# ANALYSIS OF FACTORS INFLUENCING GROWTH OF MICRO AND SMALL ENTERPRISES DEALING IN INFORMATION COMMUNICATION TECHNOLOGIES

## (A Survey of Selected Enterprises in Nyeri Town)

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# ABSTRACT

This study was carried out to analyze the factors influencing the growth of MSEs dealing in ICT in selected businesses in Nyeri Town. Understanding the factors that influence the growth of MSEs dealing in ICT would inspire the players in the sector to come up with methods of boosting their growth and thus reap the maximum benefits that accrue. The general objective of the study was to analyze the factors that influence the growth of MSEs dealing in ICT with special reference to such businesses in Nyeri Town of Kenya. In the research the Survey design was used. The sampling frame included all MSEs dealing in ICT in Nyeri town. There is still not much of a common body of well-founded knowledge about the causes, effects or processes of growth. Moreover, although several determinants of firm growth have been suggested, researchers have been unable to achieve a consensus regarding the factors leading to firm growth. Therefore, the purpose of this study was to carry out an analysis of the factors that influence growth of MSEs dealing in ICT in Nyeri town after which the results were then generalised to cover the whole country. Moreover, there are several conceptual and empirical challenges in the study of firm's growth (Delmar, 2007). Firm growth in general refers to increase in size. The most frequently used measure for growth has been change in the firm's turnover. Another typical measure for growth has been increase in the number of employees. In order to create a conducive and enabling business environment for growth, there is need to carry out a detailed examination of the factors that influence growth of ICT related micro and small enterprises. Data was hence collected from such selected businesses in Nyeri town through the use of questionnaires using the drop and pick method. Data collected was then analyzed and quantitatively interpreted using the Statistical Package for Social Sciences (SPSS). Pie charts and tables were then used to present data in an easy way to interpret. In this way, the outcome of the study would try to help the micro and small enterprises dealing in ICT to start and stay afloat. The findings of the study would be useful to the government in formulating regulations concerning the sector. Further, the government would, on the basis of the findings of the study determine ways of spurring growth in the sector by removing the impediments to the growth. On the other hand the outcome of the study would help to bridge the information gap that exists on the factors influencing the growth of MSEs dealing in ICT and provide ways by which the challenges could be surmounted. This would go a long way in catalyzing the growth of ICT sector and entrepreneurship in Kenya.