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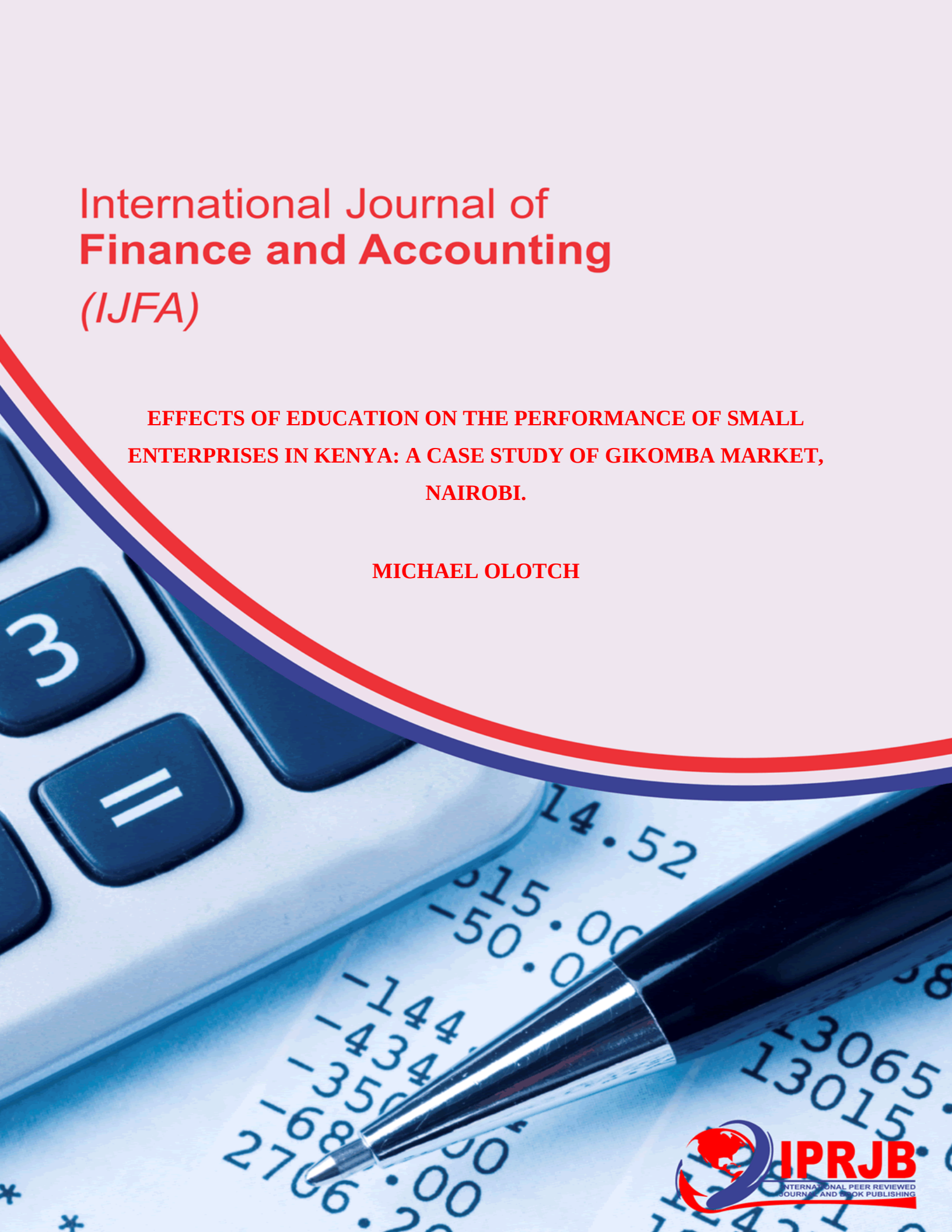

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EFFECTS OF EDUCATION ON THE PERFORMANCE OF SMALL ENTERPRISES IN KENYA: A CASE STUDY OF GIKOMBA MARKET, NAIROBI.

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Abstract

Purpose: The key objective of this research was to establish the relationship, if any, between education/training and the performance of small enterprises in Gikomba market.

Methodology: This study adopted descriptive and regression analysis design and the target population for this study are the owners/managers of small business enterprises in Gikomba market, Nairobi. A sample of 68 respondents will be selected. Probability sampling was used whereby stratified random sampling will be grouped into two or more relevant strata. This study used both primary and secondary data collected using questionnaires and secondary data collection data guide. Primary data was collected for all variables for a period of 3 years (2010 to 2012). Data analysis was used using both descriptive and inferential statistical methods. Descriptive statistics will include; frequencies, mean and standard deviation. Data analysis output was presented using graphs and tables. Inferential statistics will include regression and ANOVA tests.

Results: The results indicate that Education greatly influences the financial and non-financial factors in the SMEs sector. However the level of education is not the key factor to SME's existence and success. If the business management training education is well implemented, all the small enterprise traders at Gikomba open air market should be in position to breakeven and also to manage their business performance as expected.

Policy recommendation: The study recommends that policy makers should adopt the findings of this study. According to the results, exchange rates, public debt and interest rates were the significant determinant of market capitalisation of listed companies in Kenya during the study period. Macroeconomic variables should be factored when formulating policies on market capitalisation. This study recommended that, since the Kenyan stock market is not really exposed to the negative effects of currency volatility, government can use exchange rate as a policy tool to attract foreign portfolio investment.

Keywords: *SMEs*

1.1 Background to the Problem

Empirical evidence on the effects of education on firm performance is mixed. In ten out of seventeen empirical studies surveyed, Cooper et al., (1992), found a positive relationship between prior level of education and firm performance. Storey (1994), states that there are two contrasting hypotheses regarding the effect of education on entrepreneur business performance. It may be argued that education provides a foundation on which the entrepreneur can undertake the personal and professional development necessary for successful entrepreneurship and that education will endow the entrepreneur with greater confidence in dealing with bankers, customers and suppliers. These indeed were also the findings of Otunga, Opata and Muiya (1998) in a study conducted in Eldoret. On the contrary, however, it may also be argued that business ownership is not an intellectual activity and that the educated entrepreneur will quickly become tired of the many tedious tasks which form the work of most owner-managers. This hypothesis is also supported by a United States Agency for International Development (USAID, 2005) report which found that highly educated Micro and Small Enterprise (MSE) owners may abandon or neglect their firms for other opportunities.

The recruitment of academically qualified employees is a necessary start for sustainable human capital development in any organization. Human capacity has become a critical index of competition in the world of business to the extent that the development of such capacities through education and training has become a top priority in designing the strategic plans of business organizations (Tim & Brinkerhoff, 2008). A number of scholars (Beaver, Hutchings, & Garcia, 2005) suggest that new knowledge and capabilities through effective education and training programs are necessary for small enterprises to compete in regional and global markets. This is very important for small enterprises in Kenya and other developing nations as they gear up for the ever increasing challenges of advancement in technology, market deregulation, and globalization. In order to ensure that small enterprises in Africa grow, develop, and remain globally competitive, they must train and develop their human capital in line with changing trends in technology and market economics. It seems to be a common practice among small enterprises in Kenya, to regard training as a one-time activity, necessary only for new employees. This is a mistake given that on-the-job training, sponsorship to seminars and workshops, as well as participation in trade fairs and exhibitions for serving employees helps them adjust to rapidly changing job requirements and market conditions (Industrial Training Fund, ITF, 2006).

1.2 Problem Statement

In the small enterprises sector, education and training continues to play an important role. Little attention has been given to the major factors that could be hindering the efficiency and therefore performance of small enterprises, not only in the rural but also in the urban areas. Some of the factors that have been cited include owner-managers personal attributes, physical security issues, knowledge levels and misleading perceptions (Curran, 2003).

Sauyan (2007) carried out a study focusing on the effectiveness of the SME industry in Kenya. She arrived at the conclusion that changing market needs and technological trends have influenced efficiency in the SME sector. Despite the fact that Sauyan and other researchers have explored some of the factors that determine the effectiveness of the SME industry, there is still a gap in terms of the extent to which education and training levels can contribute to the SMEs effectiveness, customer service delivery and the general perceptions that consumers have about SMEs.

Some studies like Milton's (2003) and Wander's (2005) appear to have been limited in scope in the sense that they laid more focus on use of technology with reference to people of a certain age bracket. Other studies had been conducted in Europe by Funnish (2006) and Asia by Purash (2007) where the use of technology is at a higher level when compared to developing countries like Kenya. Thus, there is need to examine the role of education and training in determining the effectiveness of small enterprises.

Njeri (2007), International Labour Organization (ILO, 2002) report, assert that the contraction of the economy in the late 1990s and the retrenchment of employees in both private and public enterprises had forced individuals to engage in small enterprises to earn a living. In addition, the sector has also witnessed a growing interest from the youth who have either dropped out of school or lacked other employment opportunities (Njeri, 2007). Majority of these people lack entrepreneurial and business management skills and once they plunge into the industry, they are forced to develop their own approach to management through a process of trial and error (ILO, 2002). As a result, their management style is likely to be more intuitive than analytical and geared more towards the day-to-day operations rather than long-term planning. Whereas their intuitive approach may be very useful at the start-up stage, it presents a great challenge when complex strategic decisions have to be made. Due to their lack of essential managerial abilities, they are ill equipped to respond to changes in the business environment and to plan for the appropriate use of technology (Oketch, 2002). The general lack of managerial skills by the owners of the small enterprises, limits their ability to obtain finance, to market, to manage their employees and to take advantage of the existing technologies (Peacock, 2000).

Hopefully as advocated by van Vuuren and Nieman (1999) and Tolentino and Theocharides (1992), if such entrepreneurs attended workshops and business forums, perhaps they would gain the required entrepreneurial and management skills that would enable them to navigate around the ever changing business environment. Therefore this study seeks to determine the relationship, if any, between education or training and the performance of small enterprises.

1.3 Research Questions

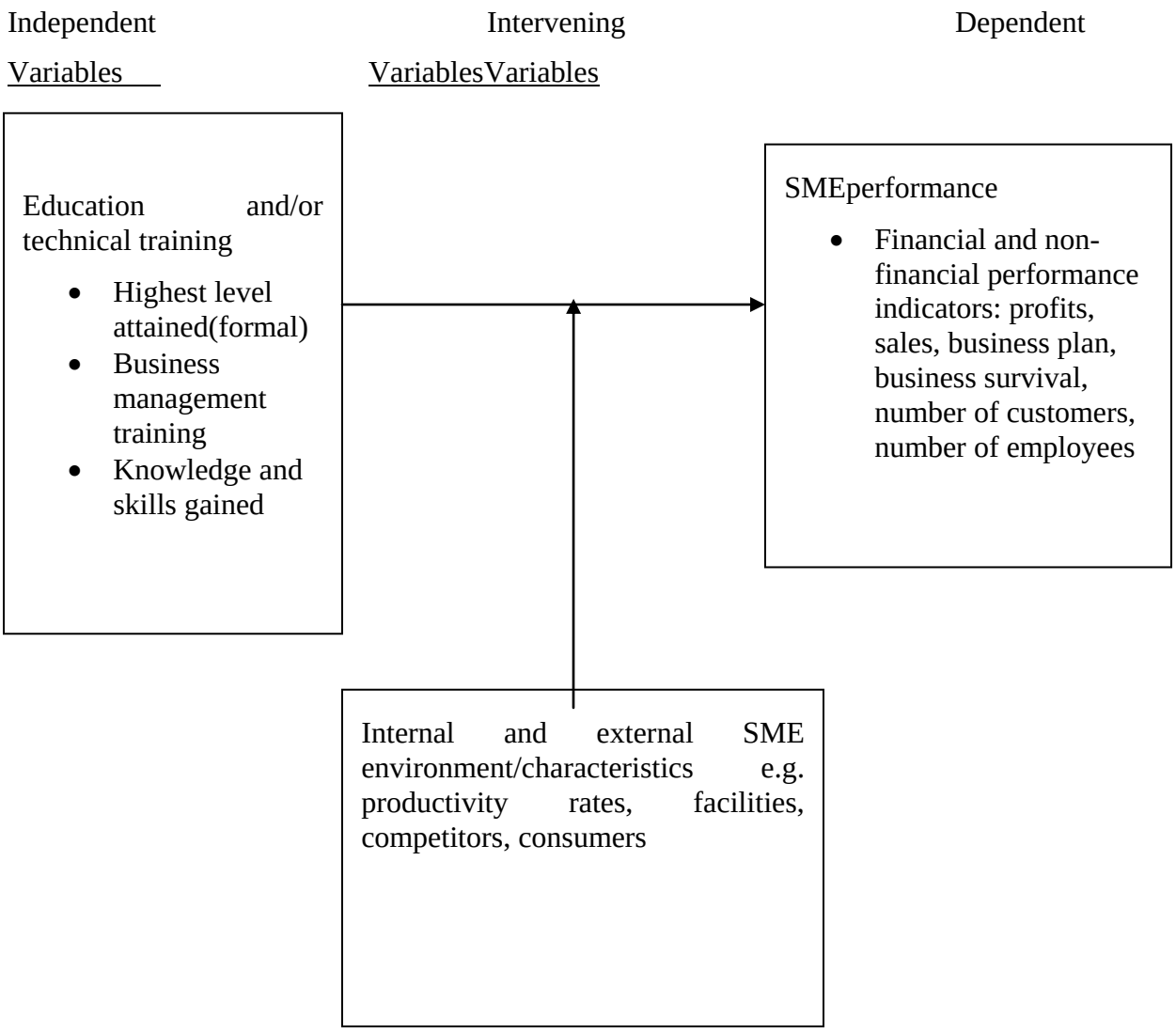
The study is guided by the following research questions:

a) What is the average level of education and/or technical training attained by the owners and/or managers of SMEs?

b) To what extent does the level of education of the owners and/or managers of SMEs affect business performance?

c) How does technical training of the owners and/or managers of SMEs affect business performance?

1.4: Conceptual Framework



Source: Researcher (2013)

Figure 1: Relationship between Education, SME Performance and the Environment

2.0 Litereature Review

A substantial and technically sophisticated economics literature has developed in the last decade about returns to schooling in terms of labour market or entrepreneurship performance (e.g. Psacharopoulos, 1994; Ashenfelteret al., 1999; Card, 1999; Harmon et al., 2003; Webbink, 2005). Returns to schooling have been measured for many countries and years in a way that allows both international comparisons and trend analyses. Innovative methods have been developed based on the Mincer equation and applied within this strand of research to assess whether the measured correlations between schooling and income reflect a causal effect of schooling on earnings (Ashenfelteret al., 1999; Webbink, 2005).

In an extensive robustness analysis by Sala-i-Martin et al. (2004), primary schooling turns out to be the second most robust factor influencing growth in GDP per capita out of sixty-seven explanatory variables in growth regressions on a sample of eighty-eight countries (1960–96). Macro studies indicate that the rate of return to schooling across countries is on average about 10 percent. Returns appear higher for low income countries, at lower levels of schooling and for women (Psacharopoulos and Patrinos 2004). A study based on data from 3,000 enterprises in Malawi, found that an additional year of schooling results in increases in entrepreneurial profits by approximately 6% (Kolstad&Wiig, 2009). The same applies to other developing countries as well as the developed ones. A study by the Uganda Investment Authority (UIA, 2010) attempted to investigate the key performance indicators focusing on the number of trainers, number of entrepreneurs trained, number of training workshops conducted and the impact the training had on the performance of SMEs with regard to business planning, record keeping, access to finance and growth. UIA (2010) found that 33% of the entrepreneurs trained had accessed lines of credit for injection into their businesses, a key indicator of growth in the SME sector. Yeh (2009) noted that training had a positive impact in extending the lives of SMEs in Mozambique for more than four years in operation, especially those with service sector characteristics.

3.0: METHODOLOGY

This study adopted descriptive and regression analysis design and the target population for this study are the owners/managers of small business enterprises in Gikomba market, Nairobi. A sample of 68 respondents will be selected. Probability sampling was used whereby stratified random sampling will be grouped into two or more relevant strata. This study used both primary and secondary data collected using questionnaires and secondary data collection data guide. Primary data was collected for all variables for a period of 3 years (2010 to 2012). Data analysis was used using both descriptive and inferential statistical methods. Descriptive statistics will include; frequencies, mean and standard deviation. Data analysis output was presented using graphs and tables. Inferential statistics will include regression and ANOVA tests.

4.0 RESULTS FINDINGS

4.1 Demographic Information of the Respondents

The researcher sought to establish the demographic characteristics of the respondents in order to get a better understanding of the respondents and enhance the understanding of the responses given by them. All the respondents were asked to respond to items on the questionnaire on characteristics such as age, gender and form of formal education among others.

Figure 2 below shows that majority respondents show that 58% of the respondents were aged between 20 and 40 years, while the lesser majority was above forty years. This is an indication that most entrepreneurs at Gikomba open air market are at a youth full and energetic age. This age group is the most productive in any human being's life hence the strife to engage in entrepreneurial activities such as those found at Gikomba market.

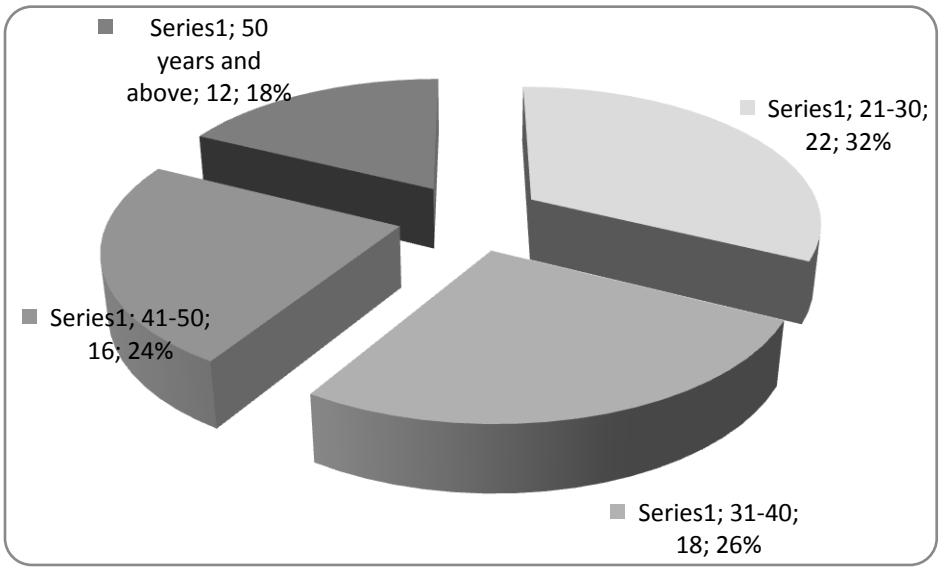


Figure 1: Age

Results from figure 2 below indicate that, 57% of the respondents were female while the remaining 43% were male. These findings show that there are more female entrepreneurs at the Gikomba open air market than there are male. This could be as a result of more women venturing into small scale businesses due to low levels of education among other factors. As a result, many women are likely to venture into entrepreneurial activities such as those that go on at the Gikomba open air market to make ends meet.

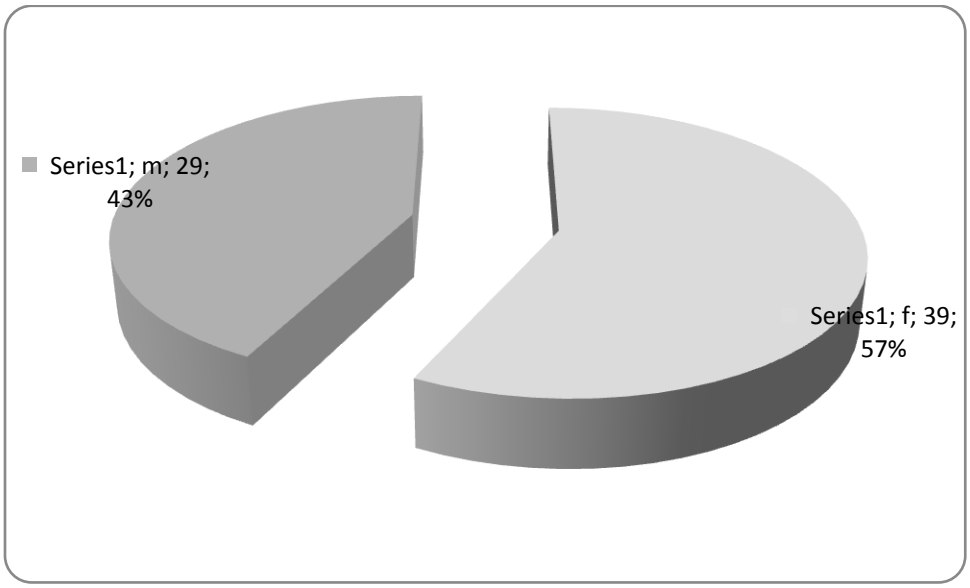


Figure 2: Gender

Results in Figure 3 illustrate that 47% of the sampled traders (respondents) at the Gikomba open air market had acquired basic education up to the secondary school level. Thirty two percent had specialized in a course as they had certificates and diplomas, while 13% and 2% possessed bachelor's degrees had master's degree respectively. However, the remaining 6% had either had primary education or no education at all. These findings reveal that there were some graduates who are engaged in entrepreneurial activities at the Gikomba open air market. This could be as a result of the high level of unemployment.

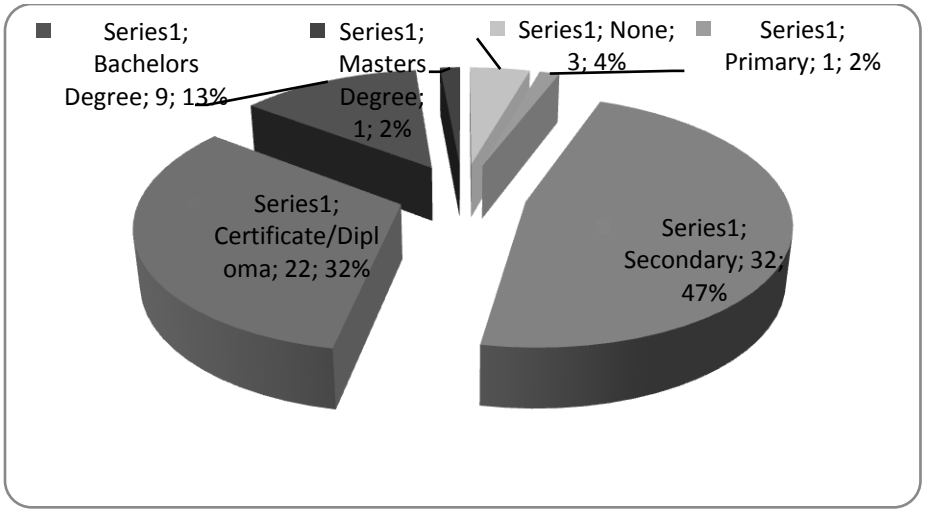


Figure 3: Education

Figure 4 below illustrates that only 59% of the sampled traders (respondents) at the Gikomba open air market had acquired formal business management training. The remaining 41% of the traders did not posses any formal business management training. This shows that for one to be an entrepreneur, formal business management skills is not a prerequisite. This is further supported by the findings which show that most of the sampled traders at the open air market had no specialization in any field of business management.

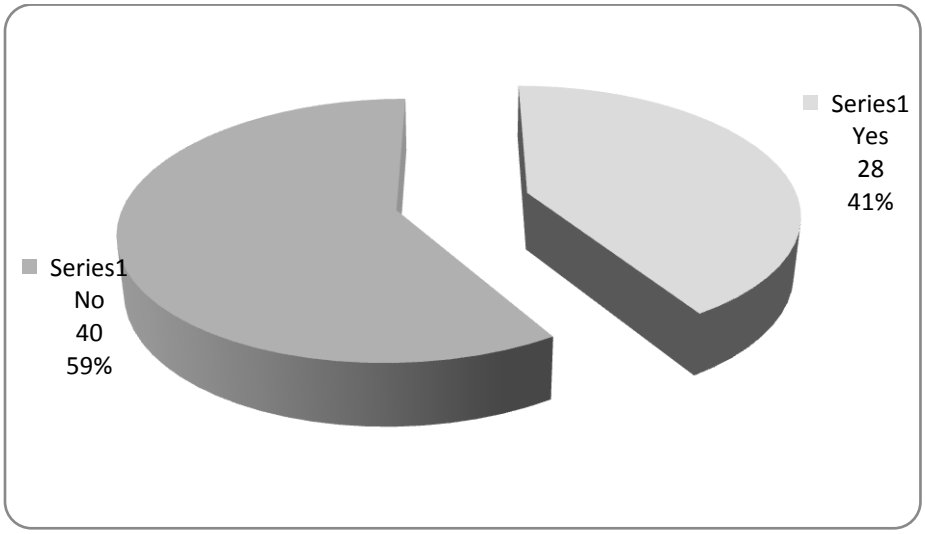


Figure 4: Business Management Training

Table 1 illustrates the frequency which the traders have undergone training. The results indicate that finance training had a mean of 3.18 with a minimum of 1 times and maximum of 6 times attendance. Market training had a means of 3.04with a minimum of 1 times and a maximum of 5 times attendance and marketing had a means of 3.29 with a maximum and minimum in times attended of 1 to 6 respectively. This indicates the more times attended, the higher the mean.

Table 1 Frequency of Training

	Minimum	Maximum	Mean	Std. Deviation
Finance Training	1	6	3.18	1.545
Marketing Training	1	5	3.04	0.999
Human Resource Manage	1	6	3.29	1.235

4.3 Business Enterprise Information

4.3.1: Year of starting Business

Figure 5 below shows the trend of years within which respondents started their businesses. From the responses, we found out that the respondents 6 started their business in 2002, 5 in 2003, 11 in 2004. The trend was not constant over the periods indicated. There was a very sharp rise in the number of traders who started their businesses from 2006-2008 and a very sharp and a sharp drop from 2008-2009 alike, and a continuous sloping trend all the way to 2013. These is an indication that as years progress less people open up business in Gikomba market, which could be attributed to lack of enough space for trade.

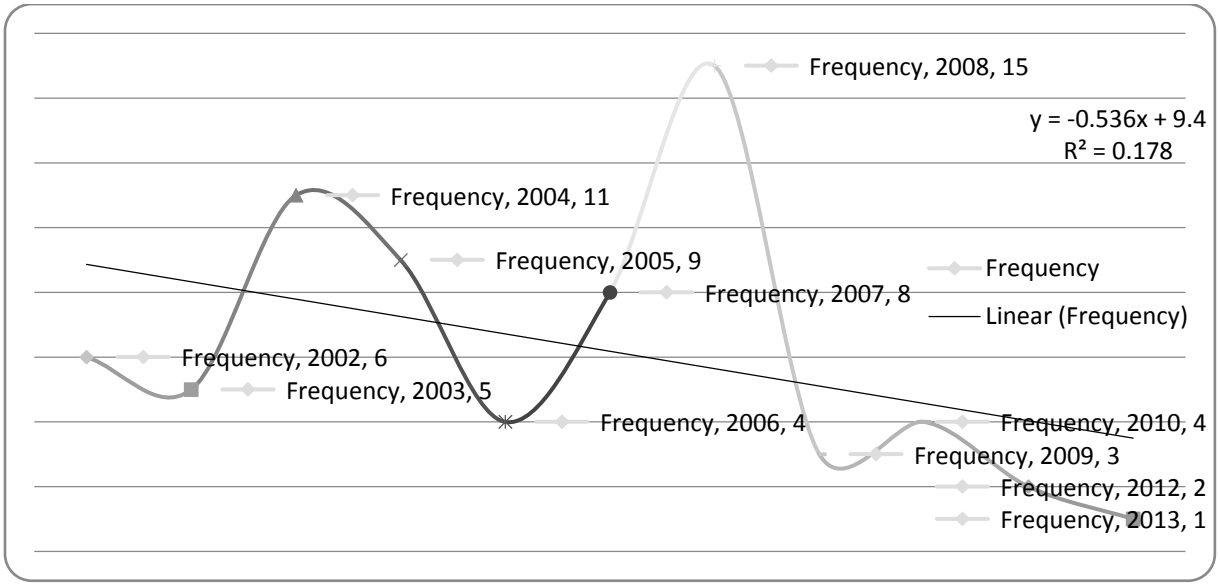


Figure 5: Year of starting Business

4.3.2 Form of Business Ownership

The findings in Figure 6 below indicate that 69% of the respondents were sole proprietors. There were 24% who were in partnership, 7% as private companies. These findings assert that most entrepreneurs are sole proprietors. By extension, this also could also be explained by the levels of education and business management information.

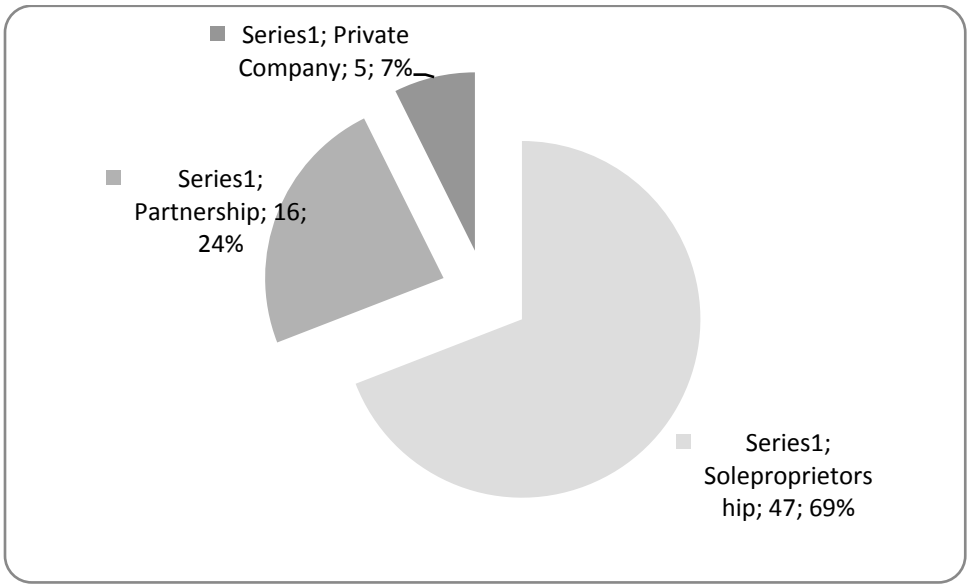


Figure 6: Form of Business Ownership

4.3.3 Form of Goods Sold

Findings on table 1 below reveals that 42.6 % of the sampled traders sold second hand clothes, popularly known as "Mitumba" in the local Swahili language. Sixteen percent (16%) of the traders dealt in vegetables followed by Cereals and fish (fresh, dried and roasted) at 11%. Bearing in mind that food is a basic human need, which explains why there are quite a good number of traders who sold them. It is important to note that although second hand clothes and food stuff are the ones which are majorly sold from the tabulated results, there were also other merchandise such as second hand shoes, fruits, second hand pots, pans, spoons, ladles and forks, second hand balls live chicken, timber furniture and coffins. These findings show that Gikomba open air market offers a huge variety of goods and services, which confirms that the market is one of the biggest of its kind in Eastern Africa.

Table 2: Form of Goods Sold

	Frequency	Percent
Second hand clothes (mitumba)	29	42.6
vegetables	11	16.2
Cereals fish (fresh, dried and roasted)	8	11.8
second hand shoes	6	8.8
fruits	4	5.9

second hand pots, pans, spoons, ladles and forks	3	4.4
second hand balls live chicken	1	1.5
timber and furniture	1	1.5
coffins	4	5.9

4.3.4 Business Plan

Figure 7 below shows that majority traders (50%) of the sampled traders at Gikomba open air market had no business plans, 41% had while 9% did not fill in this section. These could be as a result of Gikomba being an informal sector and considering that majority of the traders did not have high levels of education and dealt in second hand clothes among others. As a result, they are less likely to know how to draw a business plan or even its significance.

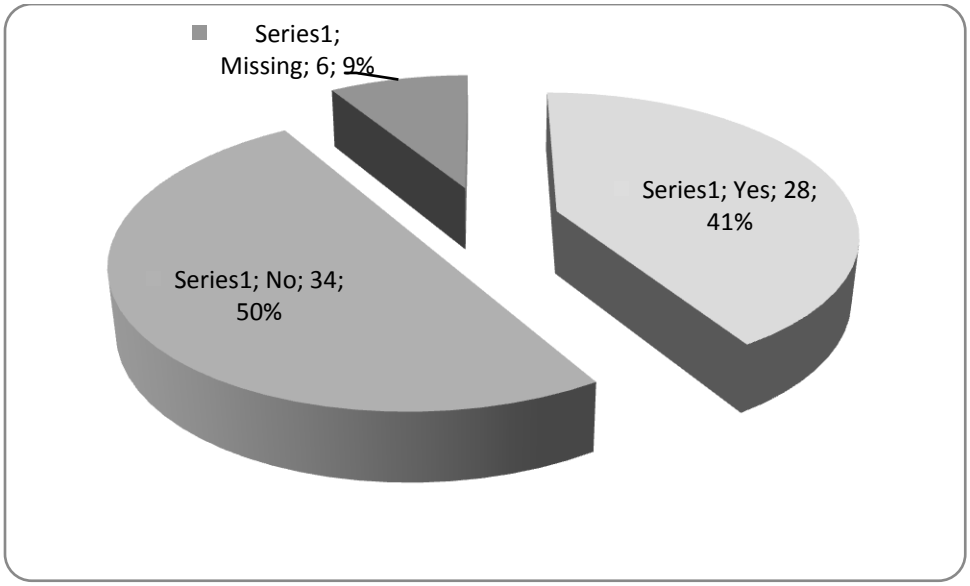


Figure 7: Business Plan

4.5 Inferential Statistics

4.5.1 The effect of education on profitability

In order to establish the statistical significance of the independent variable (Education) on the dependent variable (profitability), regression analysis and one way (ANOVA) was employed.

Table 3 shows that the coefficient of determination also called the R square is 58.3%. This means that the predictor variable education (Highest level attained (formal) gained explains 58.3% of

the variations in profits. The correlation coefficient of 76.4% indicates that the combined effect of the predictor variables have a strong and positive correlation with profits. This also meant that a change in the education has a strong and a positive effect on profit.

Table 3: Model fitness

Indicator	Coefficient
R	0.764
R Square	0.583
Std. Error of the Estimate	0.541042

Analysis of variance (ANOVA) on Table 4.4 shows that education was statistically significant in explaining changes in profits of the SMEs. This is demonstrated by a p value of 0.000 which is less than the acceptance critical value of 0.05.

Table 4: Analysis of Variance (ANOVA)

	Sum of Squares	df	Mean Square	F	Sig.
Regression	2.7E+13	1	2.7E+13	92.319	0.000
Residual	1.93E+13	66	2.93E+11		
Total	4.63E+13	67			

Table 5 displays the regression coefficients of the independent variable. The results reveal that education is statistically significant in explaining profits.

Table 5: Regression Coefficients

	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	-826673	253258.5		-3.264	0.002
education level	665919.6	69306.76	0.764	9.608	0.00

4.5.2 Effect of Training on Profitability

Table 6 shows that the coefficient determination, also called the R square is 53.9%. This means that the combined effect of the predictor variable training gained explains 53.9% of the variations in profits. The correlation coefficient of 73.4% indicates that the predictor variable has a strong and positive correlation with profits. This also meant that a change in the training has a strong and a positive effect on profit.

Table 6: Model fitness

Indicator	Coefficient
R	0.734
R Square	0.539
Std. Error of the Estimate	0.577648

Analysis of variance (ANOVA) on Table 7 shows that training was statistically significant in explaining changes in profits of the SMEs. This is demonstrated by a p value of 0.000 which is less than the acceptance critical value of 0.05.

Table 8: Analysis of Variance (ANOVA)

	Sum of Squares	df	Mean Square	F	Sig.
Regression	2.5E+13	3	8.33E+12	24.963	.000b
Residual	2.14E+13	64	3.34E+11		
Total	4.63E+13	67			

Table 8 displays the regression coefficients revealed that independent variable finance is statistically significant in explaining profits of the SMEs. However market training and human resource management were not statistically significant in explaining profits. Human resource management was negatively related with profits of the SMEs.

Table 9: Regression Coefficients

	B	Std. Error	Beta	t	Sig.
(Constant)	260275.8	315194		0.826	0.412
Finance Training	396049.8	45950.33	0.736	8.619	0.00
Marketing Training	21554.15	70680.01	0.026	0.305	0.761
Human Resource Management	-18304.9	57498.58	-0.027	-0.318	0.751

Results in figure 9 were tabulated using the one way ANOVAs. The trend shows that as the levels of education increases so do the profits. However this is not the case when it comes to the holders of Masters Degrees whose profits decrease as shown by the trends. This could be explained by knowledge that they are few in number and also they might have opened business ventures that are not so marketable in this area due to advance thinking.

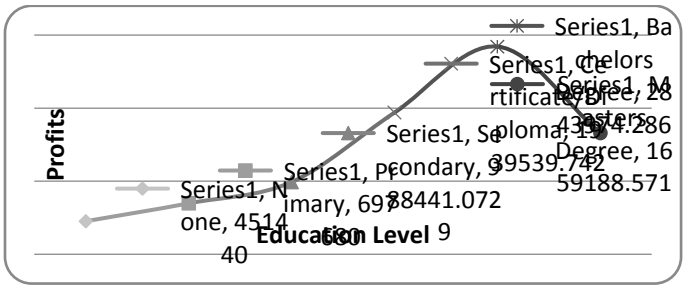


Figure 8: Education Level and Profits

4.5.3 Correlation between education , training and sales, customers and employees

Results indicated that there was a sportive and significant relationship between education level and sales (r= 523). There was a positive correlation between customers and education (r=.412). Results further revealed that there was a sportive correlation between finance training and sales (r=0.545), between finance training and customers (r=0.361)

		education level	Finance Training freq	Marketing Training fre	Human Resource Management freq	Sales mean	Customer mean	Employee mean
education level	Pearson Correlation	1						
	Sig. (2-tailed)							
	N	68						
Finance Training freq	Pearson Correlation	.645**	1					
	Sig. (2-tailed)	0.000						
	N	68	68					
Marketing Training fre	Pearson Correlation	.273*	0.024	1				
	Sig. (2-tailed)	0.024	0.847					
	N	68	68	68				
Human Resource Management freq	Pearson Correlation	0.094	0.105	0.026	1			

	Sig. (2-tailed)	0.446	0.392	0.836				
	N	68	68	68	68			
Sales mean	Pearson Correlation	.523**	.545**	0.048	0.079	1		
	Sig. (2-tailed)	0.000	0.000	0.697	0.52			
	N	68	68	68	68	68		
Customer mean	Pearson Correlation	.412**	.361**	0.05	.296*	.434**	1	
	Sig. (2-tailed)	0.000	0.003	0.686	0.014	0.000		
	N	68	68	68	68	68	68	
Employee mean	Pearson Correlation	0.086	0.152	-0.012	-0.05	0.063	0.196	1
	Sig. (2-tailed)	0.487	0.215	0.922	0.685	0.609	0.109	
	N	68	68	68	68	68	68	68

**. Correlation is significant at the 0.01 level (2-tailed).

*. Correlation is significant at the 0.05 level (2-tailed).

5.0: SUMMARY OF FINDINGS, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This chapter gives a summary of the study findings. It also presents the recommendations, conclusion and areas for further research. Pie charts were used to describe the demographic components, while frequency tables and line graphs were used for other variables of the study. The data was analyzed by use of SPSS (Statistical Package for Social Sciences) package to produce the descriptive statistics and inferential results.

5.2 Summary of Major Findings

The topic of the research was to find out the effects of education on the performance of small enterprises in Kenya: a case study of Gikomba market in Nairobi, Kenya. The research in essence aimed at finding out the: average level of education and/or technical training attained by the owners and/or managers of SMEs; to what extent does the level of education and/or technical training of the owners and/or managers of SMEs affect business performance; and the level of education and/or technical training of the owners and/or managers of SMEs affect business performance.

The researcher was interested in knowing the age, academic qualifications, and qualifications in business management. Findings demonstrate that majority respondents 58% were aged between 20 and 40 years, while the lesser majority was above forty years. As far as gender is concerned, 57% of the respondents were female while the remaining 43% were male. These findings show that there are more female entrepreneurs at the Gikomba open air market than there are male.

Otungaet al., (1998) found that middle-aged women, unlike the young and the old, often venture into micro and small enterprise activities to obtain income to meet family needs.

As regards to academic qualifications 47% of the sampled traders (respondents) at the Gikomba open air market had acquired basic education up to the secondary school level. Thirty two percent had specialized in a course as they had certificates and diplomas, while 13% and 2% possessed bachelor's degrees had master's degree respectively. However, the remaining 6% had either had primary education or no education at all. Kennedy and Drenna's (2005) study, indicates that it is not enough to consider educational level as a variable without also focusing on the relevance of the qualifications to the new venture. It is apparent that a large proportion of companies are directed and managed by people who lack the technical background necessary for success.

Results illustrate that only 59% of the sampled traders (respondents) at the Gikomba open air market had acquired formal business management training. The remaining 41% of the traders did not posses any formal business management qualifications. Gupta (1999) acknowledges that not all performance problems can be addressed by training.

Business enterprise information was categorized by the year of start of business, form of business ownership, form of goods and number of employees. As regards the years the business started, the trend of years within which respondents started their businesses, we found out that the 6 respondents started their business in 2002, 5 in 2003, 11 in 2004. The trend was not constant over the periods indicated. There was a very sharp rise in the number of traders who started their businesses from 2006-2008 and a very sharp drop from 2008-2009 alike, and a continuous sloping trend all the way to 2013. This is an indication that as years progresses less people open up business in Gikomba market, which could be attributed to lack of enough space for trade.

Results on forms of business ownerships show that that 69% of the respondents were sole proprietors. There were 24% who were in partnership, 7% as private companies. These findings assert that most entrepreneurs are sole proprietors. Cooper et al. (1994) found that having a Bachelor's degree has a positive impact on both survival and growth of small ventures.

Findings from the form of businesses show that 42.6 % of the sampled traders sold second hand clothes, popularly known as "Mitumba" in the local Swahili language. Sixteen percent (16%) of the traders dealt in vegetables followed by Cereals and fish (fresh, dried and roasted) at 11%. Bearing in mind that food is a basic human need, which explains why there are quite a good number of traders who sold them. It is important to note that although second hand clothes and

food stuff are the ones which are majorly sold from the tabulated results, there were also other merchandise such as second hand shoes, fruits, second hand pots, pans, spoons, ladles and forks, second hand balls live chicken, timber furniture and coffins. These findings show that Gikomba open air market offers a huge variety of goods and services.Gikomba market is famous for being the largest second-hand (mitumba) goods market in Kenya. This second-hand merchandise mainly consists of clothes and shoes imported mainly from Europe and America. There is also a big market there for groceries, meat and other foodstuff, metal implements second hand balls live chicken, timber and furniture and coffins. Handicraftsmen or 'jua-kali' artisans as they are commonly referred to, make and sell their wares such as such as sufuria's, pots, pans, cookers, second hand pots, pans, spoons, ladles and forks, tin boxes, kitchen utensils and household furniture, in the market. Service providers like electrical repair shops (for radio, television, mobile phone, etc repairs) and motor vehicle mechanics can also be found in Gikomba market.

The study also showed thatmajority traders (51%) of the sampled traders at Gikomba open air market had no business plans, 41% had while 6% did not fill in this section. These could be as a result of Gikomba being an informal sector and considering that majority of the traders did not have high levels of education and dealt in second hand clothes among others. As a result, they are less likely to know how to draw a business plan or even its significance.

From inferential analysis the coefficient of education, also called the R square is 58.3%. This means that the combined effect of the predictor variable education (Highest level attained (formal) business management training, Knowledge and skills) gained explains 58.3% of the variations in profits. The correlation coefficient of 76.4% indicates that the combined effect of the predictor variables have a strong and positive correlation with profits. This also meant that a change in the education has a strong and a positive effect on profit. Analysis of variance (ANOVA) shows that education was statistically significant in explaining changes in profits of the SMEs. The regression coefficients of the independent variable reveal that education is statistically significant in explaining profits.

Inferential analysis also tabulated the coefficient of training; also called the R square is 53.9%. This means that the combined effect of the predictor variable training gained explains 53.9% of the variations in profits. The correlation coefficient of 73.4% indicates that the predictor variable has a strong and positive correlation with profits. This also meant that a change in the training has a strong and a positive effect on profit. Analysis of variance (ANOVA) showed that training was statistically significant in explaining changes in profits of the SMEs. This is demonstrated by a p value of 0.000 which is less than the acceptance critical value of 0.05. Regression coefficients of the independent variable revealed that independent variable finance is statistically significant in explaining profits of the SMEs. However market training and human resource management were not statistically significant in explaining profits. Human resource management was negatively related with profits of the SMEs.

5.3 Conclusion

The findings from the study revealed that the most popular goods at the Gikomba open air market were second hand clothes. Besides, the findings also showed that most of the traders lacked basic business management qualifications. This therefore calls for an implementation of programmes that can provide basic business management training to the traders at the open air market. If the business management training education is well implemented, all the small enterprise traders at Gikomba open air market should be in position to breakeven and also to manage their business performance as expected. The fact that some of the traders in the market are not able to breakeven and account for their business performance shows inefficiency in the practices employed by the traders management of their businesses.

5.4 Recommendations

From the findings, the researcher recommends that small enterprise traders at Gikomba open air market should be equipped through training with the necessary skills to enable them manage their businesses well. The need for training is evident by the fact that some traders lack qualifications in the area of business management. The traders should make use the investment opportunities available so as to improve their business performance. The traders could also attempt a diversification of goods as opposed to the single good revealed by the findings of this study. The Gikomba open air market endowment objectives should be made known to the traders or those entrusted to the management of the businesses to enable them make decisions or contributions that could help build on the endowment.

5.5 Limitations of the Study

The study suffered from a couple of limitation. Most of the limitations were related to data collection. Some of the respondents were skeptical about the intentions of the researcher and hence took a lot of time to answer the questions. Besides the traders were did not keep record of their profits, sales, number of customers and number of employees. It therefore took a lot of time than earlier estimated to collect the data. The respondents also avoided a number of questions in the questionnaire; this poses a great challenge when it comes to making generalizations.

5.6 Suggestion for Further Study

Since the study was looking at the effects of education on the performance of small enterprises in Kenya: a case study of Gikomba market in Nairobi, Kenya, a deeper study on the challenges faced by small enterprises in Kenya should be undertaken. This would enable the traders in the open air market to curb these challenges. A research should also be carried out about the degree of responsiveness of traders on the market to the challenges facing them. A comparative study between men and woman traders should also be carried out to find out if there is any difference in the performance of their businesses.

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