EFFECTS OF GLOBALIZATION ON ENTREPRENEURSHIP DEVELOPMENT
THE CONSTRUCTION INDUSTRY IN KENYA: A CASE STUDY OF GNK
CONSTRUCTION & SUPPLIES LTD

MUSAU KASIVA LUCY

A PROJECT SUBMITTED TO THE DEPARTMENT OF BUSINESS IN THE
SCHOOL OF MANAGEMENT AND LEADERSHIP IN PARTIAL FULFILLMENT
OF THE REQUIREMENT FOR THE AWARD OF A DEGREE IN EXECUTIVE
MASTERS IN BUSINESS ADMINISTRATION.
THE MANAGEMENT UNIVERSITY OF AFRICA.

OCTOBER, 2017
DECLARATION

This Project is my original work and has not been presented for the award of a degree in any other university or institution

Signature: ---------------------------------  Date--------------------------------------

MUSAU KASIVA LUCY
EMBA/ 00018/1/2013

SUPERVISOR:

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

Signature:---------------------------------  Date:--------------------------------------

Ms. ISABELLA SILE

The Management University of Africa
DEDICATION

This project is fully dedicated to my family and most of all my Mother Jane and Father Francis Ndambuki. Mom, thank you for all the prayers, encouragement and push to finish strong. Dad, you are a great mentor and a man of character, teaching me to be hardworking and supporting me to follow my dreams. This project is also dedicated to everyone who values and recognises the efforts entrepreneurs have to economic growth of our country Kenya.
ACKNOWLEDGEMENT

My thanks and appreciation goes to Ms. Isabella Sile my supervisor through the time she took to guide me complete my project. The inspiration for doing this research project came from my mentor Dr. Peter Lewa of United States International University who became important and informative influence of my life. I am also grateful to many persons, colleagues, lecturers, family and friends who shared memories and experiences in the journey to finishing my project. I am grateful too for the support and advice from my faculty at Management University of Africa (MUA) who offered tireless support and wise advice. My thanks must go to MUA library, African Medical and Research Foundation (AMREF) library for their hospitality and their research assistance and their patience as I undertook my research.
ABSTRACT
This study main purpose is to inspect how globalization affects its economy especially in entrepreneurship development in the construction industry in Kenya specifically focusing on Nairobi and Machakos County. Its main objective are four first was to determine how economic growth has been effected by globalization in the construction industry in Kenya. Two, evaluate the increased private -partnership within the industry, third determine how business financial capital has been affected by globalisation in the SME sector and lastlyanalyse the existing policies and programs that promotes entrepreneurship development in construction industry in Kenya. The study appreciates various globalization concepts; however the discussion is narrowed to the economic globalization in the Kenyas construction industry. In Kenya and the world as well, entrepreneurship development has become a household factor in many discussions and certainly how the SME are affected in terms of wealth creation and employment. This project paper presents a critical appraisal and analysis of the impact of globalization on entrepreneurship development specifically in Kenya. The analysis which is based on opinions and other literature information at its current form during trading activities. Questionnaire is the main research instrument and likert scale used to rate the entrepreneurship development aspects. The questionnaire data was distributed to a sample size of 200 participants randomly selected. The collected data was then be analysed using descriptive statistical data analysis software SPSS and excel to ensure quality of analysis and later reported. The study also gives suggestions for further research with the use of a quantitative approach and use of a greater sample size so that results can be generalized in the other industries as well. The burden of managing the influences by government and other industries is an effort to be made by both parties to ensure competitiveness and a complete paradigm shift as a recommendation.
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## ACRONYMS AND ABBREVIATIONS

<table>
<thead>
<tr>
<th>Acronym</th>
<th>Full Form</th>
</tr>
</thead>
<tbody>
<tr>
<td>AFTA</td>
<td>Asean Free Trade Area</td>
</tr>
<tr>
<td>APEC</td>
<td>Asia Pacific Economic Cooperation</td>
</tr>
<tr>
<td>AMREF</td>
<td>African Medical and Research Foundation</td>
</tr>
<tr>
<td>CIS</td>
<td>Commonwealth of Independent States</td>
</tr>
<tr>
<td>CEFTA</td>
<td>Central European Free Trade Agreement</td>
</tr>
<tr>
<td>EEA</td>
<td>European Economic Area</td>
</tr>
<tr>
<td>EFTA</td>
<td>European Free Trade Association</td>
</tr>
<tr>
<td>EU</td>
<td>European Union</td>
</tr>
<tr>
<td>FDI</td>
<td>Foreign Direct Investment</td>
</tr>
<tr>
<td>GDP</td>
<td>Gross Domestic Product</td>
</tr>
<tr>
<td>GATT</td>
<td>General Agreement on Tariffs and Trade</td>
</tr>
<tr>
<td>IDA</td>
<td>International Development Association</td>
</tr>
<tr>
<td>ICT</td>
<td>Information and Communication Technologies</td>
</tr>
<tr>
<td>IFG</td>
<td>International Forum on Globalization</td>
</tr>
<tr>
<td>IMF</td>
<td>International Monetary Fund</td>
</tr>
<tr>
<td>OEEC</td>
<td>Organization for European Economic Co-Operation</td>
</tr>
<tr>
<td>OECD</td>
<td>Organization for Economic Co-Operation and Development</td>
</tr>
<tr>
<td>R&amp;D</td>
<td>Research and Development</td>
</tr>
<tr>
<td>WSF</td>
<td>World Social Forum</td>
</tr>
<tr>
<td>WB</td>
<td>World Bank</td>
</tr>
<tr>
<td>WEF</td>
<td>World Economic Forum</td>
</tr>
<tr>
<td>WTO</td>
<td>World Trade Organization</td>
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DEFINITION OF TERMS

Developing countries: These are countries classified as "intermediate" and "low" income nations by the World Bank. The division is by checking the gross National income of a country.

E-Commerce: Is the economic transactions and connections conducted electronically, that is internet based transactions between businesses.

Multilateral: Is a system that involves the participation of two or more countries.

Multinational Corporations: It is a corporation conducting business internationally (in more than one nation).

Offshoring: Is the transfer of organizational functions to another country.

Outsourcing: Is the transfer of non-central functions to other entities in completion. This can be done within similar countries such as when a company outsources the shipment functions to major shipper.

Protectionism: These are measures set by governing organizations to protect domestic industries from foreign competition. Protectionism include export and import regulations and support from government for domestic production.
CHAPTER ONE
INTRODUCTION

1.0 Introduction
This chapter presents a background of the study which explores effects of globalization on entrepreneurship development in the construction industry. Moreover, the chapter outlines the statement of problem, research objectives and questions, and scope and significance of the study as well.

1.1 Background
Globalization is a word that has been used a lot all over the world despite someone’s originality of being a business person, engineer, politician or an academician. The word global takes different connotations in different languages. The American Defence Institute defines globalization as the efficient inter-border flow of services, capital (or money), goods, technology, information, culture and ideas.

Globalization has enabled amalgamation of economies and many organizations, corporations and markets are becoming more international. Globalization cannot be accessed as a political or economic process or capital flows or internationally spanning production. It shelters a process that incorporates the whole aforesaid dimensions. (Adenuga, 2010).

Globalization has become the most fashionable concepts in today’s world of economics; it’s no longer a 20th century product. International trade became evident after World War I. One of the countries to initiate trading was China during the Roman Empire period, Persian Empire and the dynasty of china. The Muslim Merchants explorers led to globalizations of commerce, crops, technology and knowledge and the times became more integrated especially during the Mongol Empire. Trade Agreements, reduction of tariffs are some of the world trading which is signed between countries, regions leading to integrations of technologies and standardization of tradable goods, also referred to “Reganomics” (Arruda & Enderle, 2004).
Both Globalization and Entrepreneurship have not been given much attention by scholars especially in the field of International business. Audrersch (2007) discusses that globalization has stemmed a shift to Entrepreneurial mode of production from industrial especially in developed countries. Audrersch interprets globalization where there is less political interference and the widespread of ICT to world economy. The understanding of globalization assists policy makers and government to be able to make decisions and act on them. As part of The General National Framework conditions, the openness to world trade gives a good measure in knowing the countries level of globalization (OECD, 2003). Thus to understand entrepreneurship, an in-depth understanding of its broadest range is necessary as conclude by OECD report in 2005.

Kenya have globalization trends which are firmly rooted and probably in irretrievable shifts but according to Deloitte business report (2014) over the last 15 years or so, the last balance of the global economy has fundamentally changed. The distinction between a “developed” and “undeveloped” world has blurred. The global distribution of wealth that had been diverging since the Industrial Revolution has started to converge again. (Deloitte, 2014). This is no different in the construction Industry in Kenya which has revolutionised and changed profoundly due to many businesses “going global”. Intra Africa Trade has increased the revolution of doing business in Africa and therefore increased Africa’s share of world GDP and the differentiation of countries are going to be really important. Kenya has not been left behind in its quest for power and better services in its trade (Arestis & Sawyer, 2013).

In Kenya, globalisation has seen the country grow to become a hub of techno entrepreneurs who are inviting foreign investors to their business. This is seen from Kenya hosting the 6th Global Entrepreneurship summit 2015. The GES invited international entrepreneurs who were interested in getting to understand Africa entrepreneurs, where to invest in and relate to find out the problems and solutions they face as entrepreneurs. Kenyan government has gone ahead to form treaties to improve services and the infrastructure of the country especially roads and railway with the Chinese government thus improving China/Kenya collaboration has been highly diversified. Kenya has also formed several treaties with other countries like United States of America, Malaysia, and Japan etc. Globalisation has also increased the Trans border economic power of MNCs and the need to check their social responsibility has risen.
Such companies include Steel companies, FMCG, and NGOs. This has led to many companies setting up offices and/or branches in Africa. On the other hand, others have moved their headquarters from Kenya to other African countries due to the political instability in 2007 elections in Kenya.

1.2 Statement of the problem
What sets apart different entrepreneurs is the amount of risk they would like to take so that their businesses grow. However there are different aspects which affect them and the reaction is different according the industry one is. Entrepreneurism spirit tends to be defined by innovation which requires a creative mind. Just like nature tends to move to a steady state so do most businesses who want to have that financial stability, low cost of materials and steady suppliers? As entrepreneurs grow their businesses change and so does their paradigm of independent thinking and tactics to improve business change. Globalisation has had major effect on most economies and this transition finds most entrepreneurs having difficulty to change or even impossible in making steps to change (Chen, Mattioda, & Daugherty, 2007).

The construction industry in Kenya is having such changes due to globalisation, many partnerships are being created, introduction of policies and programs, technological changes being dynamic, need for attitude change and growth of skills and knowledge becoming a major concern as need to improve Kenya’s economy becomes the talk of many institutions and organisation for the quest of being seen to be part of. The need to evaluate and understand how this change affects business and means of solving the issues is lacking amongst many construction entrepreneurship. This makes many start-ups close within a year or two years of starting and others incurring huge losses and debts that lead them to financial constraints.

One of the purposes for this study is to seek to find out and analyse these different aspects of entrepreneurship development and how globalisation has affected them and way of doing business for SMEs and find the suitable measures to undertake as business men and women for sustainability purpose.
Globalization affects all current industries and businesses in today’s world and the construction industry in Kenya is not left out. The concerns and benefits of globalization have been debated in many fields but have not captured the aspects in the construction industry entrepreneurship developments which have either negatively or positively changed due to globalisation. Globalization if often viewed as a positive influence for economic Development in developed countries. However the benefits are often than not been disputed. And therefore, the research intention in economic development in Kenya has largely affected globalization.

The study did not look at how construction companies in Kenya have internationalized and also extended abroad but rather has focused on how globalization impacted domestic economic development and how its impact is looked upon.

1.3 Objectives
The studies main aim was to determine the effects globalization has on entrepreneurship development in the construction industry in Kenya with reference to GNK Construction & Supplies Ltd as case study.

1.3.1 Specific Objectives of the Study
To determine how Economic development affects entrepreneurship development at GNK Construction & Supplies Ltd

i. To establish how interest rates affects entrepreneur development at GNK Construction & Supplies Ltd.

ii. To establish how Government Support affects entrepreneurship development at GNK Construction & Supplies Ltd.

iii. To determine how Infrastructure affects entrepreneurship development at GNK Construction & Supplies Ltd.

1.4 Research Questions
i. To what extent does economic development affects entrepreneurship development at GNK Construction & Supplies Ltd?

ii. Does interest rates affects entrepreneurship development at GNK Construction & Supplies Ltd?
iii. To what extent does Government support affects entrepreneurship development at GNK Construction & Supplies Ltd.?
iv. To what extent does infrastructure affects entrepreneurship development at GNK Construction & Supplies Ltd?

1.5 Significance of the Study
This study benefits both Small and Medium Enterprises, entrepreneurs, real estate developers’ and other institutions like National construction Authority, Ministry of Public works and other construction partners who want to tap into the industry and expand their business and recommend better ways of handling their businesses. Apart from that, the foreign investors who would like to know which products or services to invest in the construction industry will also find this study useful. Researchers, existing and upcoming entrepreneurs who want to go into construction industry and want to know how their businesses was affected by “going global” will find this study useful too.

1.6 Scope
The research scope was confined to GNK Construction & Supplies Ltd located in Nairobi; the research was conducted between March and July 2016 the researcher believes that this will provide adequate population and sample for the study and therefore gave reliable results and findings.

1.7 Chapter Summary
The chapter introduced the studies background upon which the basis of this study was carried out in relation to the topic under the study, by identifying all the objectives of the study, research questions which will act as the fundamental variables that will guide the study, this chapter therefore will guide as the principle upon which literature was reviewed, research carried out and analysis made.
CHAPTER TWO
LITERATURE REVIEW

2.0 Introduction
This chapter reviews the literature from other business researchers who have studied in the same field on the extent and state of knowledge on globalization on entrepreneurship development in the construction industry. According to Mugenda and Mugenda (2003), the review of literature involves the logical identification, location, and exploration of documents containing information related to the research problem being investigated. Moreover, literature review helps determine new approaches and stimulates new ideas. The chapter covers; theories related to the concept of globalization on entrepreneurship development. The chapter further presents empirical literature and gaps to be filled, summary and the conceptual framework of the study. This chapter seeks to expound on the theoretical part of the study. The chapter will go through the basic definitions and concepts of globalization and entrepreneurship development that have developed over the years, then describe the different types of entrepreneurship and relate the positive and negative impact globalization have on entrepreneurship development.

2.1 Theoretical Literature Review

2.1.1 Neo-Classical Theories of Trade
This theory relates that the result when all factors are used is production. Therefore, cost is the total of resources when used to produce a unit of a good and an addition of all monetary values of the factors used. A goods opportunity cost is the value which must be foregone to acquire an additional unit of the other good. Coming to terms that a factor involved in the production process is difficult to compare between countries because its intolerable to measure a factors productivity when all factors are used simultaneously while abstracting the other factors. When all the factors are used collectively the end result is production. Hence individual factor of productivities cannot be measured (Chaiprasit & Swierczek, 2011).
Subsequently, with opportunity cost analysis the comparison of individual factor productivities, international specializations cannot be determined. Neo-classical framework accesses using cost of production by analyzing the opportunity cost and production capacities by transformational curves through indifferences curves.

2.1.2 New Trade Theories
These are the alternative theories. The internalize scale concepts, network, global competition and innovation. The cost of operations for a firm may be reduced as a production of scale, decreasing the fixed costs while variable costs boost economies of internal scale. When a firm or company operates as a scale factor; the cost of operation reduces and chance of finding skilled labour which enables quality and exchange of experiences increases. That is the external scale economies. (Farrell, 2004).

A company can however avoid factor endowment constraint by innovation, technical progress, Research and development which have a converter effect on factor endowment as knowledge is now factor of production. Porters diamond mentioned variables, structure of a firm which are key to global competitiveness. For example, demand and factor conditions, strategies related and collateral sectors, competitiveness of firms and structures (Hartungi, 2009).

2.2 Empirical Literature Review
Globalization has been viewed to be interdependence which is mostly associated with peace and peace increases with democracy. State will matter less and people and their firms become more important. This is because the economy is what assists one into making decisions. Globalization in this case will mean rates of interests, exchange rates, homogeneity of prices, products etc. For a country to have a strong economy transparency is key but transparency has its own negativity as it brings a ideological transfer to the social and political realms. This is shown by the imitation of the cultures and practices of a developed country that has shown the way and also the high end institutions. Robinson, another globalization theorist, has focussed on economy as well and argues that globalization is the spread of capitalism throughout the world. In his view, power was battled in conflicts through militaries and physical strength before globalization came (Mamman & Baydoun, 2009).
Giddens (1997) in his work on globalization postulated that it’s the process of modernizing the world systems through institutions. He also argued that globalization takes place in all levels and sectors and thus is multifaceted. It is therefore a global economy dominated by transnational firms’ and financial institutions which operate independently.

2.2.1 Globalization Concept
The interdisciplinary concept of globalization applies to the areas of interactions and systems involved. It has evolved in the current world that there is no specific all-embracing meaning. Many worlds’ economists say that globalization is moving towards e-globalization but that is for another research. Many major areas of focus to suit our study is the economic, political and social systems of globalization. Pearce and Robinson defined globalization as strategy to get to potential world-wide markets with standardized products. Aruda and Enderle (2004) and Sagagi (2007) added that national economies integration through capital flows and trade would define globalization. That means implementing strategies which are global and coordinating the activities of an organization internationally worldwide with an objective of ensuring free flow of resources and goods across different nations. Globalization is a term mostly described or associated with economic globalization. It is the integration of a global network of political ideas from regional economies, societies and cultures through trade, communication and transport. Globalization has successfully been made achievable through national economies in capital flows, migration, and spread of technology, foreign direct investments and military presence.

2.2.2. Entrepreneurship Development Concept
Entrepreneurship involves having a personality that enables one perform tasks such as self-motivation, skills, discipline behaviors and strong values. It needs mentoring, learning, value reorientation and conditioning. Awe (2007) agrees to this by defining entrepreneurial development as the building or imparting potential traits, behavioural characteristics, necessary skills and competences to an individual to effectively perform his/her roles. The second aspect involves pooling of resources and operating to have a successful enterprise. That is creation of an operational business venture. Entrepreneurship development commits
its resources to a business entity, simpler, process of business ownership and operations. (Kuratko & Hodgetts, 2008).

2.2.3. Economic Development Concept
The economies of a country are affected by enterprises, production, competition, information flow etc. Global economy concept has pushed many organizations to focus on trade imbalances, fluctuation of currencies, competition, technology and exchange of labor.
It’s not unusual for a company whose headquarters is in one country to oversee operations in another country. And thus the growth of new international policies and tremendous growth in various industries. This is to enhance entrepreneurs operations, permit companies to experiment in restructuring and allow SME to practice technology advancement and innovation. (Anderson, 2010).
Entrepreneurship development acts as a mediator between economic growth in a country and globalization issues. As suggested by various authors, the effect globalization has is diverse in many ways. First ,it removes trade barriers to allow formerly protected markets be open to competition. This creates innovation of new products and new markets to sell their products.
With increased competition, many firms are forced to rapidly change according to the changes in economy, efficiency and competition. Globalization also engenders quality in products and service. With competition, the standard of products and improves. (Pearce & Robinson, 2003).

2.2.4 Government Support
There are legal and supra-legal requirements for any SME conducting business which have been put. (Peng, 2004). The legal imperatives relevant in all business practices are enforced by the government and other delegates’ of the state. Supra legal are by own free will put down by firms themselves in assisting the daily run of their businesses. (Doyle, 2007). Some of the supra-legal imperatives consist of mission, vision, standards, policies, strategies and other operational procedures. The difficult in reinforcing the legal imperatives is that legislation becomes sometimes difficult to follow and understand. The dynamic changes in economic and business environs,laws are becoming more and more complex yet,most SME have not put any departments for this matters and even larger firm ,such departments are not common. Many studies have written about ownership structure and concentration effect and
how firms can improve their performance since even shareholders look to gain. Such factors in place include income statements, balance sheets, ownership structure and changes when they occur. (Zeitun & Tian, 2007)

2.3 Summary and Research Gaps
Globalization brings competition and new challenges and opportunities yet its outcome seems to vary among countries depending on the company size. (Harungi, 2006) This research has looked at the effects globalization has on entrepreneurship development and means of adapting to the changes by organizations and industries in such environs. Globalization is leading organizations to focus more on knowledge than putting efforts on traditional production inputs such as capital, land and labour. Public policy has responded in different ways, first a shift from the triad of policies thus restrain firms to contract regulations and public ownership of business. The studies in the literature have mainly focused on SMEs in developed countries and competition mode in high techno industries. (Svetliaia, Jacklia & Burger, 2007)

The study was conducted to fill gaps in knowledge vis-a-vis the effects of globalization in entrepreneurship development in a developing country and particularly on a local construction firm. Its focus on how it changes and manages to survive and the strategies to adopt in implementing the changes necessary under free trade conditions.
2.4 Conceptual Framework

Figure 2.1 Diagram showing the relationship between independent and dependent variables.

2.5 Operationalization of Variables

2.5.1 Economic Development
Globalization has made entrepreneurs become innovative and creative and always keeping them on their toes towards quality in all production processes in all areas of operations. Thus, they engage in what we call, learning entrepreneurship. Hence, the gaps between per capita income and income often appear. Globalization assists countries integrated have higher incomes but similarly intensify competition thus making it more difficult to integrate to world economies.
2.5.2 Infrastructure
The cause of low levels of investment and sometimes unsatisfactorily performance among SMEs is due to inadequacy of physical infrastructure. According to a strategy economic recovery paper in 2003, poor infrastructure was mentioned as a critical factor hindering profits in Kenyan businesses. This includes inaccessible roads, work space, utilities in towns, electricity and poor state of roads. Lack of provision of suitable lands to SMEs in most rural and urban areas, lack of property rights is an impediment to growth and development.

2.5.3 Government Support
There are set rules and regulations to be followed by businesses. The Legal laws refer to the laws and administrative provisions enforced by the government and various delegates of the state which are relevant to all business practices. Supra-legal are made under free will business commitments policies and procedures to be adhered to.

2.5.4 Interest rates
Almost all banks charge interest when money is deposited to their custody whether for investment or safe keeping. Companies also pay interest when they borrow and charge interest when customers buy goods and services on credit. A high or low interest rates affects all businesses and buying habits of customers in any economy.

2.6 Chapter Summary
This chapter provides an overview of the theoretical and empirical literature review giving an indication of how globalization started and influenced entrepreneurship development. It also shows the global concepts and how some of the operational conceptual in entrepreneurship are affected. The chapter also shows the conceptual framework showing the independent and dependent variables for this project and how they relate.
CHAPTER THREE
THE RESEARCH AND METHODOLOGY

3.0 Introduction
This chapter outlines the research and methodology which offers an explanation into what type of research this study is all about. It also defines the study of the population and specific sampling techniques to be used, method of data collection and data analysis. This chapter has the following subsections; research design, target population, sample size and sampling procedures, the research instruments, data collection procedures, data design and analysis and research ethics.

3.1 Research Design
This study adopted a descriptive research design approach. According to Sekaran (2009) descriptive studies are structured with clearly stated investigative questions. According to Gatara Timothy (2010), a research design is a plan data collection, reduction and analysis. A descriptive research design is chosen in this study. According to Nachmias (2007), a descriptive survey obtains information concerning the current status and describes what exists with respect to the variables by asking about individuals’ perceptions, behaviour, attitude or values. This is because; the study aims at determining the effects of globalization on entrepreneurship development in the construction industry in Kenya with reference to GNK construction & supplies ltd. The purpose of the study is to determine a certain aspect intensively and comprehensively so that one can get the background aspect and current status as an in-depth investigation according to Mugenda & Mugenda (2003).

3.2 Target Population
A target population is defined as a universal set of study of all members of real and hypothetical set of people, events or objects to which one wants to generalise result according to Borg and Gall (2008). The target population of this study were staff of GNK Construction
7 Supplies Ltd while the population were 100 staff members who are directly or indirectly related to the daily operations of the company. The study assumes that the population is not homogenous. As tabulated in Table 3.1 below

Table 3.1: Table showing Study Target Population

<table>
<thead>
<tr>
<th>CATEGORY</th>
<th>TARGET POPULATION</th>
<th>PERCENTAGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Top Management</td>
<td>20</td>
<td>10</td>
</tr>
<tr>
<td>Middle Management</td>
<td>60</td>
<td>30</td>
</tr>
<tr>
<td>Support Staff</td>
<td>120</td>
<td>60</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>200</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

3.3 Sample and Sampling Technique

A sample is defined as a subject of a population that has been selected to reflect or represent characteristics of a population (Kothari, 2004). Stratified proportion sampling is employed to obtain a suitable unit representative of analysis. This is because of the heterogeneity of the population and respondents all had equal opportunity of participation. (Kothari, 2004) argues that a stratified proportional sample increases the sample's efficiency and provides adequate data for analysing the various populations. This method is cost effective, fast track data collection, and access to the unit of analysis and elements of the study.

A stratified random sampling technique was used to select the respondents. According to Gatara Timothy (2010), this method requires the population to be divided into homogenous groups or classes. Kerlinger (2003) observed that sample drawn randomly is unbiased in a way that no number of populations has any chance of being selected more than the other. From each stratum, certain percentage respondents were selected and used to gather the required information using the formula below:
The study used random sampling where each member had an equal opportunity to be included in the study and also guarantees a sufficient number of respondents. The formula below was used to estimate the population sample size.

\[
\text{Minimum Sample size (n)} = \frac{t^2 \cdot p \cdot (1-p)}{M^2}
\]

Where \( n \) = required sample size (minimum size)

\( T \) = Confidence level at 95% (standard value of 1.96)

\( P \) = Estimated fractional population of each branch

\( M \) = Margin of error at 5% (standard value of 0.05)

**3.4 Data Collections Instruments**

Questionnaires were the main tools of data collection. They are easier to analyse since they are in an immediate form, and are economical to use in terms of time and finance. The questionnaires was self-administered by the researcher by hand delivering it to the organization under study and was collected after a few days. The advantage is that the researcher personally will introduce the study to the respondents and clarified any doubts or questions that will arose.

**3.5 Pilot Study**

A pilot test involving 10 respondents was carried out to evaluate the completeness, precision, accuracy and clarity of the questions to the respondents. This will ensure the reliability of data collection instruments used. A letter of introduction and a consent form was attached to the questionnaires explaining the tenacity of the study. The questionnaires were administered to the respondents. It is aimed at improving the quality and efficiency of the research process. At the same time it reveals deficiencies in the design of a proposed experiment or procedure.
which require finances, time and resources experiment or procedure which require correction before time, money and other resources are committed to the effort.

3.5.1 Validity
Mugenda and Mugenda (2003) defined validity as the meaningfulness of inferences and accuracy based on research results. One of the main reasons for conducting the pilot study is to ascertain the validity of the questionnaires where face and content were used. Content validity draws inference from test scores to a large domain of objects similar to those on the test as stated by Gillham (2008). It is mostly concerned with sample population representativeness.

3.5.2 Reliability
Reliability refers to the ability of a research instrument to consistently measure the characteristics of interest over time. According to (Owuor, 2004) a reliability test of research instruments is one that consistently produces the expected results. Kothari (2004) points out that instrument reliability refer to the level of internal consistency or the stability of the measuring devices. They say that because of economy in time and labour, the procedure for extracting an estimate of reliability should be obtained from the administration of a single test.

3.6 Data Collection procedure
A primary and secondary data was used in the study. The most common tools of collecting data within the study approaches are through questionnaire methods, observation and interviews. The primary data was through a questionnaire that was self-administered to the respondents. While secondary data was collected from already existing sources and previous research. This was through reading relevant literature available in the library, various documents, publications and reports including, journals, and magazines.

3.7 Data Analysis and Presentations
A descriptive statistics mainly standard deviation, mean and frequency distribution was used in analysing the data while inferential statistics used in drawing conclusions. Data in part A of the questionnaire was analysed using frequency distributions and percentages to determine the profile of respondents. Data in part B was analysed using mean scores and standard
deviations to determine the Factors affecting implementation of performance contracting in county governments.

The data analysed by use of descriptive statistics using both quantitative and qualitative methods specifically, means, averages and percentages were employed by the researcher. The data analysis tools were simple tabulations and presentations of the report using spreadsheets. The data was presented using tables, charts and graphs. Coding of data was done and then organised into concepts from which generalization was made of entire population. Data was then be tabulated and frequencies calculated on each variable under study and interpretations made from the field findings. Percentages will then be calculated and interpretation made.

3.8 Ethical Considerations
The researcher undertook various steps to ensure that the study adheres to research ethical standards. Research authorization permit was obtained from the participating institutions, Management University of Africa and GNK Construction & Supplies Ltd.

3.8.1 Voluntary Participation
The researcher sought consent from the management of GNK Construction & Supplies Ltd before administering the questionnaires. Participants were asked to verbally consent to participate in the research, for which they was free to participate or not to. The researcher explained to them that the information that they gave was used only for the study. The researcher explained that meaningful data for this study is to contribute their views on effects of globalization on entrepreneurship development in the construction industry in Kenya.

3.8.2 Informed Consent
Borrowing from Oliver (2004) the researcher will ensure that through the principle of informed consent, complex as it is, and the respondents was void of hang-ups that come with lack of clear expectations of the research. As Oliver points out, some respondents may be
impressed by the status of the researcher, or even by the word research has used and may agree to participate without having a good idea of what the research is all about.

3.8.3 Privacy

The potential respondents were not be identified by name. Confidentiality respondents were treated as a matter of priority. Further, the researcher used two methods in engaging these respondents before agreeing to answer the questions of this study.

3.8.4 Confidentiality

The researcher explained to the respondents that the data being gathered in this study was treated in confidence and that the findings were meant for a project at the Management University of Africa. The researcher explained to the respondents that the data was coded and no one, whatsoever, related the data to the respondents for both external and internal audiences of the project.

3.8.5 Anonymity

The researcher accorded the respondents their due respect while at the same time ensuring that they answer the questions to the expectations of the study, interjecting questions, intelligibly. The researcher picked respondents without any discrimination. This helped the researcher to receive truly anonymized respondents even to the researcher himself. This was achieved through self-administered questionnaires with an anonymous method of return.

3.9 Chapter Summary

The researcher adapted descriptive design; the questionnaires were administered by the researcher herself to collect data from a sample of respondents. Research methodology offers explanation into what type of research this study was. The chapter introduced and discussed choice of grounded theory methodology as a suitable research methodology for this study. The chapter discussed research methodology which includes the population, sample instruments of data collections as well as the strategies to ensure ethical standards are maintained, validity and reliability of the study.
CHAPTER FOUR
RESEARCH FINDINGS AND DISCUSSIONS

4.0 Introduction
This chapter presents all findings of the study, whose aim was to determine the effects of globalization on entrepreneurship development in the construction industry in Kenya with reference to GNK Construction & Supplies Ltd. The chapter has been sectioned into: response rate, demographic information of the respondents and the effects of globalization on entrepreneurship development in the construction industry.

4.1 Presentations of Research Findings
4.1.1 The Response Rate

Table 4.1: Table showing Response Rate

<table>
<thead>
<tr>
<th>Category</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Responded</td>
<td>50</td>
<td>91</td>
</tr>
<tr>
<td>Did not Responded</td>
<td>5</td>
<td>9</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>55</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>
The researcher distributed questionnaires to 55 respondents which were computed as shown in chapter three section four 3 and 4; sampling design and sampling technique. A response rate of 91% was achieved which was favourable for the study forming a basis for the analysis in table 4.1 and figure 4.1 above.

4.2 Demographic Information of the Respondents

Table 4.2: A table showing Gender of Respondents

<table>
<thead>
<tr>
<th>Category</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>32</td>
<td>64</td>
</tr>
<tr>
<td>Female</td>
<td>18</td>
<td>36</td>
</tr>
<tr>
<td>Total</td>
<td>50</td>
<td>100</td>
</tr>
</tbody>
</table>
The gender characteristics of GNK Construction & Supplies Ltd is dominated by males 64% as shown in figure 4.2 and table 4.2 above by against females who are 36%. The gender representation of the respondents indicate that, views concerning the challenges facing Globalization in Construction industries in Kenya, were represented by all gender, and no single opinion can be attributed to a particular gender.

**Table 4.3: Table Showing the Age Groups of Respondents**

<table>
<thead>
<tr>
<th>Category</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>18-23 Years</td>
<td>4</td>
<td>8</td>
</tr>
<tr>
<td>24-29 Years</td>
<td>5</td>
<td>10</td>
</tr>
<tr>
<td>30-35 Years</td>
<td>23</td>
<td>46</td>
</tr>
<tr>
<td>36-41 Years</td>
<td>11</td>
<td>22</td>
</tr>
<tr>
<td>42 years and above</td>
<td>7</td>
<td>14</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>50</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>
**Figure 4.3:** Figure Showing Age Groups of the Respondents

![Figure Showing Age Groups of the Respondents](image)

Majority of the respondents at GNK Construction & Supplies Ltd is dominated by age group 30-35 years who constitute 46%, followed by 36-41 years at 22%, then followed by 42 and above was at 14%, followed by 24-29 who constituted 10% while age groups 18-23 years were at 8%. As tabulated in table 4.3 and figure 4.3 above.

**Table 4.4:** Table Showing Level of Education of the Respondents

<table>
<thead>
<tr>
<th>Category</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Primary</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Secondary</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>College</td>
<td>20</td>
<td>40</td>
</tr>
<tr>
<td>Graduate</td>
<td>13</td>
<td>26</td>
</tr>
<tr>
<td>Post graduate</td>
<td>10</td>
<td>20</td>
</tr>
<tr>
<td>Doctorate or Pursuing</td>
<td>7</td>
<td>14</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>50</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>
A majority of the respondents had college level education at 40%, subsequently university graduates at 26% post graduate were 20% while those who had PhD or Pursuing were 14% and none indicated that had primary or secondary education as tabulated in Table 4.4 and shown in figure 4.4 above. This shows that the staff members of GNK Construction & Supplies Ltd have at least college level of education this shows that kind of work done at GNK Construction & Supplies Ltd require some level of intellect.

Table 4.5: Table Showing Respondents Position in the Organization

<table>
<thead>
<tr>
<th>Category</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Managers</td>
<td>4</td>
<td>8</td>
</tr>
<tr>
<td>Supervisors</td>
<td>12</td>
<td>24</td>
</tr>
<tr>
<td>Officers</td>
<td>20</td>
<td>40</td>
</tr>
<tr>
<td>Administration Assistant</td>
<td>14</td>
<td>28</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>50</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>
The majority of the respondents work as officers at 40%, while administration assistant 28% and indicated they work as officers while 24% indicated supervisors and 8% works as managers as tabulated in Table 4.5 and figure 4.5 above.

4.3 Main Issues of the Study

Table 4.6: Table showing the infrastructure state (access roads, power demand and communication services)

<table>
<thead>
<tr>
<th>Category</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Good</td>
<td>14</td>
<td>28</td>
</tr>
<tr>
<td>Adequate</td>
<td>12</td>
<td>24</td>
</tr>
<tr>
<td>Poor</td>
<td>20</td>
<td>40</td>
</tr>
<tr>
<td>Very Poor</td>
<td>4</td>
<td>8</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>50</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>
**Figure 4.6:** Figure showing the infrastructure state (access roads, power demand and communication services)

The respondents were to indicate the existing state of infrastructure (access roads, power supply and communication facilities) in order to support entrepreneurship development 28% indicated good 24% believes its adequate while 40% says its poor and 8% indicated it’s very poor as tabulated in table 4.6 and figure 4.6 above.

**Table 4.7:** Table showing the present state of infrastructure on operational costs.

<table>
<thead>
<tr>
<th>Category</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increased Operational costs</td>
<td>38</td>
<td>66</td>
</tr>
<tr>
<td>Reduced operational costs</td>
<td>12</td>
<td>24</td>
</tr>
<tr>
<td>No effect</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>50</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>


Respondents were asked to indicate how the present state of infrastructure on operational costs and 66% indicated that it has increased the cost of operations and 24% believes that it has decreased while none indicated that it has no effect as shown in figure 4.7 and tabulated in table 4.7 above. The respondents believed that if infrastructure is improved the business would do so well, increased profit improved performance.
Table 4.8: Table showing a reflection of economic development towards the construction sector in Kenya.

<table>
<thead>
<tr>
<th></th>
<th>Strongly agree</th>
<th>Agree</th>
<th>Neutral</th>
<th>Disagree</th>
<th>Strongly disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td>The depreciation of Ksh has made business operation unprofitable for Construction sector?</td>
<td>26 52%</td>
<td>11 22%</td>
<td>2 4%</td>
<td>6 12%</td>
<td>4 8%</td>
</tr>
<tr>
<td>The fall of the Ksh Construction sector to close down operation?</td>
<td>10 20%</td>
<td>23 56%</td>
<td>3 6%</td>
<td>6 12%</td>
<td>4 8%</td>
</tr>
<tr>
<td>The fall of the Kshs. Has reduced the cost of operations in the Construction sector</td>
<td>5 10%</td>
<td>4 8%</td>
<td>6 12%</td>
<td>11 22%</td>
<td>23 56%</td>
</tr>
<tr>
<td>The fall of the Kshs. Has made importation of raw materials cheaper and available for Construction sector</td>
<td>26 52%</td>
<td>10 20%</td>
<td>2 4%</td>
<td>7 14%</td>
<td>5 10%</td>
</tr>
<tr>
<td>The fall of the Kshs. Led to cheaper capital goods being imported.</td>
<td>26 52%</td>
<td>10 20%</td>
<td>2 4%</td>
<td>7 14%</td>
<td>5 10%</td>
</tr>
<tr>
<td>The is no effect when finished goods are imported or affect Construction sector turnover/ sales volume</td>
<td>6 12%</td>
<td>5 10%</td>
<td>2 4%</td>
<td>23 56%</td>
<td>14 28%</td>
</tr>
</tbody>
</table>

Respondent were asked some questions on economic development levels in regardless to The fall of Ksh which has made many business operations unprofitable for construction sector and the responses were as 52% strongly agreed and 22% agreed 4% were neutral 12% disagreed while 8% strongly disagreed. The second question asked was if the fall of the Ksh had contributed to some construction sector shutting down operations and 20% strongly agreed and 56% agreed 6% were neutral 12% disagreed while 8% strongly disagreed. The third question was if the fall of the Ksh has reduced the operational costs and 10% strongly agreed and 8% agreed 12% were neutral 22% disagreed while 56% strongly disagreed and
fourth question respondents were asked the fall of Ksh led to cheaper raw materials being imported for the construction sector 52% strongly agreed and 20% agreed 4% were neutral 14% disagreed while 10% strongly disagreed, another issues asked was if the fall of Ksh made the importation of capital goods cheap sector 52% strongly agreed and 20% agreed 4% were neutral 14% disagreed while 10% strongly disagreed and finally respondents were asked to indicate if importation of finished goods has any effect towards the sales volume in the construction sector, 12% strongly agreed and 10% agreed 4% were neutral 56% disagreed while 28% strongly disagreed, as tabulated in table 4.8 above and figure 4.8 below.
Figure 4.8: Figure showing reflects the economic development affect Construction sector in Kenya

Figure showing reflect the economic development affect Construction sector in Kenya

- **Strongly disagree**
- **Disagree**
- **Neutral**
- **Agree**
- **Strongly agree**

**Imports of finished goods do not reduce or affect Construction sector turnover/sales volume**
- Strongly agree: 56%
- Agree: 28%
- Neutral: 10%
- Disagree: 12%
- Strongly disagree: 4%

**The depreciation of Ksh made the importation of capital goods cheap**
- Strongly agree: 52%
- Agree: 20%
- Neutral: 14%
- Disagree: 12%
- Strongly disagree: 4%

**The depreciation of Ksh makes import of raw materials cheap and abundant for Construction sector**
- Strongly agree: 52%
- Agree: 20%
- Neutral: 14%
- Disagree: 12%
- Strongly disagree: 4%

**The depreciation of the Ksh has drastically reduced the operational cost of Construction sector**
- Strongly agree: 56%
- Agree: 22%
- Neutral: 8%
- Disagree: 10%
- Strongly disagree: 4%

**The depreciation of the Ksh has forced some Construction sector to shut down operation?**
- Strongly agree: 56%
- Agree: 20%
- Neutral: 12%
- Disagree: 12%
- Strongly disagree: 6%

**The depreciation of Ksh has made business operation unprofitable for Construction sector?**
- Strongly agree: 52%
- Agree: 22%
- Neutral: 12%
- Disagree: 12%
- Strongly disagree: 4%
Table 4.9: Table showing Technology and Infrastructure affects operations at GNK Construction & Supplies Ltd

<table>
<thead>
<tr>
<th>Response Description</th>
<th>Strongly agree</th>
<th>Agree</th>
<th>Neutral</th>
<th>Disagree</th>
<th>Strongly disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td>Production of technical equipment in the construction sector is adequate with the level of technological advancement to have an efficient production process.</td>
<td>26 52%</td>
<td>11 22%</td>
<td>2 4%</td>
<td>6 12%</td>
<td>4 8%</td>
</tr>
<tr>
<td>In order to compete favourably in a liberalised economy, the level of technological advancement is adequate.</td>
<td>10 20%</td>
<td>23 56%</td>
<td>6 12%</td>
<td>4 8%</td>
<td>4 8%</td>
</tr>
<tr>
<td>In order to acquire modern technology for efficiency purpose, the construction sector has enough financial resources.</td>
<td>11 22%</td>
<td>11 56%</td>
<td>6 12%</td>
<td>5 10%</td>
<td>2 4%</td>
</tr>
<tr>
<td>The management responds well to ICT project planning approaches</td>
<td>26 52%</td>
<td>10 20%</td>
<td>2 4%</td>
<td>7 14%</td>
<td>5 10%</td>
</tr>
</tbody>
</table>

Respondents were asked some questions if Technology and Infrastructure affects operations at GNK Construction & Supplies Ltd, and while the level of technology is adequate to produce technical equipment the construction sector requires an efficient process and the responses were 52% strongly agreed and 22% agreed 4% were neutral 12% disagreed while 8% strongly disagreed. The second question was if the technological advancement is adequate in creating a niche and strive well in a liberalized economy and 20% strongly agreed and 56% agreed 12% were neutral 8% disagreed while 8% strongly disagreed. The third question was whether there is enough financial resources to acquire modern technology for effective production 22% strongly agreed and 56% agreed 4% were neutral 12% disagreed while 8% strongly disagreed.
strongly disagreed and finally respondents were asked if the management responds well to ICT project planning approaches 52% strongly agreed and 20% agreed 4% were neutral 14% disagreed while 10% strongly disagreed as tabulated in table 4.9

**Figure 4.9**: Figure showing Technology and Infrastructure affects operations at GNK Construction & Supplies Ltd

![Chart showing Technology and Infrastructure affects operations at GNK Construction & Supplies Ltd](image)
Table 4.10: Table showing Construction sector in Kenya have enough support from the Government

<table>
<thead>
<tr>
<th>Category</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>35</td>
<td>70</td>
</tr>
<tr>
<td>No</td>
<td>15</td>
<td>30</td>
</tr>
<tr>
<td>Total</td>
<td>50</td>
<td>100</td>
</tr>
</tbody>
</table>

Figure 4.10: Figure showing Construction sector in Kenya have enough support from the Government

The respondents were then requested to indicate if the construction sector has enough government supporting terms of institutional policies and structure and finance 70% indicated yes while 30% indicated No this implies that majority believed the government support construction industry development and growth.
Table 4.11: Table showing Government provision in problems that may arise upon embarking on liberalisation

<table>
<thead>
<tr>
<th>CATEGORY</th>
<th>FREQUENCY</th>
<th>PERCENTAGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>YES</td>
<td>40</td>
<td>80</td>
</tr>
<tr>
<td>NO</td>
<td>10</td>
<td>20</td>
</tr>
<tr>
<td>TOTAL</td>
<td>50</td>
<td>100</td>
</tr>
</tbody>
</table>

Figure 4.11: Figure showing Government provision for problems that may arise before liberalisation

Respondents were asked to indicate if the government of Kenya made provisions for snags likely to occur before liberalisation that is devaluations and interest rates and a majority 80%
indicated yes while 20% indicated no as shown in figure 4.11 and tabulated in table 4.11 above.

**Table 4.12**: Table showing the Government programmes for Construction sector development likelihood of failing in Kenya

<table>
<thead>
<tr>
<th>Category</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Absence of infrastructures</td>
<td>14</td>
<td>28</td>
</tr>
<tr>
<td>A poor program design</td>
<td>12</td>
<td>24</td>
</tr>
<tr>
<td>Lack of participation in the design</td>
<td>20</td>
<td>40</td>
</tr>
<tr>
<td>A poor implementation of policy</td>
<td>4</td>
<td>8</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>50</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

**Figure 4.12**: Figure showing the Government programmes for Construction sector development likelihood of failing in Kenya
Respondents were asked what are the government programs likelihood of failing in Kenya and 28% believed that its lack of infrastructures while 24% indicate poor programme design and 40% indicated that lack of participation during design of the programmes and finally 8% believed that is because of poor policy implementation.

4.4 Limitations of Study

4.4.1 Confidentiality

The researcher was suspected of collecting information and leaking it to unauthorized persons, by the respondents. However, the researcher used the letter of introduction from Management University of Africa that inform the respondents that the information is academically instigated and all the information will be treated with confidential.

4.4.2 Lack of Cooperation

The researcher encountered poor cooperation from respondents initially but once she indicated the purpose of the study and showing them the letter of introduction, they accepted to volunteer information. However, the researcher assured the respondents on the importance of the study by citing the top beneficiaries.

4.5 Chapter Summary

This research report attempts to ease this dilemma by reporting the results of an exploratory study to determine the effects of globalization on entrepreneurship development in the construction industry in Kenya. The findings were therefore influenced by both males and females. The study provides the significant findings to support the organizations effort in planning and development of budget allocation as well as development of strategies to address these challenges.
CHAPTER FIVE

SUMMARY OF RECOMMENDATIONS AND CONCLUSIONS

5.0 Introduction
This chapter consists of a summary of the research findings, conclusions relating to the research objectives, suggestions or recommendations on the study were to determine the effects of globalization on entrepreneurship development in the construction industry in Kenya with GNK Construction & Supplies Ltd in Nairobi as reference case study and finally areas that need further research. The objectives of the study data relating to it, analysed and the findings presented in chapter four.

5.1 Summary of the Findings
It is possible to have differences in the interpretation of the items in the questionnaire. However that being no a significant issue since the questionnaire deliberately used simple linguistically language and use of a large sample size neutralized unsystematic misinterpretations.

A response rate of 91% was achieved in the study, the gender characteristics is dominated by males 64% against females who are 36%. Dominant age group 30- 35 years who constitute 46%, followed by 36-41 years at 22%, Majority of the had college level education at 40%, The majority of the respondents work as officers at 40%, while administration assistant 28% and indicated they work as officers while 24% indicated supervisors and 8% works as managers.

The respondents were to indicate current state of infrastructure to support entrepreneurship development 52% indicated good and adequate while 48% indicated poor. With state of infrastructure on cost of operation 66% indicated that it has increased the cost of operations and 24% believes that it has decreased. Economic development levels in regardless to the fall of the Kshs which made business operation unprofitable, 74% agreed while 26% were of contrary opinion; 72% of the respondents agreed that the fall of the Kshs. Made businesses
shut down and reduced cost of operation, 72% disagreed and another issue was the depreciation of the Kshs made cheap and abundant importation of raw materials in construction sector 72% of the respondent agreed and it makes the importation of capital goods cheap sector with 74% agreed and finally respondents were asked to indicate if import of finished goods affected the industries sales volume and turnover and 84% disagreed.

As to whether the technological advancement is sufficient the responses were as 72% and 74% agreed that the technological levels in Kenya are insufficient for a liberal economy 78% agreed that the construction sector has adequate resources in order to buy modern technology for cost effective production and 72% respondents indicated that the management responds well to ICT project planning approaches. 70% respondents indicated if the construction sector in Kenya has government support in terms of finance and institutional structure and policies. The government has made necessary plans and provisions for any problems likely to arise before liberalisation like the devaluation of the Kshs and interest rate liberalisation of the economy and majority 80% indicated Yes while 20% indicated No. Respondents were asked what are the likely cause of failing of government programs and 28% believed that its lack of infrastructures while 24% indicate poor programme design and 40% indicated that lack of participation in the design stage of the programs and finally 8% believed that is because of poor policy implementation.

5.2 Recommendations

There were shortcomings that hindered the management to effectively carry out their roles and therefore the following are recommendations suggested to GNK construction & supplies Ltd. The managers should implement the policies put across and give timelines for the same to ensure growth.

Globalization brings its own pitfalls and challenges in industries which if these nations in developing economies close eyes to, will increase its risk and detriment. The way to lessen the pitfall burden is by managing the influences of impact to their economies. This is a joint task between the government and industries (management of companies) to give a competitive market and a complete shift.
The government has to work more to create infrastructures to support industries operations in an enabling environment thus reducing the operational costs. In addition, the government must put in place policies to protect the local industries from foreign companies. In this regards, it’s highly advised that developing countries’ adopt a free trade policy, open systems to guard against adversity effect of liberalization of trade. Finally, industries and companies need to adopt a competitive strategy to increase productivity and have unique goods in the market.

5.3 Conclusion
Many developed countries have worked to ensure that they achieve economic development, growth and the globalisation process has created and chance for them to utilise introduced technologies, foreign capital and experience. Globalisation led to an increase in world-wide trade in open and borderless markets internationally. This has eliminated monopolistic behaviours and strengthened market competition. Globalisation has also made many start-ups and SMEs create employment, wealth creation, innovation and other welfare effects. In this study, the researcher examined how globalisation process affect the development of entrepreneurship and the figures showed that the activities in entrepreneurship are more imperative in developing countries than the developed. The conclusion was also that there is an affirmative relation between a countries level of development and entrepreneurship rates. The distinctive economic nature of developing countries and developed provides a broader opportunity for entrepreneurs who are currently at the centre of attention for both global enterprises and local. One of the studies limitations was lack of observation for the subject. Since most of the countries do not have enough entrepreneurship information at the moment. This could be expanded with quantitative analysis when sufficient information is received in the near future.

5.4 Suggestions for further Studies
One of the important future research areas located was on entrepreneurship development and the merits it adds to economies. The same study of the effects of globalization on other areas of industries can also be conducted.
5.5 Chapter Summary
This chapter summarises the major findings, recommendations and conclusions from the research done relating to the objectives set, suggestions from the study to determine whether globalizations effects/variables relate to entrepreneurship and any other further studies which are recommendations based on the analysis collected.
REFERENCES


APPENDIX I:
LETTER OF INTRODUCTION

Lucy Musau
School of Leadership and Management,
Management University of Africa-MUA

RE: REQUEST FOR RESEARCH DATA

Dear Respondent,

I am currently a post graduate student at Management University of Africa-MUA, School of Leadership and management in pursue of a course that leads to a Executive Master’s degree in Business Administration (EMBA). In order to fulfil the requirements of the degree, I am conducting a study on

“EFFECTS OF GLOBALIZATION ON ENTREPRENEURSHIP DEVELOPMENT IN THE CONSTRUCTION INDUSTRY IN KENYA: A CASE STUDY OF GNK CONSTRUCTION & SUPPLIES LTD”

As a top mover in your company and in the construction industry, I have selected you to form a part of the study and will appreciate one on one interview at your convenience to fill a questionnaire attached. The information is confidential and will be used exclusively for academic purpose and upon your request ,the findings will be availed to you.

Thank you again to your invaluable contribution.

Yours faithfully

Lucy Musau
EMBA student
APPENDIX II
QUESTIONNAIRE

SECTION A

Gender
Male
Female

What is your Age group?
18-23 years
24-29 years
30-35 years
36-41 years
42 years and above

What is your highest level of education?
Primary
Secondary
College
Graduate
Post graduate
Doctorate/Pursuing
Other

Please indicate your department/position?

SECTION B

Infrastructure state

1. What is your present state of infrastructure (roads, power demand/supply and communication services) to assist support entrepreneurship development?
   Good
   Adequate
   poor
   very poor

2. How is the present state of infrastructure influencing the cost of operations in your company?
   High cost of operation
   low cost of operations
   no effect

3. Are the current company profits being affected by the present state of infrastructure?
   If so how?
   Increased
   Decreased
   no effect

4. If the state of infrastructure improved, what would be the company’s performance?
   Improve performance
   reduce performance
   will have no effect
The below statements reflect the economic development effect to the construction sector in Kenya. There is no wrong /right answer. Kindly tick/mark the boxes for each question.

Key: SA=Strongly agree; A=Agreed; UD= Neither Disagree or Agree; D=Disagree; SD=Strongly disagree ; N/A=Not Applicable

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<td>1. The fall of the Ksh has made business operations unprofitable for Construction industry</td>
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<td>2. The fall of the Ksh made businesses in Construction industries to close down operations</td>
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<td>5. The reduction of Ksh led to cheap capital goods being imported</td>
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<td>6. The importation of finished products have on effect turnover/ sales volume</td>
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<td>7. Importing finished goods have no effect on the profits of the company</td>
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### The Technology and Infrastructure

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<td>1. The tech advancement level in Kenyan is sufficient in producing all technical equipment for efficiency purpose.</td>
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<td>2. The technological expansion level is sufficient in Kenya</td>
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to compete well in an economy which is liberalized. [ ] [ ] [ ] [ ] [ ] [ ]

3. Construction industry has resources sufficient to acquire modern technologies to improve production technology [ ] [ ] [ ] [ ] [ ] [ ]

Support of Government

1. Does the Government of Kenya give enough support for capital resources to institutions structure/policies?
   YES NO other comments………………………………………………

2. Before embarking on liberalisation, do you think the Government adequate planning and provisions
   YES NO other comments………………………………………………

3. Please mark/tick any items that are most likely to make a government project fail in the construction industry in Kenya.
   Poor infrastructure deprived programme design non-participation of SMEs in program designs poor implementation of policies others (specify)…………………………..

We thank you for taking time to participate.