# FACTORS AFFECTING THE SIZE OF ANIMAL FEED MANUFACTURING FIRMS IN NYERI AND KIAMBU COUNTIES

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B211-0009/ 2011

A Thesis Submitted to the School of Business Management and Economics in Partial Fulfillment of the Requirement for the Award of Masters Degree in Business Administration of Dedan Kimathi University of Technology

DECEMBER 2013

KSL. 10057

## DECLARATION AND APPROVAL

This thesis is my original work and to the best of my knowledge has not been presented for a degree in any other university or institution of higher learning.

Signed _____ Date 16/12/2013

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## APPROVAL

This thesis has been submitted for examination with our approval as University supervisors.

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# ABSTRACT

The purpose of this study was to investigate the factors affecting the size of animal feed manufacturing firms in Nyeri and Kiambu Counties. The study was guided by three objectives: to establish whether there was a significant association between the type of technology adopted and the size of animal feed manufacturing firms; to investigate if there was an association between education and size of animal feed manufacturing firms to determine the role of personal characteristics, education, technology adopted and organization culture on firm size of animal feed manufacturing firms. The research employed a descriptive survey design and targeted 21 animal feed milling firms. Stratified random sampling was employed to arrive at a sample of 105 participants. Data was collected using a self-administered questionnaire. Data was analyzed using descriptive and inferential statistical methods. Descriptive statistics included percentages and frequencies while inferential statistics included chi-square tests and regression. Employees in the 30-40 years age bracket formed 36.2% of the study population. 51.1% of the respondents had a work experience of between 1-2 years. Employees who completed secondary school level of education formed 37.2% of the participants. Chi-square tests indicate a significant relationship between bar code readers ($\chi^2$ (1) =4.850 p=.028), use of websites and e-marketing ($\chi^2$ (1) =15.015 p=.000), automated inventory ($\chi^2$ (1) =4.850 p=.028 at) at 1% level of significance and size of the firm. Chi-square tests also showed a significant relationship between education ($\chi^2$ (1) =14.464 p=.000 ) and firm size at 95% confidence interval. Regression analysis revealed that age (p=0.025), motivation (p=0.035), education (0.024) and mission and vision (p=0.04) were statistically significant at 95% confidence interval. Regression analysis also showed that all the variables in the logistic model accounted for about 54.9% the explanation for firm size. Findings from the regression analysis indicated that having a mission and vision was the strongest determinant of firm size with a unit increase in mission and vision bringing on average 2.893 times increase in firm size if other variables are kept constant. The researcher concluded that the feed manufacturing firms which had an organizational culture and employed highly educated personnel were more likely to enjoy growth of their firms. The researcher recommended that all the firms should strive to adopt a vision and mission and that the firms should embrace training the employees or offering induction training to their employees for the firm to grow.