

**OWNER CHARACTERISTICS AND GROWTH OF MICRO AND SMALL ENTERPRISES IN  
NAIROBI CITY COUNTY IN KENYA**

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## **ABSTRACT**

In Kenya, past statistics indicate that over 50% of MSEs continue to have deteriorating performance with three out of five MSEs failing within the first few months of operation In recent

times, there has been an extensive amount of literary research devoted to investigate factors influencing growth of micro and small enterprises. Nevertheless, the bulk of such research tends to concentrate on MSEs in developed countries. Very limited studies have provided such research on MSEs in Africa, and even less in Kenya. This research sought to access the link between owner characteristics and growth of MSEs in Nairobi City County. It aims to contribute to the understanding of the factors that influence the growth of micro and small enterprise (MSE). The study variables include entrepreneurial readiness, demographic characteristics, entrepreneurial orientation and personality traits. This research adopted descriptive research design. The target population under this study consisted of 125,123 licensed MSEs within Nairobi central business district. The study used stratified random sampling technique in coming up with a sample size of 376 respondents. The sample size was determined using a statistical formula. A preliminary questionnaire was structured and pre-tested on a sample population to validate the questionnaire. A multiple regression was used to test the statistical significance of the independent variables. The study revealed that the four independent variables that were studied, explain 76.6% on the relationship between owner characteristics and MSE growth as represented by the  $R^2$

in the regression model summary. This is an indication that the four variables are critical drivers to growth of MSEs. It is recommended that the government should identify and nurture young entrepreneurs so as to equip them with technical competencies that will enable them run their businesses effectively. It is also recommended that MSEs invest more in research on other factors that spur growth such as innovation and technology in order to increase number of brands in their lines. This will enable expansion of MSEs and consequently graduate them from micro to medium enterprises.

**Key words: *Entrepreneurial readiness, Entrepreneurial orientation, Personality traits, Demographic characteristics, Growth of MSEs***

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