FACTORS AFFECTING GROWTH OF SMALL & MEDIUM SIZE ENTERPRISES (SMEs): A CASE STUDY OF TRANSGLOBAL LIMITED

BY

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DECLARATION
This project is my original work and has not been presented for a degree in any other University.

Signature …………………………..  Date ………………………………………

Susan Njeri Wanjohi

ODL/BML/5/00181/1/2015

This project has been submitted for examination with my approval as University Supervisor.

Signature ………………….  Date……………………………………

Dr. Leonard Wambua
DEDICATION

I dedicate the study to my supportive family and friends for the unending support in the pursuance of my degree during the years of study.
ACKNOWLEDGEMENT

Above all am most grateful to our Almighty God for His grace and blessing throughout the course. I would also wish to thank my supervisor Dr. Leonard Wambua who has provided guidance through the project.

My appreciation goes to my colleagues for the motivation to accomplish the course work. My sincere appreciation to Transglobal Limited for the information they provided and the chance given by The Management University of Africa to undertake my study thanks to them. Finally I commend my family for their support.
ABSTRACT
The study aimed at establishing factors affecting growth sustainability of SMEs in Kenya. The case study was Transglobal Limited. Specific objectives of the study included; to determine how accessibility to technology affects transglobal limited, to examine the effects of financial accessibility to growth of Trans -global limited, to examine the extent to which management skills affect growth of transglobal limited, to determine the effect of market environment on the growth of transglobal limited. The study is of great significance to various stakeholders such as policy makers. The Trans-global limited company will benefit from the various discussions to improve on their management skills, upgrade their technological abilities ,seeking for alternative sources of funds and in undertaking a strategic analysis of the market environment to aid in coming up with a competitive strategy . The SME sector, in general will benefit from the study. The independent variables included accessibility to technology, Marketing environment, management skills and financial accessibility. The target population of the study was divided into the management level (top), Operational level and the subordinates staff making up the 1000 employed population of the company while the sample size was made up of 10% of the target population. Random sampling was used to select respondents for the sample size. Information was collected through a questionnaire with bot open ended and closed questions based on the objectives. Data was coded and analysed and generated in bar charts, tables and pie charts. The findings of the study showed that; access to finance played a big role in growth of as they have various alternatives to financial accessibility transglobal, marketing environment affects the growth and coming up with a competitive strategy was essential in the ensured growth. The study revealed Accessibility to technology was not readily adopted in the organization hence the need to conduct trainings and management attitudes greatly affect the growth of Transglobal in the theoretical and the practised management. The study recommended provision of trainings to the employees including the subordinates some of this should be sponsored by the organization itself to improve the management attitudes. The marketing environment is important as from the analysis a competitive strategy can be formulated. It also recommends that accessibility to finance is a key pillar in the growth of an SME the management should ensure the company has a variety of financial sources. Technology changes should be readily adopted as this improves on the efficiency to achieve this, more company transactions should be done technologically and constant emphasis made on that.
# TABLE OF CONTENTS

DECLARATION ........................................................................................................................................... ii
DEDICATION ............................................................................................................................................. iii
ACKNOWLEDGEMENT ................................................................................................................................. iv
ABSTRACT .................................................................................................................................................... v
LIST OF TABLES ......................................................................................................................................... ix
LIST OF FIGURES ...................................................................................................................................... x
ACRONYMS .................................................................................................................................................. xi

## CHAPTER ONE ................................................................................................................................. 1

1.0 INTRODUCTION ............................................................................................................................... 1

1.2 Statement of the problem ...................................................................................................................... 3
1.3 Research Objectives ............................................................................................................................. 4
1.4 Research Questions ............................................................................................................................... 5
1.5 Significance of the study ....................................................................................................................... 6
1.6 Scope ...................................................................................................................................................... 6
1.7 Chapter Summary ................................................................................................................................. 7

## CHAPTER TWO ............................................................................................................................... 8

LITERATURE REVIEW ............................................................................................................................ 8

2.0 Introduction .......................................................................................................................................... 8

2.1 Theoretical literature review .............................................................................................................. 8
2.1.1 The evolution Theory ...................................................................................................................... 8
2.1.2 Theory of sustainability footprints ................................................................................................. 11
2.2 Empirical Literature Review ............................................................................................................ 12
2.2.1 Access to finance ............................................................................................................................ 14
2.2.2 Access to information technology ................................................................................................ 16
2.2.3 Management skills ......................................................................................................................... 18
2.2.4 Marketing Environment ................................................................................................................. 20
2.3 Summary and research findings ......................................................................................................... 22
2.3.1 Access to finance ............................................................................................................................ 22
2.3.2 Access to information technologies ............................................................................................... 22
2.3.3. Management skills ....................................................................................................................... 22
2.3.4 Marketing Environment ................................................................................................................ 23


vi
2.6 Chapter Summary ........................................................................................................... 25

RESEARCH METHODOLOGY ............................................................................................ 26

3.0 Introduction .................................................................................................................... 26
3.1 Research Design ........................................................................................................... 26
3.2 Target Population ....................................................................................................... 27
3.3 Sample and Sampling Techniques ............................................................................. 27
3.3.1 Sampling Method ................................................................................................... 27
3.3.2 Sample Size ........................................................................................................... 28
3.4 Instruments .................................................................................................................. 29
3.5 Validity and Reliability Test ....................................................................................... 29
3.5.1 Validity .................................................................................................................. 29
3.5.2 Reliability .............................................................................................................. 30
3.6 Data Collection Procedure ......................................................................................... 30
3.7 Data Analysis Presentation ......................................................................................... 31
3.8 Ethical Considerations ............................................................................................... 31
3.8.1 Voluntary Participation ......................................................................................... 32
3.8.2 Confidentiality ....................................................................................................... 32
3.8.3 Privacy .................................................................................................................. 32
3.8.4 Anonymity ............................................................................................................ 32
3.9 Chapter Summary ....................................................................................................... 32

CHAPTER FOUR ................................................................................................................ 33

RESEARCH FINDING AND DISCUSSION ........................................................................ 33

4.0 INTRODUCTION ........................................................................................................... 33
4.1 Presentations of findings ............................................................................................ 33
4.1.2 Gender Information ............................................................................................. 33
4.2.3 Age Bracket .......................................................................................................... 34
4.2.4 Academic Level .................................................................................................... 35
4.2.5 Work Experience .................................................................................................. 36
4.2.6 Effects of Access to technology .......................................................................... 37
4.2.7 Adoption of technology ....................................................................................... 38
4.2.8 Technology fostering creativity and innovation ................................................... 39
4.2.9 Effects on access to finance ................................................................................ 40
4.2.10 Alternatives the organization has to financing ................................................ 41
4.2.11 Effect extent of the marketing environment to SMEs sustainable growth .......... 42
CHAPTER FIVE

SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

5.0 Introduction ................................................................. 48
5.1 Summary of findings ...................................................... 48
  5.1.1 To what extent does access to finance affect the sustainable growth of transglobal limited? ........................................... 48
  5.1.2 To what extent does access to technology affect the sustainable growth of transglobal limited? ........................................... 48
  5.1.3 To what extent does marketing environment affect transglobal limited sustainability of SMEs in Kenya? ........................................... 49
  5.1.4 To what extent do management skills affect the sustainable growth of transglobal limited? ........................................... 49
5.2 Conclusion ................................................................. 49
  5.2.1 Access to technology .................................................. 49
  5.2.2 Access to finance ..................................................... 49
  5.2.3 Marketing environment .............................................. 50
  5.2.4 Management skill ..................................................... 50
5.3 Recommendations ...................................................... 50
  5.3.1 Access to technology .................................................. 50
  5.3.2 Access to finance ..................................................... 51
  5.3.3 Marketing environment .............................................. 51
  5.3.4 Management skills ..................................................... 51

REFERENCES ........................................................................... 53
APPENDIX 1: LETTER OF INTRODUCTION.........................................................57
APPENDIX 2: QUESTIONNAIRE.................................................................58

LIST OF TABLES
Table 1: Target Population...........................................................................27
Table 2: Survey Respondents........................................................................45
Table 3: Gender Information........................................................................46
Table 4: Age Brackets..................................................................................47
Table 5: Academic Levels............................................................................48
Table 6: Work Experience...........................................................................49
Table 7: Effects of Technology.................................................................50
Table 8: Adoption of Technology...............................................................51
Table 9: Creativity and Innovation.............................................................52
Table 10: Effects of Finance........................................................................53
Table 11: Alternatives of finance...............................................................54
Table 12: Extent of marketing Environment effect.....................................55
Table 13: Competitive strategy and Market Share......................................56
Table 14 management skills effect............................................................57
Table 15: Management attitudes...............................................................58
LIST OF FIGURES

Figure 1 Conceptual Framework ................................................................. Error! Bookmark not defined.

Figure 2 Survey Response rate ........................................................................30

Figure 3 Gender response rate .........................................................................34

Figure 4 Respondents age brackets ................................................................35

Figure 5 Respondents academic levels ..............................................................36

Figure 6 Respondents work experience ..........................................................37

Figure 9 Respondents on technology effects on creativity and innovation ..........40

Figure 20 respondents on access to technology .................................................41

Figure 11 Respondents on alternatives to finance sources ...............................42

Figure 12 Respondents on the extent of marketing environment effects ..........43

Figure 13 Respondents on effects of competitive strategy in relation to the market share ..................................................................................................................44

Figure 13 Respondents on effects of management skills to sustainable growth ....45

Figure 14 Respondents on management attitudes effects ...................................45
<table>
<thead>
<tr>
<th>Acronym</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>BPO</td>
<td>Class Business Process Outsourcing</td>
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<tr>
<td>CS</td>
<td>Cabinet Secretary</td>
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<tr>
<td>GDP</td>
<td>Gross Domestic Product</td>
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<td>GoK</td>
<td>Government of Kenya</td>
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<tr>
<td>ICT</td>
<td>Information communication Technology</td>
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<tr>
<td>ITU</td>
<td>International Telecommunications Union</td>
</tr>
<tr>
<td>JKUAT</td>
<td>Jomo Kenyatta University of Agriculture</td>
</tr>
<tr>
<td>OECD</td>
<td>Organisation for Economic Co-operation and Development</td>
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<tr>
<td>SMES</td>
<td>Small and Medium Size Enterprises</td>
</tr>
<tr>
<td>ABF</td>
<td>Asset Based Financing</td>
</tr>
<tr>
<td>ABL</td>
<td>Asset Based Licensing</td>
</tr>
</tbody>
</table>
CHAPTER ONE

1.0 INTRODUCTION
The chapter gives a short introduction to the research of the factors affecting SMEs growth sustainability in Kenya. The chapter contains the statement of the problem specific objectives, questions and the scope of the study.

1.1 Background of the Study
Small and medium enterprises (SMES) play a worthy part in developed and developing of economies, they have been aptly alluded to as “the basis of development” and” a boost to a lift to financial change of nations.” SMEs provide the pathway to the accomplishment of national monetary targets of income generation and shortage lessening at low venture costs as well as improvement age and neediness decrease at low affordable speculation costs including advancement of entrepreneurial capabilities and indigenous innovation. Advantages of the operational SMEs include access to infrastructural facilities occasioned by presence of SMEs in their environs, stimulating of business activities for example, providers of items and distributive exchanges for items created and or required by SMEs Abor and Quartey (2010).

As per United Nations Industrial Development Organisation (UNIDO) SMEs represent ninety percent of reserved business and add to more than 50%t of work and of total national output (GDP) in most African nations (UNIDO, 1999). Studies undertaken by Abor and Quartey (2010) estimate ninety percent of formal business enterprises in South Africa are SMEs; the SMEs contribute almost fifty seven percent and provide almost sixty one percent to employment.
Small and Medium Enterprises play a key part in the Kenyan Economy. The sector contributes more than fifty percent of jobs in Kenya. Past statistics show that SMEs fail during the fast few months of setup (Kenya National Bureau of statistics, 2007). (Armyx 2005) the most weighty challenge is the opinion that the SMEs have no ability to provide high standard services and aren’t able to work on simultaneous projects at the same time meaning they lack enough capacity.

Starting and running small business faces the possibilities of success and also failure. Due to size a small managerial mistake may lead to the end of the enterprise reducing the chances of learning from the past mistakes. Improper planning, financing and poor management has been found to be a contributor to disappointment of the small enterprises (longnecker, et al., 2006). Shortage of credit has additionally been noted as a standout constraint confronting SMEs and dragging their advancement (oketch, 2000 & Dondo, 1992; Kiiru, 1991).

The project was premised as a case study on Transglobal Logistics Services Ltd. The company offers freight logistics services, together with air and ocean transportation, charter flights, import and fare, break mass and combinations, full compartment stack/less than container load/full truck stack/less than container load, unique cargo, larger than usual and venture shipment, expedited administration, rates and citations, cargo scope, and conferences. The researcher used the case of transglobal to bring about some of the major issues facing SMEs within Kenya and delves into researching on the various ways to create recommendations that would be of greater use in the improvement of the SMEs performance in Kenya generally.

The study targeted Transglobal limited in Nairobi Kenya used as the source of target population. This is due to it being the case study of this study.
1.1.2 Profile of Transglobal ltd.

Transglobal Cargo Centre is a multi-utility facility, the only one of its kind in East Africa, which was designed and built to the best of details and needs of a modern air cargo and shipment operation. The company is located at the heart of the Specialized Freight Area of JKIA, Nairobi Kenya and employs an annual human resource of 1000 members Transglobal (2015).

The organization offers different administrations including, incline and air shift handling, physical affirmations on weight, size and state of payload, develop and separate of beds, pallet switch (air/air), stockpiling, naming, ULD control, air waybill issuance, evidence of conveyance, manifests, pre-manifests, files accumulation, dangerous goods checking, live animals acceptance, security escort of goods and mail (un-equipped and furnished), other physical and documents handling, x-beam of shipment and trucking.

1.2 Statement of the problem

Owing to the major contribution of small and medium-size organizations, they are classed as vital players in an ordinary and even-handed monetary advancement process (Memba, Gakure and Karanja, 2012). Mbugua et al (2013) equally observes the development of SMEs in the current past has been of profitable significance to numerous government policy creators and researchers universally due to understanding the financial commitment to Gross Domestic Product (GDP) and business progress. They're no extensively taken as an entrance into bigger successful businesses rather, they are considered as a route to industrial and economic development and a poverty eradication tool.
From the various studies undertaken concerning the SMEs, OECD (2014), SMEs are identified to fund to over 55% of GDP an over 65% of total occupation. They contribute 60% of GDP and over 70% of engagement in low revenue nations (OECD, 2014). SMEs thus input to occupation and job formation. They additionally offer prospect for commercial benefit, payback on venture and increases survival chances (Dobbs, M. a. (2007). However despite the various advantage the SMEs bring to the economy in terms of providing employment to Kenya’s fast growing population as well as acting as a source income to the people it employs, the SMEs face challenges that may lead to the death of the enterprise, stagnating at the original level, choose to expand parallel by beginning other comparable undertakings change to non-related businesses from the original objective of its formation (Ng'ang'a, M., 2003).

A lot of studies have been previously undertaken concerning SMEs setups but none has been solely dedicated on the distinctive subject of Transglobal ltd. Bowen et al (2009) have undertaken studies of the determinants of small and medium sized trade firms in Kenya. They have highlighted overall encounters facing SMEs persistence in Kenya. They therefore did not share information on the various factors that affect the sustainable progression of the SMEs.

(Atieno. R, 2001) examined SME development but was biased on the access to credit for the being of the “jua Kali” sector in Kenya. This specific project was expected to fill the gaps to the ever nagging concern of the factors affecting SMEs sustainable growth in Kenya.

1.3 Research Objectives

To highlight specific challenges affecting SMEs sustainable growth as well as give recommendations on how technology can be used to help catapult them into new
markets with new growth opportunities with a view of achieving sustainable growth. Pursuant to this, the key objectives of this research study include;

1. To determine the role of technology accessibility to growth of Trans-global limited.

2. To examine the effects of financial accessibility to the growth of Transglobal limited.

3. To examine the extent to which management skills affect growth of Transglobal limited.

4. To determine the effect of market environment on the growth of Transglobal Limited.

1.4 Research Questions

The purpose of this study was to explore factors affecting sustainable growth of Transglobal Limited.

1. To what extent does accessibility to information technology affect transglobal limited?

2. To what extent does access to finance affect the growth of Transglobal limited?

3. To what extent does the market environment affect growth of Transglobal limited?

4. To what levels do management skills affect the growth of Transglobal limited?
1.5 Significance of the study

This study aims to be beneficial to all SMEs, the financial intermediaries especially the commercial banks, the government in the bid to create favourable environments as well as the general public.

1.5.1 The management of transglobal

The study aimed to help the management of transglobal limited and other limited organization in building industry to identify the current factors affecting the sustainable evolution of SMEs in Kenya. The discoveries and outcomes provide unfailing scientific measure and perspective for describing and valuing the level of effectiveness on the new ways SMEs should be able to deal with the emerging challenges that face the SMEs sustainable growth.

1.5.2 The Government

The policy maker’s i.e. the government agencies the conclusions and outcomes of the study provide a more dependable guide to observing the factors affecting SMEs. It serves as a tool for the company and others to be more competitive with the ever changing business environment that makes the sustainable growth of the SMEs a challenge.

1.6 Scope

This research project was undertaken from May to October 2017 it focused on the aspects affecting the sustainable progression of SMEs in Kenya with a view of improving their competitiveness in the global market. The researcher took a target population of 1000 respondents from Transglobal limited and a sample size of 100 respondents.
1.7 Chapter Summary

The chapter gave a brief description of what SMEs are, going into a review of the various studies undertaken concerning the Small and Medium Enterprises from a global and Kenyan context which prompted this study into the factors affecting SMEs sustainable growth in Kenya. It was premised on Transglobal Ltd as the case study. The study took a target population of 1000 people from Transglobal Limited based in Nairobi.
CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction
The chapter is specifically for literature review necessary to the study. It is reviews
the various definitions given for the SMEs and how to classification has evolved over
time. It specifically lays emphasis on the various factors affecting the sustainable
growth of SMEs including; how access to finance, technology, Management skills
and market environment contribute to their sustainability.

2.1 Theoretical literature review
An enterprise is an entity undertaking an economic activity in any form. It could be
particular, self- employed persons and family business engaged in or other crafts
including partnerships or associations regularly engaged in an economic activity (EU
2003/360. There exists no single definition for SMEs due to diversity of businesses.
The meaning would be directly dependent on the number of employees and business
turnover and assets (Isaac Quaye et al 2014).

2.1.1 The evolution Theory
Each business has to begin, develop while encountering various hardships, it finally
matures and declines (Sampati Gupta, D. g.,2013). Many factors add to the business’
success allowing it to move from one stage to another. Researchers have two thoughts
concerning this aspect; some state that the development path followed by the business
follows a line hence predictable while others said growth depends on the explanation
of what the business is the much it has achieved and what it brings to the market,
things of monetary value it controls and its legal form.
The study of how enterprises manage their growth transition and pattern followed is important. The widely framework adopted in this study is the life cycle framework explanation. In this explanation a business’ growth is considered organic it assumes growth is periodic in a linear phase. However other researchers suggest it is not the case with an enterprise. Most businesses will not take that character as it is not likely for each of those to undergo each phase. Some will develop, remain constant and decline in any order and the happenings could be reversible (Sampati Gupta, D. g., 2013).

Enterprise growth is noted in four theoretical views; resource based perspective, motivational perspective, calculated plan adoption perception and the formation perspective. Resource based perspective narrows on facilities including, spread of business activities, money related resources, trained staff, etc. The resource philosophy holds that there are abundant sources of chances in the market place. Change management is important by deploying a firm’s resource to identify and use the next growth opportunity (Curran, 2013,)

In determining the successive growth phases and development, resources need to be replanned through the various phases. Through the review the study on growth path of the SMEs doesn’t exhaust all sectors. The proposal includes various theories on enterprise growth. It seeks to highlight that there is a tonne of literature review done on the stages followed by the SMEs. There lacks literature on the factors affecting the sustainable growth. The proposal suggests the need to undertake a study into the various variables affecting growth sustainability of the small and medium enterprises King, K. a. (2002)
An innovative endeavour is effective when it is observed to grow. Progression is defined in many ways in terms of income generation, value addition, and spread in the business output. It is measurable qualitatively from the features including market spot, superiority of produce and consumers goodwill (King, K. a., 2002).

Growth being an important sign of a successful enterprise, aspects like the character of the investor, accessibility to finance, and labour affect the progress of the initiative distinguishing it with the slow developing enterprises. Growth as indicated is a role of the moves made by the entrepreneur like in what manner to grow within or outwardly and where to venture in the worldwide and local markets (Ebert, R. J. 2006).

According to (Mateev and Anastov 2010) enterprises development is correlated to size as well as other specific features like monetary standing and business volume. They additionally say assets which are a measure of the firms and size directly affects sales income though the numbers of workers, investments and extra untouchable resources have little effect on the enterprises projections.

Market conditions change over time due to economic changes; organizations are in in ever continuous stress to do well, provide value, and keep their working costs at minimum. In this kind of conditions it’s fundamental that organizations distinguish themselves on the basis of abilities and capabilities. They are needed to competitive on different angles such as strategy and improvement of products, industrial, cost, supply, communication and creative ways of wooing the customers. For the various challenges of reorientation need for flexibility and creativity to be met, for commercial development, it is important for SMEs to come up with, relate and bring in invention (Curran, J., and Blackburn, R. A. 1994). In the previous century sixty percent of the advances emanated from SMEs, but many would be prosperous owing
to absence of expertise and inability to coordinate with other businesses (Rothwell, Noteboom, & Haudeville, 1986, 1991, 2002).

It is clear from the theory there is need for SMEs to be innovative in the newly changed environment. It’s even more important that flexibility and creativity be included this follows the accessibility of finance facilities that an SME would need in their various entrepreneurial ventures i.e. expansion strategies, acquisition of new technological facilities that would boost their productivity.

The various theories undertaken claim that however financial access, innovation and creativity are determining factors to the growth of an organization, the characters and managerial skills of the individuals are also put to task in ensuring the sustainable growth of the enterprise.

2.1.2 Theory of sustainability footprints

The shared value and resource based view bring out four key parts where sustainability paths can add on to the victory of the enterprise in terms of cost, modernization, ecological and shareholder effects (Lowellyne, 2014). The study indicated that sustainability footprints can change stakeholder’s view on waste from being a cost to a revenue hub, through reduction of carbon emissions through rechanneling waste from landfills stimulation creativity through the pursuit for possible energy reserves. Firms that do not measure their sustainability tracks for example, carbon, social and water footprints tend to be at risks specifically within the subject of weather alteration as they fail to embrace behaviours or create more sustainable choices.

Using an economic model, the sustainability theory economic models aim to gain opportunity in form of capital. As per (Solow, R. M. (1957) sustainability should be
thought of as an investment problem, returns should be gained from utilisation of natural resources to create new opportunities of equal or greater value. Investing on the social community responsibility may be justifiable on other aspects but on other grounds, it takes from investment hence competing with sustainability (Herman Daly, 1996). Sustenance of opportunity for ecological economics, then sustaining opportunity as the future requires strong preservation measures in preservation of ecological benefits to keep economies operating as per the natural limits.

2.2 Empirical Literature Review

According to (Czinkota et al 1983) SMEs in Africa are weak due to the small local market, the entry of the firms to the markets with better products, undeveloped regional inclusivity and hostile business conditions including tough sanctioned actions, meagre platforms, doubtful permissible structures, and inconsiderate tax policies, cause the SMEs to remain small and informal using humble know-how that doesn’t needs abundant use of state structure. This hinders their being competitive in the market place.

Markets in the industrialized and unindustrialized nations admit the impact and significance of SMEs in creating work, encouraging progress and building synergy. Attention in the SMEs also looks to have also come up in the perspective of globalization, which is continuously becoming a contributing potency in the world trade. This is due to elasticity and flexibility to revolution; SMEs are regarded as mechanisms proficient of reacting to globalization.

Regardless of the possible role SMEs bring to the fast progress and job establishment in unindustrialized countries, a number of issues upset their potential to self-actualise. Their expansion is hindered by a sum of influences, they include funding, lack of
competitive administrative abilities, facilities, technology and governing matters among others (Aryeeetey et al, 1994; Gockel and Akoena, 2002) although the small and medium enterprises attract motivated managers, they find it difficult to match the larger ones in terms competition. Scarcity of managerial ability in many countries magnifies the effect on SMEs. The high cost of upkeep service stop most SMEs from improving their management skills as consultancy businesses are often not prepared with suitable economical resolutions for SMEs. Even with the various firms providing teaching and advice services it is still a gap in the sector as a whole (Kayanula and Quartey, 2002). This is a result of investors being able to pay for the high cost of teaching and advice-giving service whereas others realize no requisite in improving their expertise. SMEs have in the recent past had hitches in gaining access to applicable know-how and data on the various practises (Aryeeetey et al., 1994). They utilize foreign technology on a minimum scale of pooled tenure or letting.

Information technology has developed quite rapidly. The ownership of mobile phones, smart phones and tablet computers has also spread quickly recently. Consumers prefer more than ever the internet sales compared to sales over-the-counter sales and e-commerce market for individuals is expanding. Right to use credit almost entirely indicates a basic difficulty for SMEs. This touches choice by controlling the number of choices considerable. Most SMEs may adopt inappropriate technology being that their financial ability doesn’t allow them to acquire the best equipment. The constraint operates in a range of ways in Kenya as not fully formed capital markets force businesspersons to rely on self-funding. The lack of long term financial credits, result in SMEs relying on high cost short term finance.
2.2.1 Access to finance

There are divergent opinions on how the SMEs finance appreciation (MORI, I. 2009). Some are of the opinion that they are doing much while others are concerned they are bad at financial planning principally as a result of time scarcity and feeble internally in the aspect of financial reporting thus, should gain more professional exhortation. The SMEs request for expanded assistance in expectation of income and trade as well as balance sheet forecasting and help in getting business plans to help credit applications. More guidance is required on help with cost-cutting, bankruptcy planning, charge arranging and general business bolster. These types of advice contribute to the survival of the venture.

According to (Sacerdoti 2005) the incapacity of borrowers to correct figures on their business performance, unreliable updated company registers, weak repossession and security recognition procedure including dysfunctional courts burdensome judicial and legal procedure greatly contribute for the lack of access to funds for SMEs.

Lack of credit facilities is not only a Kenyan problem rather a worldwide issue. Even when credit is available the individual business may experience difficulty since lending conditions require security for the loans. This in turn forces those willing to venture to rely on self-financing or borrowing from kin members or friends. This is an expensive alternative to the long term finance. The banks will consider the SMEs with no operation history too uncertain as their loan repayment capability is unknown. They may also not have security to get official loans. The lack of expertise to run business skilfully, no proper book keeping techniques, record structures, business strategies or profit reports make it hard for a bank to assess them (Frempong.G, 2007)
Studies embrace uncover capital, size, data access, chance and monetary records influence the credit access by firms. Others would incorporate; loan costs, borrower’s training level and past monetary execution. (World Bank Report, 2007).

Capacity of SMEs to develop depends exceedingly on their capability to input resources into rebuilding and advancement. These ventures require capital and therefore access to funding. The issue SMEs not getting funds if not well tended may imperil survival and development of the SMEs segment. (Ganbold 2008) studies led by the world Bank/IBRD demonstrate that the principle obstacle of sustaining enterprises is from the absence of access to financial support that would extend financial development creating employment as well as destitution diminishment in the developing countries.

The lack in credit leads to lowly kept or unused equipment, inability to acquire materials and services; even expansion is limited (levitsky and Oyen 1999). Big organizations highly gain from reputable capital markets where small businesses cannot advance resources. (Whincop, J. 2. (2001). Due to the lack of well-advanced finance data systems, financial sector is the main source of for SMEs external funds (Darson., 1995) The luck of funds hinders SME development in the developing countries.

Fiscal gravity (entire credit unpaid) can be utilized as an estimates pointer with immediate and roundabout consequences for funding businesses. (Ayyagari Beck and Demirgic-Kunt, 2003) noted that physical and statistic infiltration, normal size, and digit of deposits as pointers. Rates of interest charged on the acclaim, decides the cost or credit. This is the measure of cash loaned. The loan cost is typically a level of the acquired sum it decides the measure of enthusiasm over a span, might be a year.
The entrance to credit from both financial and casual channels, require a specific measure of security. The insurance required by SMEs is excessively expensive this makes it imperative to SMEs the greater part of who might not have deeds to principal funds for current confidence against credits. At some point foundations may require individual or the group to get an underwriter. Banks might be particular on the underwriter presented; they do a background check first. This creates tougher situation for SMEs to get resources from monetary establishments.

Studies show that education help differentiate businesspersons that access credit and persons who don’t (Rowlatt, 2012). Through education a person’s level of information and skills are increased. Emanating from the lack of information in developing countries such as Kenya, teaching and talents are needed to run small and medium initiatives. Exploration suggests that with more education and training they are more likely to be successful in the SME sector (King, K. a. ,2002). It is established that highly educated person proffered credits from casual markets than the official ones. Therefore, education may enhance access to credit.

2.2.2 Access to information technology

Information technology is clearly distinct as computer software and hardware resolutions that make available support of administration, operations and planners in organization (Thong & Yap 1995) they deduce that the main aim of having information technology is increasing productivity of cooperation. (Boar 1997) characterizes data innovation as advances occupied with the operation, gathering, transport, recovering, capacity, get to introduction and change of data as it is accounted for (Hollander et al 1999) I.T is gone used for making of PC established frameworks of data through utilizing PC frameworks in association (Sarosa, S. d.
Information technology has real impact on industries in if not all, most aspects of the economy, as business experience continued transformation. Modern businesses aren’t possible without information technology that plays a continued impact on the small and medium enterprises. Compared to traditional business ways, information technology enhance interactivity, flexibility, cheap business transaction while improving interconnection among partners and the general consumers (Namani 2009).

(European Commission 2015) The Key Enabling technologies (KETs) as defined by the European Commission are an important driver of industrial competitiveness. They strengthen the capacity for industrial renewal and innovation and are a means to addressing societal challenges. Technology facilitates a route to new products and services leading to smart, sustainable and inclusive growth developed by industry and SMEs. Access to KETs know-how, is a requisite for industry and SMEs. Unfortunately the SMEs have limited access especially since they have many sub-areas with large amounts of technologies, methods and expertise.

Due to globalization of the economy and technological developments there has been transformation of physical wealth creation jobs to being knowledge based greatly enhancing needs of information to enterprises by offering new avenues for investments. Information is becoming more of a critical resource as capital and labour to advancement and development of business. This makes accurate, fast and applicable information an essential for SME (Berisha-Namani, 2009)

SMEs require operational information structures to upkeep and provide information to the various consumers. These structures include those that support choice making, active interface between user and computer expertise providing information for managers on the daily business operations. Information is basically the most
important commodity in decision making. The SMEs ability to realize their goals depend on how well organizations acquire, interpret, synthesis, evaluate and understand info and how well the channels back up business processes (Hicks 1993).

Higher technical and professional skills are critical in increasing effectiveness and backing to social inclusion, decent occupation and shortage decrease a strong incentive for reforms. The government has initiated programmes in institutions including the Jomo Kenyatta University of Agriculture (JKUAT) and other institutes in developing IT resources in the country.

The research drew studies from (Ongori and Migiro 2010) in addressing the various perspectives of ICT embracing by SMEs in the evolving nations including Kenya. They practical dispersal of modernisation theory (in testing the hypotheses concerning relation benefit, compatibility, trial ability, and observability (Kaminski, 2011) and how the variables affect e-commerce acceptance in the SMEs in the metropolitan areas of Kenya.

From previously undertaken studies ICT adoption may be hindered by various factors including management interest and need to upgrade communication, direction intervention, cost decline, transactions revenue increment, improved consumer services a and competition pressures (Ghazi A, Al-Weshah & Al –Zubi 2012).

2.2.3 Management skills

The main task of mangers at all stages and types of enterprises is to project and uphold a situation that can achieve organizational objectives as well as deliver adequate services to the consumer. Management theory classifies important management knowledge.
OECD (2002) defines management training as training managerial skills of the managers of SMEs. That is eternal to the firm, delivered to proprietors and bosses and is partially sponsored by the organization in question. The definition excludes various other views of training hence termed narrow. It excludes to mention on trade start-up teaching provided for persons whether employed or otherwise not, training provided to all kinds of workers and training provided to a manager which has no managerial aspect to it.

Management skills are not only theoretical but are also practical. Though fewer methods have been designed, study and scholarly accomplishments continue adding value to existing practices. The common practise includes, make provisions, networking, planning and control as in programme Appraisal and Evaluation Technique (PERT) / (CPM), degree of profit on venture, management goals, total Quality Management (TQM), and the others. Skills can equally by added up in seven roles: Listener, Mentor, Idealistic, Team leader, and Leader (Ninomiya 1991).

(Ninomiya 1991) suggested that managers need to pool need to guarantee continued existence and team work and gathering staff anticipations. The view is of significant importance in the stimulating and competitive business setting of today.

According to (Temtime and Pansiri 2004) competitiveness and sustained growth of enterprises, and managerial problems are the main causes of small and business failure. The management performs poorly in book keeping, marketing, warehousing, and control of stocks, production planning and quality control (Tushabomwe 2006), the managerial related challenges seem to be the commonly associated cause of small enterprises failure. Their inability to perform has important bearing on the business
performance. Majority of establish businesses that are susceptible to failure attributed to both internal and external causes.

Recent researches show a relation between degree of management training and bottom-line performance of a business. In some instance the performance is expressed in terms of survival; hence it’s reflected in higher revenue or sales. (Storey 1994) “Failure rates reduce from one in 3 years to one in 10 where training was started “From the various researches conducted by the (OECD), the smallest of these firms are of least probability of lasting more than five years.

Most entrepreneurs put their faith in common sense, they’re over confident in their management skills, or believe working hard can ensure success. In case a manager doesn’t understand basics in management; he/she is likely to face challenges that may end up in failure of the business (Ebert, R. J. 2006).

2.2.4 Marketing Environment

This is the environment in which an enterprise operates. It includes both interior and exterior environs. The internal surroundings entail the human resource, accounting department, operations department, materials and markets while the external environment would include the various stakeholders who are not directly related to the business but affect the business operations this including but not limited to suppliers, government, debtors and creditors.

Marketing orientation strategy has been a well debated subject over the years. It’s defined as carrying out of promotion concepts (kohli and Jaworski 1990) it refers to a culture where organizations try to make superior value of the consumers to their products by focusing on customer needs and long-term profitability (Slater and Naver 1990)
The SMEs need to have a special way in which they undertake their business as it reflects the priorities and market place perspective of the company’s head. Marketing orientation has a powerful relation to a business’ performance and continuity. While it importance is well recorded, inconsistencies have been noted. (Pelham and Wilson 1996) although marketing orientation affects new products consumption success, growth or market share were not necessarily altered.

(Pelham 2000) indicates from his studies that there is a negative relationship in firm size to marketing orientation however small firms with marketing orientation may experience potential sustainable competitive advantage as they are simple in terms of their organizational structures, flexibility and adaptability and bigger capacity in speed and innovation.

Creativity is a necessary skill in achieving sustainable competitive advantage from combining marketing factors that ensure value and profit are attained (Dragoon, 2010). It involves avoiding high-risk product modification, extensions designing changes that provide innovative solutions hence taken as a strategy to improve sales. The researcher indicates that operating under the current economic environment would require innovation in coming up with as well as maintaining the competitive advantage (Naidoo, 2010).

The external environs of a business include government policies, societal cultural and economic factors, government bodies, universities and NGOs (Naidoo, 2010) this are identified as the main eternal factors that may affect the SMEs performance.

Competitive advantage is achievable through managing both internal and external aspects including introduction and application of a trade strategy. Michael potter’s tool of competitive analysis would quite helpful in the environment scanning process.
Low costs are achievable from a company’s ability to design, create and market comparable products that are more efficient than those make the substitute product. Differentiation is otherwise the ability for providing unique superior value to buyer in terms of quality, features or after sales services. (Longnecker et al. 2003) to attain leading performance, enterprises should make the practice to analyse the environments determining the appropriate competitive strategy.

2.3 Summary and research findings

2.3.1 Access to finance

Due to various issues challenging the SMEs, accessibility to finance has been a major impediment to their sustainable growth over the years. Being that SMEs contribute to 50% of the fresh occupations created per year in majority of the developing countries it would be important to note the various challenges and how they can be countered this would include finding the alternatives to financing of a business enterprise.

2.3.2 Access to information technologies

In the evolving world where technology seems to change on a daily basis and creating a competitive edge for nearly all superior companies, it is time SMEs engaged in adoption of the new technologies to increase their sustainable growth chances. From the various studies undertaken it’s not very clear on what other challenges SMEs face in this endeavour other than the access to finance. Issues pertaining to change management, type of businesses have not been fully exhausted.

2.3.3. Management skills

Studies undertaken identify management skills as a major source of failure if not competitive enough. It needs to include the practical and the theoretical part of it. Management kills vary across the businesses and are necessary to a company’s
business sustainable growth. The skill vary from the formal skills to the informal they include the attitudes of the entrepreneurs their ability to seize opportunities as well as dealing with challenges. This study was undertaken to know the level of the entrepreneur’s education, trainings undertaken in the SMEs, the management styles of the SMEs management.

2.3.4 Marketing Environment

The marketing environment includes the factors that surround an organization they are both internal and external. For an organization to be termed competitive or having a competitive advantage they should be able to challenge their substitute’s products and services. This is achievable having undertaken a proper environmental scan. The study will undertake to know if the company in this case has a competitive strategy, how effective is the strategy and does it improve the company’s market share or popularity.
2.4 Conceptual Framework
Figure 1 Conceptual Framework

![Conceptual Framework Diagram]

Table 2.2 Operationalization of Variables

<table>
<thead>
<tr>
<th>Variables</th>
<th>Indicators/ Measurement</th>
<th>Type of Analysis</th>
<th>Tool of Analysis</th>
</tr>
</thead>
<tbody>
<tr>
<td>Access to technology</td>
<td>- Adoption of technology</td>
<td>Descriptive and inferential statistics</td>
<td>Frequencies Percentage observations</td>
</tr>
<tr>
<td></td>
<td>- Alternatives to technology</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Innovation and creativity</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accessibility to finance</td>
<td>- The accessibility to finance</td>
<td>Descriptive and inferential statistics</td>
<td>Frequencies Percentage observations</td>
</tr>
<tr>
<td></td>
<td>- The effects of lack</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Modes of financing</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Variables</td>
<td>Indicators/ Measurement</td>
<td>Type of Analysis</td>
<td>Tool of Analysis</td>
</tr>
<tr>
<td>--------------------</td>
<td>----------------------------------</td>
<td>-----------------------</td>
<td>--------------------------</td>
</tr>
<tr>
<td>Marketing Environment</td>
<td>Existence of competitive strategy</td>
<td>Descriptive and inferential statistics</td>
<td>Frequencies and Percentages observations</td>
</tr>
<tr>
<td></td>
<td>Level of competition</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Continued Improvement</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Management skills</td>
<td>Levels of education</td>
<td>Descriptive and inferential statistics</td>
<td>Frequencies and Percentages observations</td>
</tr>
<tr>
<td></td>
<td>Existence of organization sponsored training</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Attitudes of management</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

2.6 Chapter Summary
The chapter looked into the various schools of thoughts on the topic of study which were evolutionary theory, theory of sustainability footprints. It also covered the objective of the study acknowledging the sources of the information about the objective, the critical analysis of the theoretical review and the summary of the research study.
CHAPTER THREE

RESEARCH METHODOLOGY

3.0 Introduction
The chapter debates the study design and methodology not forgetting the population which gives out the sample size. It further outlines the sampling design as well as data collection procedure and instruments it also suggests the methods used to analyse data collected from the field.

The study was to be conducted at Transglobal Logistics Limited. The company was chosen as it is identified as one of the steadily growing SMEs in the supply of specialized building solutions. The company was established in the year 2002 and pretty much like all start-up companies was struggling to make inroads in the vicious Kenyan market space and could only manage to import two (2) container loads in a year. Through the years the company has recorded steady growth to the current annual volumes of approximately 170 containers per year, which is attributable to vibrant construction sector, steady improvement in business environment

3.1 Research Design
To accomplish the research objectives, the investigation was both expressive and exploratory since it expected to discover what is going on, experiences and enquires about issues facing Transglobal’s growth sustainability. In view of this, the researcher used desk and secondary data surveys as well as administering questionnaires to a selected sample size of ten SMEs. The desk and secondary data review will be accomplished through writings evaluation of related volumes, government books, journals and studies to obtain material on SMEs, market access and outsourcing tenders, with questionnaires as the instrument of data collection.
The research configuration used to acquire the information was survey. It is a study approach involving an organized collection of information from an extensive populace. (KathuriandPals, 1993) asserts that surveys incorporate assortment of information using inquiry form, it comprises other practices such as organised surveillance and planned consultations. This was picked after a cautious scrutiny and a dipper review of related writing with reference to how to investigate into a territory where both numerical and qualitative investigation was to be made to get the correct portrayal of the Populace.

3.2 Target Population

Mugenda Mugenda (2003) Target populace is a universal set of all participants which are real or hypothetical, happenings or things to which a scholar wishes to take a broad view of the result. The target population of research will consist of a thousand respondents (1000) from transglobal limited. The target group will be selected using simple random sampling procedure from each stratum.

<table>
<thead>
<tr>
<th>Category</th>
<th>Target Population</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Management</td>
<td>100</td>
<td>20</td>
</tr>
<tr>
<td>Operations</td>
<td>100</td>
<td>20</td>
</tr>
<tr>
<td>Subordinate staff</td>
<td>300</td>
<td>60</td>
</tr>
<tr>
<td>Total</td>
<td>500</td>
<td>100</td>
</tr>
</tbody>
</table>

Source (study 2017)

3.3 Sample and Sampling Techniques

3.3.1 Sampling Method

Gaining data from all accessible sources to decipher research difficulties and to find a solution is impossible. Thus sampling provides methods that aid in reducing the
extent of information desired to be composed by bearing in mind only information from a sub-group (Saunders, et al, 2000).

In connection to the target of this study the purposive and suitability sampling procedure will be used. Purposive sampling enables researchers to utilize judgment to pick cases that will accomplish them to answer research questions and to accomplish their unique goals. The strategy of sample selection is utilised while functioning with minor samples such as in example study research when the investigator wishes to select cases that are especially useful. Suitability sampling is a non-probabilistic sampling skill in which circumstances are selected indiscriminately on the premise that they are least demanding to acquire.

Further, purposive choice would be most appropriate since the groups to be selected must be small medium enterprises (SMEs) situated in Nairobi, this would best aid the researcher reply the research queries and meet the purposes of the study.

The following criteria were used to select the example:

- Disclosed Small Medium Enterprise
- Line of business is building solutions

3.3.2 Sample Size

Mugenda and Mugenda (2003) in the case that time and resources allow, researchers take as large a sample as conceivable. With larger representation, the researcher can be rest assured that if another sample of the same size were to be used, results from the two examples would be similar to a great degree.
The researcher used a random sampling method in selecting respondents. A sample size of a hundred (100) employees out of a target population of one thousand (1000) was designated using simple arbitrary sampling procedure. The selection was on the basis of availability, willingness to work with, time, and financial challenges and in harmony with the recognised objects of the study. Questionnaires were administered to all employees 50 employees selected from management, operations and subordinate levels.

3.4 Instruments

Main information was composed based on organised questionnaire administered to the selected respondents. The questionnaire included both open concluded and closed concluded enquiries covering issues that inhibit Transglobal limited sustainable growth.

3.5 Validity and Reliability Test

Researching needs the introduction of substantial and dependable information. Yin (2003) proposed 4 approaches to survey the quality levels of research: build legitimacy, inward legitimacy, outer legitimacy, and dependability. To upgrade the dependability of the led investigation, the ideas are deliberated below in a basic way.

3.5.1 Validity

Silverman (2006) Build legitimacy is worried about setting up adjust operational measures for the ideas being examined. The built legitimacy is an imperative measure particularly for contextual investigations, in light of the fact that the picked up files is by nature subjectively deciphered by the analysts. It is the greatest confused sort of legitimacy; it is an assessing tool to a general hypothetical structure used to decide if the instruments affirm a progression of speculations got from a current and somewhat
confirmed hypothesis. In this Vain, instruments are not evaluated from how they identify with any rule, rather to measures of thoughts got from a more extensive hypothesis.

3.5.2 Reliability

Agreeing to Yin (2003), an example study would be trustworthy if the situation leads to a similar outcome and conclusion if another researcher would undertake the study again, i.e. being replicable. “The goal of dependability is to reduce mistakes and preferences in a study. The survey tool was critical in ensuring accuracy in the data collection’. The examiner favours the example study to be dependable.

3.6 Data Collection Procedure

Data was collected from the sample population using a questionnaire which was administered to the target respondents through an online survey tool known as Monkey survey. The questionnaire was sent out on 1st September 2017 to a hundred (100) respondents where (86) were able to respond.

Figure 2 Survey Response rate

Before respondents reacted to questions, the researcher took time explained the importance of the research and the meaning of the questions through telephone
conversations. This was to ensure respondents were conversant with all questions. If the items were properly comprehended, it would enhance reliability of responses.

To ensure proper return of the questionnaires, the respondents were given time to answer as independently and truthfully as possible to the items and submit through the survey tool within three (3) days. It took one week to collect data from the chosen population.

Out of the one hundred (100) questionnaires issued by the researcher, feedback was received from eighty six (86) respondents which were used for information analysis. The research response rate was eighty five per cent (86%). The non-response could not avail time to respond within the allocated research timelines. Total response rate was made of total number of the eligible.

3.7 Data Analysis Presentation

Data was analysed through exploratory factor analysis and descriptive analysis in accordance with the objectives study. Factor analysis was used to rank factors considered in order of importance, while descriptive analysis used frequency distribution and percentages.

3.8 Ethical Considerations

The participants were protected within the survey as the respondents were allowed to use cover names or not to reveal their names totally. This was specifically important in seeking non-bias information.
3.8.1 Informed consent

The respondents were taken through what the survey entails and what was expected of them. This was done through prior phone calls to the potential respondents hence they were fully informed of what the survey was about.

3.8.2 Voluntary Participation

Through the phone calls done before the respondents were informed that the survey was not compulsory and one was free to participate at their own will.

3.8.3 Confidentiality

The survey was purely undertaken for the study purpose hence the respondents were informed of the utmost confidence in the response.

3.8.4 Privacy

The information obtained was treated with utmost privacy and were destroyed after the necessary analysis was done.

3.8.5 Anonymity

To ensure anonymity, the respondents had the option of not indicating their names on the questionnaires.

3.9 Chapter Summary

The chapter had a total target population of 1000 within Transglobal. A sample of 100 people in the SMEs were identified and random sampling undertaken. Questionnaires as the source of primary data, was applied as an instrument of data collection which brought about an 86% response rate.
CHAPTER FOUR

RESEARCH FINDING AND DISCUSSION

4.0 INTRODUCTION

The chapter covers the descriptive and inferential analytical part of the study. It presents the primary data using tables, bar graphs and pie charts. The presented data is interpreted as per the objectives of the study. Further, the chapter presents variables on the diverse characteristics of respondents including age, academic level and experience. It also covers the summary of data analysis.

4.1 presentations of findings

Table 2: Survey response rate

<table>
<thead>
<tr>
<th>Department</th>
<th>Issued Questionnaires</th>
<th>Returned Questionnaires</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Management</td>
<td>20</td>
<td>14</td>
<td>14</td>
</tr>
<tr>
<td>Operations</td>
<td>20</td>
<td>16</td>
<td>16</td>
</tr>
<tr>
<td>Subordinates</td>
<td>60</td>
<td>56</td>
<td>56</td>
</tr>
<tr>
<td>Total</td>
<td>100</td>
<td>86</td>
<td>86</td>
</tr>
</tbody>
</table>

Source: (study, 2017)

The researcher managed to realize 86% response rate in the research study. Some of the respondents were either too busy or couldn’t be reached. However, owing to the majority of respondents the non-response wasn’t of much significance to the study.

4.1.2 Gender Information

Table 3: Gender Information

<table>
<thead>
<tr>
<th>Gender Category</th>
<th>Response</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>56</td>
<td>65</td>
</tr>
<tr>
<td>Female</td>
<td>30</td>
<td>35</td>
</tr>
<tr>
<td>Total</td>
<td>86</td>
<td>100</td>
</tr>
</tbody>
</table>

Source (study, 2017)
The study shows 65% of the sample size was male while 35% was made up of the female gender. According to the analysis, most of the people in the business SME sector were male.

**Figure 3 Gender response rate**

![Gender Response Diagram]

<table>
<thead>
<tr>
<th>Age</th>
<th>Response</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>18-35 years</td>
<td>40</td>
<td>47</td>
</tr>
<tr>
<td>36-50 years</td>
<td>32</td>
<td>37</td>
</tr>
<tr>
<td>Above 50 years</td>
<td>14</td>
<td>16</td>
</tr>
<tr>
<td>Total</td>
<td>86</td>
<td>100</td>
</tr>
</tbody>
</table>

Source (study, 2017)

From the information gathered on age brackets, 47% of the respondents were between the ages of 18-35, 37% were between age 36-50 years, and 16% of the employees are aged above 50 years. The information therefore shows the age of employees were young and in the middle age category hence have a great probability in changing the fate of SMEs growth sustainability.
The gathered information on academic level shows that 14% respondents are of secondary level, 51% are of tertiary level education and 35% are of university level. The respondents have the right qualifications that aim at ensuring that the growth of SMEs is sustainable.
4.2.5 Work Experience

Table 6: Work Experience

<table>
<thead>
<tr>
<th>Duration</th>
<th>Response</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1-5 years</td>
<td>18</td>
<td>21</td>
</tr>
<tr>
<td>5-10 Years</td>
<td>46</td>
<td>51</td>
</tr>
<tr>
<td>More than 10 Years</td>
<td>24</td>
<td>28</td>
</tr>
<tr>
<td>Total</td>
<td>86</td>
<td>100</td>
</tr>
</tbody>
</table>

Source (study, 2017)

From the table 6 respondents comprising 21% have been active for 1-5 years, 46 comprising 51% have been active for 5-10 years while 24 comprising 28% of the respondents have been in business for more than 10 years. It is evident majority of the respondents have been in business for 5-10 years. This shows that some of the SMEs have been in business for a short period.
4.2.6 Effects of Access to technology

Table 7: Effects access to technology

<table>
<thead>
<tr>
<th>Extent</th>
<th>Response</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Largely</td>
<td>50</td>
<td>58</td>
</tr>
<tr>
<td>Moderately</td>
<td>20</td>
<td>23</td>
</tr>
<tr>
<td>Lowly</td>
<td>16</td>
<td>19</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>86</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

Source (Author 2017)

The study reveals that 50 respondents comprising 58% indicated that technology largely affected SMEs sustainable growth 20 comprising 23% indicated that it moderately affected and 16 comprising 19% stated that it lowly affected SMEs sustainable growth.
4.2.7 Adoption of technology

Table 8: Adoption of technology

<table>
<thead>
<tr>
<th>Adoptability</th>
<th>Response</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Readily</td>
<td>10</td>
<td>12</td>
</tr>
<tr>
<td>Moderately</td>
<td>40</td>
<td>46</td>
</tr>
<tr>
<td>Hardly</td>
<td>36</td>
<td>42</td>
</tr>
<tr>
<td>Total</td>
<td>86</td>
<td>100</td>
</tr>
</tbody>
</table>

The study indicated that 10 respondents making up 12% stated technology was readily adopted in their organization, 40 respondents comprising 46% stated it was moderately adopted while 36 comprising 42% stated it was hardly adopted in their organizations.
4.2.8 Technology fostering creativity and innovation

Table 9: Technology fostering creativity and innovation

<table>
<thead>
<tr>
<th>Response</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>56</td>
<td>65</td>
</tr>
<tr>
<td>No</td>
<td>30</td>
<td>35</td>
</tr>
<tr>
<td>Total</td>
<td>86</td>
<td>100</td>
</tr>
</tbody>
</table>

Source (study, 2017)

The information gathered from the study show 56 respondents comprising 65% stated that technology fosters creativity and innovation while 30 comprising of 35% stated that it doesn’t foster creativity and innovation.
4.2.9 Effects on access to finance

Table 10: Effects on access to finance

<table>
<thead>
<tr>
<th>Response</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Great Extent</td>
<td>40</td>
<td>47</td>
</tr>
<tr>
<td>Moderate Extent</td>
<td>26</td>
<td>30</td>
</tr>
<tr>
<td>Small Extent</td>
<td>20</td>
<td>23</td>
</tr>
<tr>
<td>No extent</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Total</td>
<td>86</td>
<td>100</td>
</tr>
</tbody>
</table>

Source (Study, 2017)

Forty respondents from the study comprising 47% indicated access to finance greatly affected SMEs sustainable growth, 26 comprising 30% indicated it moderately affected while 20 comprising of 23% indicated it affected the sustainability to a small extent.
4.2.10 Alternatives the organization has to financing

Table 11: alternatives to financing

<table>
<thead>
<tr>
<th>Response</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Family/Friends</td>
<td>40</td>
<td>47</td>
</tr>
<tr>
<td>Bank Loans</td>
<td>26</td>
<td>30</td>
</tr>
<tr>
<td>Credit buying</td>
<td>20</td>
<td>23</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>86</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

*Source (study, 2017)*

From the study 40 of the respondents comprising 47% indicated family and friends were their alternative to finance 26 comprising 30% stated bank loans were their alternative to financing while 20 respondents comprising 23% indicated that they would buy goods on credit as a way of financing their business.
Figure 4.2.11 Alternatives the organization has for finance

Figure 11 Respondents on alternatives to finance sources

4.2.11 the effect extent of the market environment to SMEs sustainable growth

Table 12: the extent of marketing environment effects

<table>
<thead>
<tr>
<th>Response</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Large extent</td>
<td>44</td>
<td>51</td>
</tr>
<tr>
<td>Moderate extent</td>
<td>24</td>
<td>28</td>
</tr>
<tr>
<td>Low extent</td>
<td>18</td>
<td>21</td>
</tr>
<tr>
<td>Total</td>
<td>86</td>
<td>100</td>
</tr>
</tbody>
</table>

Source (study, 2017)

From the findings 44 respondents making a majority of 51% indicated that the market environment affects the sustainable growth, 24 respondents comprising 28% indicated market environment affects sustainability of SMEs to a moderate extent while 18 comprising of 21 % indicated it lowly affects sustainable growth.
4.2.12 competitive strategy and market share

Table 13: Competitive strategy and market share

<table>
<thead>
<tr>
<th>Response</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>60</td>
<td>70</td>
</tr>
<tr>
<td>No</td>
<td>26</td>
<td>30</td>
</tr>
<tr>
<td>Total</td>
<td>86</td>
<td>100</td>
</tr>
</tbody>
</table>

Source (study, 2017)

Respondents comprising of 70% indicated that a competitive strategy improved market share while 26 respondents making up 30% indicated it did not increase the market share.
4.2.12 effects of management skills in SMEs sustainable growth

Table 14: Effects of management skills in SMEs sustainable growth

<table>
<thead>
<tr>
<th>Response</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Great Extent</td>
<td>42</td>
<td>49</td>
</tr>
<tr>
<td>Moderate Extent</td>
<td>26</td>
<td>30</td>
</tr>
<tr>
<td>Small Extent</td>
<td>18</td>
<td>21</td>
</tr>
<tr>
<td>No Extent</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Total</td>
<td>86</td>
<td>100</td>
</tr>
</tbody>
</table>

Source (study, 2017)

According the findings of the study 42 respondents comprising of 49% indicated that management skill affect the sustainable growth of SMEs, 26 respondents comprising 30% indicated it had effect to a moderate extent , 18 respondents making up 21% indicated it affected to a low extent while no respondents respondent that it had to no extent had an effect.
4.2.13 Importance of management attitudes in growth sustainability

Table 15: Importance of management attitudes in growth sustainability

<table>
<thead>
<tr>
<th>Response</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Important</td>
<td>50</td>
<td>58</td>
</tr>
<tr>
<td>Not Important</td>
<td>36</td>
<td>42</td>
</tr>
<tr>
<td>Total</td>
<td>86</td>
<td>100</td>
</tr>
</tbody>
</table>

Source (study, 2017)
4.3 Summary of findings

4.3.1 Access to technology
The study shows 58% of the respondents believe that access to technology does largely affect growth sustainability of SMEs. 46% of the response indicates that technology is moderately adopted in the SMEs. 65% of the respondents indicated that technology fosters creativity and innovation.

4.3.2 Access to finance
The findings indicate that 47% of respondents thought that access to finance has a great effect to SMEs sustainable growth. The majority of respondents comprising of 47% indicated that family/friends was their alternative source of financing.

4.3.3 Management skills
The findings show 49% of the respondents indicated that management skills affect SMEs growth sustainability. 58% indicated that the management attitudes do affect the sustainable growth of an enterprise. Therefore the right attitudes and management skills should be cultivated.

4.3.4 Marketing environment
The findings show 57% response on the large effects of marketing environment on sustainable growth of SMEs. 70% of the respondents indicated that a competitive strategy affects the market share of an enterprise. Therefore businesses should come up with good competitive strategies to improve their market shares.
4.4 Limitations of the study

4.4.1 Sample size
Researcher used a target population of 1000 getting a sample size of 100 which is ten percent of the target population due to challenge of reaching out to the whole target population the researcher had to limit herself to that sample size.

4.4.2 Distance
The study was done within Nairobi however time was quite a constraint as most of the employees would be busy during work days prompting administration of the instruments via e-mail or via a phone call. This limited the ability to conduct face to face interviews.

4.4.3 Language barrier
Nairobi being a metropolitan city it is expected to be made up of a diverse ethnic population which is the main cause of semantics and the general language barrier this limits the level to which information can be termed quite accurate over the phone conversations.

4.5 Chapter Summary
The chapter focused on analysing data results presentation and discussion of findings. The general objective of the study was to determine the factors affecting SMEs growth sustainability. Findings are presented in tables, graphs and charts.
CHAPTER FIVE

SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

5.0 Introduction

The section presents summary findings in relation to the research study carried out by the researcher on the research problem. It goes into giving answers to the study question. Conclusions and recommendations are also included.

5.1 Summary of findings

5.1.1 To what extent does access to finance affect the sustainable growth of transglobal limited?

The study reveals that access to finance affects the growth sustainability of transglobal. This was evident from the 47% respondents that indicated it greatly affected. Further 47% of the respondents mentioned family and friends as their alternative source of capital for their business. This shows finance is a major factor to a business growth as well as the availability for alternatives to access to offset its various functions.

5.1.2 To what extent does access to technology affect the sustainable growth of transglobal limited?

The study revealed the respondents comprising 58% indicated that access to technology largely affected SMEs growth sustainability. Most SMEs comprising of 46% moderately adopted technology into their businesses hence dragging the growth of the enterprises. Respondents amounting to 65% indicated that access to technology fosters creativity and innovation which is also a determining factor in SMEs sustainable growth in the current global village.
5.1.3 To what extent does marketing environment affect transglobal limited sustainability of SMEs in Kenya?

The findings indicate 57% of the respondents felt the marketing environment to a large extent does affect the growth sustainability of Transglobal. The existence of a competitive strategy was indicated to affect the market share which is a direct determining factor to sustainable growth by the majority comprising 70% of respondents.

5.1.4 To what extent do management skills affect the sustainable growth of transglobal limited?

The findings indicate that 49% of the survey respondents were for the idea that management skills affect the sustainable growth of Transglobal. Further it indicates that 58% of them agreed that management attitudes can determine the sustainable growth of Transglobal.

5.2 Conclusion

5.2.1 Access to technology

The researcher concluded that the access to technology influences the sustainable growth of SMEs in Kenya. The various SMEs interviewed responded that technology is moderately adopted within the enterprises. Technology was observed to foster creativity and innovation in the SMEs sector. Technology needs to be more accepted in the organizations.

5.2.2 Access to finance

To study concluded that the access to finance to a great extent does affect the sustainable growth of Transglobal. Most of the SMEs use their family and friends as
an alternative source of finance. There is need for access to better alternatives to finance for the SMEs sustainability.

5.2.3 Marketing environment
The researcher concluded that the marketing environment greatly affect the sustainable growth of Transglobal it further indicates the need for a competitive advantage in the enterprise this was affirmed by the majority respondents. For the survival and growth of an SME they need to come up with a competitive strategy.

5.2.4 Management skill
The study concluded management skills influence the sustainable growth of an enterprise it concludes further that the management attitude is also a major determinant to the overall growth and sustainability of Transglobal.

5.3 Recommendations

5.3.1 Access to technology
With the current evolution of business from the use of physical ability in generation of wealth to knowledge based methods it emphasises the need for embracing technology into the daily business operations. This is achievable by improving the adaptability of technology by ensuring the employed are of the capacity to work with such equipment while also creating an environment for creativity and innovation. This is mainly a duty unto the managers who initiate the acquisition however they can work with the operations manages to ensure efficiency and rewarding of the most efficient of employees hence boosting technology use.
5.3.2 Access to finance

The access to financing is among the back bone factors to the sustainable growth of SMEs at times the enterprises may experience very low sales or other un expected expenses that may lead to infiltration of its main capital this further makes an SME be in need to be offset according to the study most SMEs prefer the family and friends as a cheap source to quick credit however this is at times impossible to find the enterprise need to have various alternative to it finances. The commercial banks in Kenya offer credit at a high rate which make the SMEs shy away from them as they would also be as for collateral as security. The government as the main policy maker on the land should put this into consideration as SMEs are a major contributor to job creation.

5.3.3 Marketing environment

Marketing environment requires an enterprise do a thorough environmental scan to determine its key strengths and weaknesses with this they can create the most ideal competitive strategy. However the competitors will always find a way to catch up as it is articulated in the game theory therefore there is need for a continued improvement of the competitive strategy.

5.3.4 Management skills

The management of any organization is the core factor for sustainable growth. They are both theoretical as well as practical. With good management of the SMEs, sustainable growth is promised as it not only cuts across the theoretical, it includes book keeping, decision making and other core function of the manager. From previous studies it is noted that the higher the education level of a person, the better managerial skills they exhibit. The management to an enterprise should regularly
conduct or sponsor their employees to trainings that will improve their general ability to deliver and ensure sustainable growth of the SMEs.

Through the trainings managers are educated about taking calculated risks; customer services the long term and short term orientation for a company’s sustainable growth. This improves the attitudes of the managers which is an important aspect in business.
REFERENCES
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UNIDO. (1999). *Promotion and Institutional Capacity Building Divivsion*. UNIDO.


APPENDIX 1: LETTER OF INTRODUCTION

Dear Sir/Madam;

Re: RESEARCH DATA

I am completing my undergraduate degree in Bachelors in Management and Leadership at the Management University of Africa (MUA). It is a prerequisite to conduct research on a topic of my choice that is to contribute positively to the body of knowledge and the whole SME sector at large. My topic of choice was Factors affecting growth of SMEs in Kenya with a case study of Transglobal Limited in Nairobi. To this effect I seek assistance from you in completing this questionnaire.

Kindly note any information specified will be treated with discretion and at no instance will it be used for any other purpose other than for this research.
Thank you for taking your time to offer assistance. Kindly do not hesitate to contact me if you any questions.

Regards;

Wanjohi susan Njeri

APPENDIX 2: QUESTIONNAIRE

THE MANAGEMENT UNIVERSITY OF AFRICA

Research Questionnaire

I am a student of The management University of Africa, undertaking a bachelors Degree of business Administration. My research is on “Factors affecting sustainable growth of SMEs in Kenya. A case study of Transglobal limited company.

This questionnaire is aimed at collecting information gathered is solely for academic purpose and due privacy will be accorded.

Your co-operation will be highly appreciated.
Yours Faithfully

.................................................................

Wanjohi Susan Njeri

Date............................................................

BACKGROUND INFORMATION

1. Gender   Male [   ]
       Female [   ]

2. Age Bracket
   18-35 yrs. [   ]
   36-50yrs [   ]
   Above 50yrs [   ]

3. Academic Level
   Secondary Level [   ]
   Tertiary Level [   ]
   University Level [   ]

4 Working experience
   1-5yrs [   ]
   5-10yrs [   ]
   More than 10 yrs. [   ]

Section B; Access to technology

5 (a)To what extent does access to technology affect the growth of transglobal limited
Largely (  )   moderately (  )   lowly (  )

(b) Please explain how

........................................................................................................................................
........................................................................................................................................
........................................................................................................................................
........................................................................................................................................

(c) How is technology adopted in transglobal limited?

Readily ( )

Moderately ( )

Hardly ( )

(c) Does access to technology foster creativity and innovation in transglobal limited?

Yes ( )               No ( )

If yes, briefly explain

........................................................................................................................................
........................................................................................................................................
........................................................................................................................................
........................................................................................................................................

(d) Does the organization have options for technology?

Yes (  )               No (  )

Please mention

........................................................................................................................................
........................................................................................................................................
........................................................................................................................................
........................................................................................................................................

Section C; Access to Finance
5. (a) To what extent does access to finance affect sustainable growth of transglobal?

Great Extent ( )
Moderate Extent ( )
Small Extent ( )
No Extent ( )

(b) Is it easy for your organization to access credit?

Yes ( ) No ( )

Please expound

……………………………………………………………………………………………………
……………………………………………………………………………………………………
……………………………………………………………………………………………………
……………………………………………………………………………………………………
……………………………………………………………………………………………………
……………………………………………………………………………………………………
……………………………………………………………………………………………………

(c) Does insufficient access to finance affect the organization's growth?

Yes ( ) No ( )

Please explain

……………………………………………………………………………………………………
……………………………………………………………………………………………………
……………………………………………………………………………………………………
……………………………………………………………………………………………………
……………………………………………………………………………………………………
……………………………………………………………………………………………………
……………………………………………………………………………………………………

(d) What alternatives does the organization have to financing?

Family/friends ( )
Bank Loans ( )
Credit buying ( )
Section D; Market Environment

6. a) To what extent does market environment affect sustainable growth of Transglobal ltd?

Large extent ( )  Moderate Extent ( )  Low extent ( )

b) Suggest ways to reduce the effects on SMEs growth sustainability

…………………………………………………………………………………………
…………………………………………………………………………………………
…………………………………………………………………………………………
…………………………………………………………………………………………
…………………………………………………………………………………………

 c) Do competitive strategies improve market share of Transglobal ltd?

Yes ( )  No ( )

d) Briefly explain how

…………………………………………………………………………………………
…………………………………………………………………………………………
…………………………………………………………………………………………
…………………………………………………………………………………………
…………………………………………………………………………………………

Section C; Management Skills

7. a) To what levels do management skills affect transglobal limited growth?

Great Extent ( )

Moderate Extent ( )

Small Extent ( )

No extent ( )

b) Are management attitudes important in Transglobal growth sustainability?

Yes ( )  No ( )

Explain how
c) Does your enterprise sponsor any kind of training to employees?

Yes (   )

No (   )

Please mention them

..........................................................................................................................
..........................................................................................................................
..........................................................................................................................