

FACTORS INFLUENCING ENTERPRISE PERFORMANCE: A COMPARATIVE STUDY OF STREET-BASED ENTERPRISES IN ELDORET AND NAKURU MUNICIPALITIES, KENYA

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The study compared the influence of constraints facing street-based enterprise (SBE) performance in Nakuru and Eldoret municipalities, Kenya. It was based on the socio-cognitive entrepreneurial model, to discern the complex interaction between the street-based entrepreneurial potential and environmental constraints (SBEs) in spite of formidable constraints is an appeal to the important role which the SBEs continue to play in the fast growing urban sector. However, the performance of street-based enterprises is little known and these category of enterprises continue to be marginalized leading to a situation of misery. The objectives of this study were; to compare the performance street-based enterprise and the demographic and other characteristics of entrepreneurs, enterprise characteristics, influence of environmental constraints, the promote the proliferation of SBEs, the perception, needs and measures to streamline the operations of SBEs and to examine the performance and growth stages of SBEs in Eldoret and Nakuru municipalities.

The research design for this study was comparative survey. The design assisted in comparing the factors influencing street-based enterprise performance in Eldoret and Nakuru municipality. The target population for the study consisted of SBEs (6700), graduated SBEs (500) support and regulatory agencies (120). The total sample size for the respective sampling frames for the study in Eldoret and Nakuru comprised SBEs (N=462) graduated SBEs (N=220); support and regulatory agencies (N=85). Probability sampling methods used to select individual elements in the study. Questionnaires were the main data collection instruments for primary data. The tools for data analysis included descriptive statistics, Pearson coefficient of correlation, analysis of variance and Pairwise matrix ranking.

The major findings of this study showed that; the number of dependants had a significant relationship with, fixed assets, capital, profit and sales. Different levels of the measures for entrepreneurial competencies played a major role in explaining deviations in the dependent variables. Enterprise age was significant with fixed assets and capital. Number of employees had a significant relationship with stock and capital in Eldoret and Nakuru. The legal and regulatory environment was a major constraint to the SBE operations while security was the major disturbance attributed to street-based enterprises. The levels of the entrepreneurial environmental constraints had statistically significant difference with dependent variables. Graduated entrepreneurs accessed few or no training opportunities before graduation. The SBE growth stages wer un-stable and chaotic.

This study concludes that factors influencing street-based enterprise performance had a higher impact on SBEs in Nakuru as compared to Eldoret in spite of an existing memorandum of understanding between the SBEs and the Eldoret municipality. Arising from the conclusion of this study, it is recommended that continuing provision of business development services to this sector be enhanced, the harassment of operators and shakedowns of street-based enterprises facilities be restrained, the government should create a business environment that promotes the private sector employment generation capacity and an organisation that is self regulating should be formed to oversee the mainstreaming of street-based enterprises in the mainstream economy.