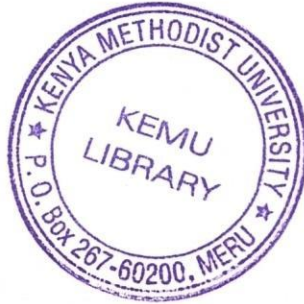


**AN EVALUATION OF THE INFLUENCE OF STAKEHOLDERS IN THE
PERFORMANCE OF BUSINESS NETWORKING IN MICRO
AND SMALL ENTERPRISES**

(A Survey of Businesses in the Informal Sector in Nyeri Town)



Gicheru Esther Wangechi

**A Thesis submitted to the Kenya Methodist University in Partial Fulfillment of Master
of Business Administration (Entrepreneurship)**

MAY, 2011

ABSTRACT

Many business owners open shop with little or no idea on the influence of stakeholders when it comes to business networking. They take it for granted that with enough funds to stock the shop, the rest is obvious. The purpose of this research was to evaluate the influence of stakeholders in the performance of business networking among micro and small scale entrepreneurs (MSEs). The objective was to evaluate how stakeholders influence the performance of business networking in micro and small enterprises in Nyeri town. The study sample comprised micro and small scale entrepreneurs. Specific categories of enterprises included boutiques, mobile telephone shops, beauty shops, hardware shops, and bookshops, all of which operate within the targeted research area. The study sought to establish the influence of stakeholders in business networking, with specific focus on supplier, financier, consumers/customer and competitor. Random sampling was used to determine the specific participants to constitute the representative sample which constituted thirty percent of the target population. The study used a population of 127 micro and small businesses, out of which a study sample of 42 businesses was selected. A questionnaire helped generate intended data. Data was analyzed using Statistical Package for Social Sciences (SPSS). Results of the research were presented using tables, frequency distribution graphs and pie charts. The data was analyzed using the regression model to show the relationships between the dependent variable and the independent variables. The study concluded that suppliers and financiers are key stakeholders to business networking followed by customers. However, it was evident that competitors were not key stakeholders to business networking. The researcher recommended that there is need for micro and small entrepreneurs to operate diverse businesses to minimize too much competition within one industry. Another recommendation was the need to sensitize, educate and train micro and small entrepreneurs to enhance networking strategies. Group ownership of businesses for long term sustainability and growth.