

**FACTORS INFLUENCING GROWTH OF SMALL SCALE BUSINESSES IN
NKUBU TOWN OF IMENTI SOUTH DISTRICT**

COSMAS NKUUBI MARETE



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ABSTRACT

Small scale businesses form the critical mass in driving the Kenyan economy especially in offering employment to a large number of unemployed Kenyans. Despite their main contribution MSEs are faced with major challenges affecting their performance negatively. It is on this premises that this study is designed to investigate the factors influencing the growth of small scale business in Nkubu town. The specific objectives is to find out the influence of credit management skill, staffing strategies and adoption of appropriate technology on growth of small scale enterprises. Through the study of general theories of growth of enterprises and empirical studies in many parts of the world(chapter 2) it is concluded that growth of MSEs is a result of multiplicity of factors ,among them technological, human, economic and social factors. The target populations comprise a frame of small businesses (697) in Nkubu town where a sample of 20% (141) was drawn. A questionnaire was administered using drop and pick method which enabled the researcher to agree with respondents about the duration of time to fill and collect them. Both descriptive and inferential statistics were used for presentation and analysis of primary information. As hypothesized in the study it was found out that technological adoption as a significant influence on the growth of small firms in Nkubu town. The study found out that both credit management skill and staffing strategies had no significant influence on growth of MSEs through the use of chi-square test at 95% level of confidence and critical value of 0.05. Since the study found IT adoption as making small firms competitive, it was recommended that the government of Kenya come up with immediate interventions to make computers and technological information affordable to allow small business entrepreneurs to embrace them for success in the growth of MSEs in Nkubu town of Imenti south district.