

**ENTREPRENEURIAL INTENSITY AND GROWTH OF SMALL AND MEDIUM ENTERPRISES
IN NAIROBI COUNTY, KENYA**

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Int

ABSTRACT

The study sought to establish the relationship between entrepreneurial intensity and growth of SMEs in Nairobi County. Entrepreneurship is one of the best contributors of the economic development in most of the countries across the globe. Studies have it that through entrepreneurship mostly by private sectors; most of the jobs globally are created thus reducing the unemployment rates. SMEs on the other hand are recognized as the main employment providers across the globe. In Kenya SMEs contribute to more than 40% of the GDP annually. However, despite the enterprises being very essential in the economy, they have been facing numerous challenges such as high competition, technological changes, globalization and human resources which threaten their success and others even end up collapsing. It is on this basis that the study sought to find out the impacts of entrepreneurial intensity on the performance of SMEs in Nairobi County. The study was guided by independent variables which included; Entrepreneurial orientation, entrepreneurial frequency, entrepreneurial capability and entrepreneurial alertness. The study used specific theories related to the independent variables to enlighten the understanding of the variables. The theories included; Schumpeterian growth theory, psychological theory, social network theory and Kirzner's theory of entrepreneurship. The study focused on SMEs in Nairobi County. A sampling formula was used to obtain a sample size of 98 respondents. Questionnaires were used as the research instruments. Data was gathered by delivering the questionnaires in the areas of work of the respondents and later picking them. Afterwards the data was analysed using SPSS version 21 and presented in form of tables, bar-graphs and pie charts for easier interpretation and understanding. The study established that entrepreneurial orientation, entrepreneurial frequency, entrepreneurial capability and entrepreneurial alertness positively and significantly influenced growth of SMEs. The study recommends that SME owners and/or managers should embrace entrepreneurial alertness, entrepreneurial frequency, entrepreneurial orientation as well as entrepreneurial capability to enhance growth and performance of their SMEs. The findings of the study will be significant to the SME owners and/or managers, policy makers and the government who will use them to identify the key areas they can focus on to improve the status and performance of the SMEs which are key contributors to the GDP. The findings will also add basis of literature to the available evidences and research on SMEs and entrepreneurial intensity thus benefiting future scholars and researchers who will use the findings to make their hypothesis and fill the gaps.

Key Words: Entrepreneurial Intensity, Growth of SMEs, Nairobi Count

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