

Liability of Size and Age

Abstract:

There has been an increasing awareness at the Public Policy level that the micro and small enterprise sector in Kenya offers a greater potential for employment creation and income generation. This change in focus is a reflection of a strategic shift worldwide from emphasis on large centralized business establishments to more open, flexible, and creative systems of management. The pertinent literature associates problems of micro and small enterprise survival and growth with enterprise size and newness (age). The data used in this study was obtained from secondary sources. The main findings are that smaller firms are more likely to fail; the influence of enterprise size and age on growth and survival varies from one sector of the economy to another, gender of the pioneer of an enterprise has a moderating effect on the influence of enterprise size and age on the risk of failure, and enterprise location appears to have no moderating influence on the effect of size and age on enterprise failure and growth.