associations, influence growth of micro and small enterprises in Starehe Sub-	It was observed that micro and small enterprises gained new market access and benefited from linkages with large enterprises

County.	when assisted by business associations.
4. To establish the influence of financial Services offered in business associations on growth of micro and small enterprises in Starehe Sub-County.	It was revealed that business associations lack financial capacity to facilitated lending to their members.

5.7 Suggestions for Further Research

The study aimed to investigate the influencing of business association services on the growth and development of Micro and Small Enterprises in Starehe sub County, Nairobi County, based on the findings, the researcher recommends that a similar study should be done on the influence of business association services on growth and development of MSEs in Nairobi County as a whole. Further study should be undertaken to establish the growth strategies used by MSEs in Nairobi County as a whole.

REFERENCES

- Amin, M. (2005), *Social Science Research: Conception, Methodology and Analysis*.
- Aurora et al, (2014) *Vienna Initiative, Credit guarantee schemes for SME lending in Central, East and South-East Europe*. European Investment Bank.
- Bandura, A (1986) *Social foundations of thought and Action*, Englewood cliffs, Prentice-Hall
- Bechard & Toulouse (1991) *Entrepreneurship and Education: Viewpoint from education. Journal of Small Business Education. 9 pp 3-13*
- Bigg. T & Satterthwaite .D (2005), *How to make poverty history*, International Institute for Environment and Development.
- Buchanan & Badham, R (2008) *Power Politics and Organizational Change*, Sage.
- Callon M, (1986) *The sociology of an actor network: The case of electric vehicle*. Macmillan.
- Central Bank of Kenya, (2013) *FinAccess National Survey*.
- Chandran, E. (2004). *Research methods: A quantitative approach*. Nairobi: Daystar University.
- Chuma et al, (2013) *internal savings and lending schemes as a livelihood strategy for female headed households in an urban context .Asian Journal of social science and Humanities, Vol.2 May 2013*.
- Colton D & Covert. R (2007), *Designing and constructing instruments, for social research and evaluation*, John Willy and Sons, Inc.
- Cooperative Governance Study Report (2008), VAS Consultants limited, Nairobi.
- D'Souza. A. (2010), *Leadership, a trilogy on Leadership and effective Management*, Pauline's Publications Africa.
- Dooley Mark (2007).*Questioning Ethics: Contemporary debates in Philosophy*. Taylor and Francis, London.

- Edum-Fotwe, E, T & Sohal, M (2002) *Stimulating competitiveness through technology transfer: A focus on micro enterprise activity in construction, the organization and Management of Construction*
- Egyptian Financial Supervisory Authority, (2010). Micro finance in Egypt, a Brief overview of current status
- Feathe.J (1998), *The Information Society, a study of Continuity and Change*, Library Association Publishing.
- Fisher and Tees (2005) *Roles and competencies for improving local governance*. United Nations, Human Settlement, Nairobi.
- Galabova L.P (2014) *Recognition and management of intangibles, by Bulgarian entrepreneurial firms. Journal of intellectual capital, 15,376*
- Gasse, Y (1985).A strategy for the promotion of and identification of potential Entrepreneurs at the Secondary Level, Babson College .pp 538-559
- Gibb, A.A (1993): *The enterprise culture and Education, Understanding Enterprise Education and its links with Small business, Entrepreneurship and wider Education Goals, International small business Journal 111(3) pp11-34*
- Gorman, et al (1997).*International Small Business Journal, April-June*
- Government of Kenya, (1977) *The Science and Technology act chapter 250 laws of Kenya*, Government Printer, Nairobi
- Government of Kenya, (2012), *Micro and Small Enterprise Act*. Government Printer, Nairobi
- Government of Kenya, (2005), *Sessional Paper No. 2 of 2005*, Government Printer, Nairobi.
- Government of Kenya, (2008), *Ministry of Cooperative Development and Marketing report*.
- Government of Kenya, (2008), *Ministry of Trade —Strategic plan (2008-2012)*.

- Government of Kenya, (1999), National Micro and Small enterprise, Baseline Survey, 1999.
- Gupta.A (1992): *The informal Education of the Indian Entrepreneur. Journal of Small Business Education .pp 63-70*
- Hakim Catherin (1987): *Research Design, Strategies and Choices in the design of Social research*, London: Allen and Unwin.
- Hatch .M.J (1997), *Organization Theory*, Oxford University Press.
- Hardy,et al.,(2011) *Impacts of horizontal vertical and vertical foreign investment in business services .The experience of Hungary, Slovakia and the Czech Republic. European and Regional urban Studie, 18,427-444*
- Harris. K. A(2015) *Networking the relationship of Microenterprise Development in Bulgaria*. Walden University.
- Hoekman, B & Kostecki,M (2009), *The Political Economy of The World Trading System*, Oxford University Press.
- Kimuyu P, Omiti J (2000).*Institutional Impediments to Access Credit by Micro and Small Enterprises in Kenya*, Discussion paper No.026/2000, Kippra.
- Kobia .S (2011), *The Cooperative Movement in Kenya, Challenges and Opportunities*, Lukiko Consulting Trust.
- Kono, H (2007) *Is Group lending a good enforcement Scheme for Achieving High Repayment rates? Institute of Developing Economics, Japan*.
- Korsgaard,S.(2011)*Entrepreneurship as translation, Understanding entrepreneurship opportunities through actor-network theory: Entrepreneurship and Regional Development,23-661-668*

- Krejcie,R.V & Morgan, D.W (1970),Determining sample size for research activities. Educational and psychological measurement.
- Leland .P.B (1993) Making Meetings Work: A Guide for leaders and Group members, Prentice Hall.
- Lipsey.R. (1979), An Introduction to Positive economics, Wedenfeld and Nicolson.
- Maheswaranathan, S & Kennedy F, B. (2010) *Impact of Micro credit Programs on eliminating Economic Hardship of Women, University of Kaleniya.*
- McCormick.D & Pedersen. P (1996), Small enterprises, Flexibility and Networking in an African Context, Longhorn Kenya.
- Michael. E. Porter (1998).The competitive Advantage: Creating and Sustaining Superior Performance. New York, Free Press.
- Mugenda M.O & Mugenda G.A (2003): Research Methods; Qualitative and Qualitative Approaches, Nairobi, Kenya, Actis Press.
- Muthoni et a.l,(2013)*Analysis of the factors influencing transfer of technology among micro and small enterprise in Kenya, International Journal of Business and Social Science, Vol.4 No 17[Special issue-December 2013]*
- Nepal et al (2003) Technology Transfer in SMEs: Problems and Issues, United Nations New York,
- Neuman, (2004) W.L, Basics of social research, Pearson
- Ngechu. M. (2004) Understanding the research process and methods, An introduction, University of Nairobi,
- Ochieng, D & Majanja, D (2007), Sub Sahara Africa and WTO Dispute Settlement: A case study of Kenya (Unpublished).

- Rogers, E.M (1995), *Diffusion of innovations* 4th edition, New York, The free press.
- Rotich et al (2015) *Effects of micro finance services on the performance of small and medium enterprises in Kenya, African Journal of Business management, march 2015*
- Sanchez, J.C (2013) *Entrepreneurial intentions: The role of cognitive variables*, University of Salamanca.
- Sharma. R. (2011) *Change management concepts and applications*. Tata McGraw-Hill
- Sibghatullar, N. (2013). *Micro finance in India: Contemporary Issues and Challenges, Middle-East Journal of Scientific Research 15(2) 1991-199,*
- Singh, J.B (1990), *Entrepreneurship Education as a catalyst of Development in the Third World, Journal of small business education, pp 56-63*
- Sriram. M & Upadhyayula (2002) *The transformation of Micro finance in India: Experiences, options and future. India school of business*
- Sivak, R(2013)*It takes two to tango, Eastern European Economics,51(2) 39-57*
- Stevenson, H.H (1983) *A perspective on entrepreneurship*, Harvard Business School, Working paper. 9-384-131
- The World Bank, (1995), *Investing in people, the World Bank in action.*
- The World Bank, (2015), *World development indicators.*
- Organization for Economic Cooperation and Development (2002), *Management Training for SMEs.*
- Tuan D A. (2001), *Business Associations and Promotion of, Small and Medium enterprises in Vietnam, University of Leipzig, September working papers no.7.*
- Western. S. (2008) *Leadership-A critical text*, Sage.

Williamson et al (2013) Enterprise education impact in Higher education and further education,
Department of business Innovation and skills, England.

Zohra .B & Shyam. P (2011) *Comparison of Micro finance Institutions with commercial banks in
India: Australian Journal of Business management research Vol.1, 110-120*

APPENDICES

APPENDIX 1: LETTER OF TRANSMITTAL

Felix Ogutu
P.O.BOX 74494-00200
NAIROBI

Dear Respondent,

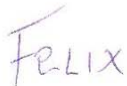
**RE: REQUEST TO COLLECT INFORMATION ON BUSINESS ASSOCIATION IN
STAREHE SUB COUNTY OF NAIROBI.**

I am a post graduate student at the University of Nairobi. I am conducting a research entitled Influence of Business Associations Services on the Growth of Micro and Small Enterprises in Kenya. The Case of Starehe Sub County.

The research targets members of registered association by The Micro and Small Enterprise Authority in Nairobi. You have been selected to participate in this study

The purpose of this letters is to request you to participate in the study by filling in the attached questionnaire. The information obtained will be treated with utmost confidentiality and will be used only for the intended purpose.

Yours faithfully,



FELIX GONZA OGUTU
L50/66356/2010

**APPENDIX II: QUESTIONNAIRE FOR THE MEMBERS OF BUSINESS
ASSOCIATION**

The researcher is a student of the University of Nairobi, undertaking masters of Arts degree in project planning and management. The purpose of this questionnaire is to obtain information that is relevant to the research study. “Influence of Business Associations Services on The Growth of Micro and Small Enterprises in Kenya. The Case of Starehe Sub-County”

Please note that all your responses will be treated with utmost CONFIDENTIALITY. Feel free and give your views which will only be used for academic purposes.

Section A: Background information

Tick as appropriate (✓)

1. What is your gender? Male Female

2. How old are you?

15-20 years 21 – 25 years 26-30 years

31 – 35 years 36 – 40 years 41 – 45 years

46 – 50 years 51 – 55 years above 55 years

3. How long has your association been in existence

Less than 1 year 1 – 5 years 6 – 10 years

Over 10 years Not applicable

For how long have you been a member?

Less than 1 year 1 – 5 years 6 – 10 years

Over 10 years Not applicable

4. How many members belong to your association?

Below 25 [] 25 – 50 [] 50 -100 [] 100 -500 [] over 500 []

5. What position do you hold in the association?

Chairperson [] Secretary [] Treasurer []

Member [] others (specify) [.....]

6. Which type of business do you operate?

Motor vehicle repair [] Metal fabrication [] Carpentry []

Catering [] others (specify) [.....

Section B: Information on Entrepreneurship Training

Tick (✓) as appropriate

7. How many training events did you attend in the last one year?

None [] 1 – 2 [] Over 3 []

8. IF yes, who initiated the training?

Business association [] Self [] Government institutions []

Others (specify).....

9. How relevant was the training to your business?

Slightly relevant [] very relevant [] Not relevant []

10. Was the training sponsored? Yes [] No []

If yes who was the sponsor?

Business association [] Government agencies []

Others (specify).....

If No who paid for the training expenses? Self [] Business association []

11. Does the business association help you negotiate the cost of training with the training provider? Yes [] No []

Section C: Information on Technology Transfer Services

Tick as appropriate (✓)

12. How many cost reduction techniques have you introduced into your business in the last one year?

None [] 1 – 2 [] Over 3 []

13. How many quality control measures have you introduced into your business in the last one year?

None [] 1 – 2 [] Over 3 []

14. How many meetings did you attend to receive information on new technology?

None [] 1 – 2 [] Over 3 []

15. Who organized for the meeting to pass information on new technology?

Business association [] Self [] Government institutions []

Others (specify) -----

16. How many people are on apprenticeship at your business?

None [] 1 – 2 [] Over 3 []

17. Who referred the apprentice to your business?

Business association [] Parents / Guardians [] Government institutions []

Others (specify) -----

Section D: Information on Networking Services

Tick as appropriate (✓)

18. Have you attended any meeting to discuss issues affecting your business with government officials in the last one year? Yes [] No []

If yes who initiated? Self [] Business association []

Government agencies [] others (specify) -----

19. Has your business benefited from any sub-contracting agreements with large enterprises?

Yes [] No []

If yes who negotiated for the subcontracting agreements?

Self [] Business association [] Government institutions []

Others (specify) -----

20. Has your business benefited from any collaboration with a research institutions

Yes [] No []

If yes, who negotiated for the collaboration agreement?

Self [] Business association [] Government institutions []

Others (specify) -----

21. Have you been able to access new markets for your products in the last one year?

Yes [] No []

If yes, who assisted you to access the new markets?

Self [] Business association [] Government institutions []

Others (specify) -----

Section E: Information on financial Services

Tick as appropriate (✓)

22. What is the maximum amount of loan you have received in the last one year?

Below 20,000 [] 20,000 to 50,000 []

50,000 to 100,000 [] over 100,000 []

23. Which institution advanced the loan to you?

Business association [] Banks []

Micro financial institutions [] Government agencies []

24. What form of collateral was required for the loan?

Guarantee by business association [] Plots / land Title deed []

Guarantee by friends [] None []

25. Do you save money with a business association?

Yes [] No []

If No which institutions do you save with?

Banks [] Micro financial institutions [] Friends Merry go round []

26. Does your business have any insurance policy to cover losses or other risks?

Yes [] No []

If yes, who initiated the policy?

Self [] Business association [] Insurance institutions []

Others (specify) -----

Section F: Information on Business Growth

Tick as appropriate (✓)

27. Does your business make profits? Yes [] No []

28. What was your daily sale when you started the business?

Below ksh 500 [] ksh500-1000 [] ksh 1000-3000 [] over ksh 3000[]

Below ksh 500 [] ksh 500-1000 [] ksh 1000-3000 []

ksh 3000-5000 [] over ksh 5000 []

29. What are your current daily sales for the business?

Below ksh 500 [] ksh500-1000 [] ksh 1000-3000 [] over ksh 3000[]

Below ksh 500 [] ksh 500-1000 [] ksh 1000-3000 []

ksh 3000-5000 [] over ksh 5000 []

30. How many employees are currently working for your business?

1 – 3 [] 4 – 6 [] 7 – 9 [] 10 and above [] None []

31. How many did you engage when you started the business?

1 – 3 [] 4 – 6 [] 7 – 9 [] 10 and above [] None

THE END

THANK YOU

**APPENDIX III: KREJCIE AND MORGAN'S TABLE FOR DETERMINING SAMPLE
SIZE(S) FOR A GIVEN POPULATION (N)**

N	S	N	S	N	S	N	S	N	S
10	10	100	80	280	162	800	260	2800	338
15	14	110	86	290	165	850	265	3000	341
20	19	120	92	300	169	900	269	3500	346
25	24	130	97	320	175	950	274	4000	351
30	28	140	103	340	181	1000	278	4500	354
35	32	150	108	360	186	1100	285	5000	357
40	36	160	113	380	191	1200	291	6000	361
45	40	170	118	400	196	1300	297	7000	364
50	44	180	123	420	201	1400	302	8000	367
55	48	190	127	440	205	1500	306	9000	368
60	52	200	132	460	210	1600	310	10000	373
65	56	210	136	480	214	1700	313	15000	375
70	59	220	140	500	217	1800	317	20000	377
75	63	230	144	550	225	1900	320	30000	379
80	66	240	148	600	234	2000	322	40000	381
85	70	250	152	650	242	2200	327	50000	381
90	73	260	155	700	248	2400	331	75000	382
95	76	270	159	750	256	2600	335	1000000	384

APPENDIX IV: RESEARCH PERMIT

**THIS IS TO CERTIFY THAT:
MR. FELIX GONZA OGUTU
of UNIVERSITY OF NAIROBI, 74494-200
NAIROBI, has been permitted to conduct
research in Nairobi County**

**on the topic: INFLUENCE OF BUSINESS
ASSOCIATIONS SERVICES ON THE
GROWTH OF MICRO AND SMALL
ENTERPRISES IN KENYA. THE CASE OF
STAREHE SUB COUNTY, NAIROBI
COUNTY.**

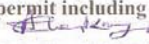
**for the period ending:
16th December, 2016**


.....
**Applicant's
Signature**

**Permit No : NACOSTI/P/15/30645/8768
Date Of Issue : 16th December, 2015
Fee Received : Ksh 1,000**


.....
**Director General
National Commission for Science,
Technology & Innovation**

CONDITIONS

1. You must report to the County Commissioner and the County Education Officer of the area before embarking on your research. Failure to do that may lead to the cancellation of your permit
2. Government Officers will not be interviewed without prior appointment.
3. No questionnaire will be used unless it has been approved.
4. Excavation, filming and collection of biological specimens are subject to further permission from the relevant Government Ministries.
5. You are required to submit at least two(2) hard copies and one(1) soft copy of your final report.
6. The Government of Kenya reserves the right to modify the conditions of this permit including its cancellation without notice 



REPUBLIC OF KENYA



National Commission for Science,
Technology and Innovation

**RESEARCH CLEARANCE
PERMIT**

Serial No. A **7502**

CONDITIONS: see back page