

**EFFECT OF ENTREPRENEURSHIP SKILLS DEVELOPMENT ON GROWTH OF
SMALL AND MICROENTERPRISES: CASE OF KISUMU COUNTY, KENYA**

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B211/003/0003/2013

**A Thesis Submitted in Partial Fulfillment of the Requirements for the Degree of Master
of Business Administration, School of Business Management and Economics, Dedan
Kimathi University of Technology**

February 2016

DECLARATION

I declare that this thesis is my original work and has not been submitted to any other University or any institution of higher learning for examination/academic purposes.

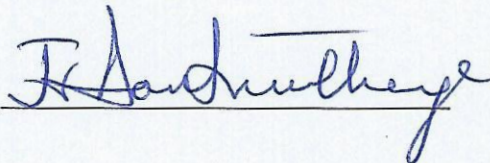
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This thesis has been submitted for examination with my approval as the student supervisor.

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ABSTRACT

The growth rates of SMEs in Kisumu County is lower than the national figures of 61 percent and that of its neighboring towns such as Kericho and Eldoret. Entrepreneurship training has been found to be a major determinant in the growth of enterprises. This study sought to evaluate the effect of entrepreneurship skills development on growth of SMEs in Kisumu County, Kenya. Specifically, the study focused on; financial management skills, production management skills and marketing management skills. Descriptive design was used to undertake this study. The sample size consisted of 364 respondents selected from owners or managers of SMEs in Kisumu County. Primary data was collected using a detailed questionnaire that was completed by either the proprietor/owner or manager of SME. Data collected was cleaned and coded in readiness for processing using Statistical Package for Social Sciences (SPSS) package version 20.0. Descriptive statistics, which includes measures of central tendency, measures of variability and measures of frequency among others, was applied. This was followed by inferential analysis using regression analysis to examine the relationship between variables. Presentation of information was done with the aid of bar charts, frequency tables, percentages, standard deviations and mean scores. The study concluded that majority of the SME owners/managers had accessed financial, production and marketing management training, for development of the business. In this regards, financial management skills most importantly enabled the respondents to separate business and personal finances, forecast profits to make a decision and compare performance against targets respectively. Production management skills led to enabling the entrepreneurs deciding how often to perform preventative maintenance on a key piece of production machinery. Marketing management skills development had a positive effect on SMEs growth through the evaluation of post purchase satisfaction, advising customers on product/service and asking current customers' preferences respectively. The study also concluded that financial management skills had the highest effect on growth of SMEs in Kisumu County, Kenya followed by production management skills and marketing skills respectively. In general, the study concluded that there exists a relationship between training programmes and business growth.