

**THE MOBILITY AND GROWTH OF SMALL FURNITURE PRODUCTION
ENTERPRISES: A CASE OF WESTERN KENYA.**

BY:

NG'ANG'A, STEPHEN IRURA.



**THESIS SUBMITTED IN PARTIAL FULFILMENT FOR THE
REQUIREMENTS OF THE DEGREE OF**

MASTER OF PHILOSOPHY

IN

ENTREPRENEURSHIP

OF THE

DEPARTMENT OF QUANTITATIVE AND ENTREPRENEURSHIP STUDIES

INSTITUTE OF HUMAN RESOURCES DEVELOPMENT

MOI UNIVERSITY

MAY, 2003



ABSTRACT

In the industrialization process of any developing country, every sector and sub-sector of the economy has to play its part. The purpose of this sub-sector study on the mobility of the Small Furniture Production Enterprises (SFPEs), was to determine the extent to which SFPEs are mobile and how frequently they change their business locations; the effect of such mobility on their growth, and, what causes the mobility. It was based on the 'Fordist' mass production theory but also informed by the collective efficiency theory.

The study is an explanatory correlation ex-post-facto research where correlation research design was used. Quantitative and qualitative data were collected by use of questionnaires, face to face interviews, and observational checklists from randomly selected respondents. Data was analysed quantitatively and qualitatively using descriptive and correlation analyses.

The study shows that SFPEs are mobile. Most SFPEs with four or more years in furniture production shift at least once (64.5%) and (32.6%) move two or more times. The majority of the SFPEs (80%) operate in the 1st and 2nd quartiles of a calculated Technological Complexity Index. There is a significant association between an enterprises mobility and its accumulated productive assets (coefficient of correlation $r = 0.143(p < 0.05)$), but no predictive relationship can be developed. The coefficient of correlation of $r = 0.194(p < 0.05)$ indicates a significant association but no causative relationship can be established between an enterprise's mobility and its entrepreneur's level of education and training. The major causes of SFPEs has been shown to be customer related problems

(47.9%), debts (40.3%) and disturbances by the landlords and high business premises rent reported by 37.8% of the respondents.

The study provides new insight into developmental factors of the furniture sub-sector that may be used in the formulation of policies, intervention strategies and measures that will enhance the sub-sector involvement in the industrialization process. The study findings suggests that intervention measures should be directed to the sub-sector in clusters, industrial districts, or technoparks to exploit the collective efficiency approach to development and not to individual entrepreneurs or individual firms