

Factors Influencing Start-up, Growth and Survival of Small and Medium Manufacturing Industries in Kenya: A case study of Baba Dogo and Kariobangi Light Industries

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Abstract:

The Kenyan economy is faced with serious problems of low incomes, unemployment And poverty, largely caused by high growth rate of labour force in comparison to Growth in employment opportunities. As a result of this, the Kenyan government has adopted various policies to boost Employment creation as a way of eradicating poverty. One of the targeted areas is the Development of the SME sector, which received a major boost with the adoption of The sessional paper no.2 of 1992. Despite adoption of this paper, success has been to A limited extent, something that is attributed to poor policy implementation and Coordination among other factors. The SME sector is expected to play a major role i alleviating poverty through Employment and income generation hence it's importance cannot be overemphasized.

This study is set to look at the factors that hinder or encourage growth of enterprises In the small and medium sector. This study was based in the Baba Dogo and Kariobangi light industries, located in the Eastlands area of the city of Nairobi, whose residents largely constitute of the low Class of the Kenyan society. Success of these industries will go a long way in Alleviating poverty in the region. A sample size of 30 firms was randomly chosen From the firms in this area. Data was collected through questionnaires and Observations.

The data was analysed using descriptive statistics. The study has come up with factors influencing startup and growth of SMEs in these two localities. The research study came up with a number of factors that affect startup And growth of SMEs, both internal and external to the enterprises, which include, lack Of product research and development, lack of clear growth strategies, lack of training And human resource development, poor risk management, among others explained in This report. In conclusion, the researcher has made recommendations based on observed factors. The recommendations, which need to be effected either by the government regulation Or by the entrepreneurs themselves.