

ENTREPRENEURIAL FACTORS AFFECTING PERFORMANCE OF MOTOR REPAIR FIRMS IN NAIROBI INDUSTRIAL AREA: A CASE OF MEMBERS OF THE KENYA MOTOR VEHICLE REPAIRERS ASSOCIATION (KEMRA)

Joseph Mbaabu Inoti

Masters Student, Jomo Kenyatta University of Agriculture and Technology, Kenya

Lydia Kwamboka Mbura

Jomo Kenyatta University of Agriculture and Technology, Kenya

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ABSTRACT

The motor industry is a major industrial and economic force worldwide. In Kenya the industry remains a strong influence and of great importance. The industry provides jobs with good benefits and has linkage with supplier industries which gives it an important role in economic development. The general objective of this study will be to determine the factors affecting performance of motor vehicles repair firms focusing on firms that are members of the Kenya Motor Vehicles Repairers Association (KEMRA). The Kenyan motor vehicle industry (MVI) is one of the most prolific MSEs establishment in Kenya. When micro and informal firms are counted, the employment share of MSEs in developing countries rises to an estimated 90% of all workers. With such a global contribution, MSEs performances are expected to be high. Despite efforts from governments to improve MSEs, problems still face potential young entrepreneurs with recent statistics showing that three out of five MSEs in global economy fail within the first few years of operation. The specific objectives of this study include establishing the effect of entrepreneurial marketing strategies on performance, to assess the effect of business financing strategies on performance, to determine the effect of entrepreneurial management skills and competences on performance and to examine the effect of innovativeness on performance of the members of the Kenya Motor Vehicles Repairers Association in Nairobi's industrial area. This study adopted a descriptive research design combining both qualitative and quantitative research strategies. The target population were the member firms of KEMRA. A sample size

of 70 firms out of a total frame of 85 firms was selected. The research focused on primary data that was collected from questionnaires distributed to the target firms. The qualitative data collected was subjected to content analysis. On the other hand the researcher used descriptive and inferential statistics to analyse the quantitative data. The analysed data was presented using statistical and graphical techniques. The study found that overall, entrepreneurial management and competencies had the greatest effect on the performance of motor vehicles' repair firms, followed by entrepreneurial marketing strategies, then business financing while innovativeness had the least effect to the performance of motor vehicles' repair firms. The study established that marketing financing has a great effect on performance of motor vehicles repairers. With regard to business financing, the study established that business financing has a greater effect on performance of motor vehicles repairers. Based on the findings obtained, the study concludes that marketing financing has a greater effect on performance of motor vehicles repairers. Further, the study concludes that the effect of the organization using credit from financial institutions is greater. This study recommends that this strategy be intensified in areas with low market accessibility through offering more training to the workers in such areas. With ample entrepreneurial skills, these workers will take advantage of the placement strategy maximizing the opportunity to improve the general performance of Motor vehicles repairers in Industrial Area. Therefore, this study recommends that the members be offered more freedom to

ensure that they utilize their creativity in most of the duties.

industrial area, Kenya motor vehicle repairers association (KEMRA)

Key Words: *entrepreneurial factors, performance, repair firms, Nairobi*

INTRODUCTION

Micro and Small Enterprises (MSEs) are widely defined in terms of their characteristics, which include the size of the capital investment, the number of employees, the turn over, the management style, the location and the market share. There is no internationally agreed definition of a small firm, simply because a small firm in one industry or country could be seen as big in another industry or country. Definitions which are objective in nature (considers size such as number of employees, sales, profitability, net worth etc.) at a sectorial level, meaning that in some sectors all firms may be regarded as small while in other sectors there are possibly firms which are small (Javed & Akhtar, 2012).

The role played by the Micro and Small Enterprises globally cannot be overstressed. These enterprises form the bedrock of the global economy as they constitute 99% Percent of all the enterprises in the world. Japan, Korea and Taiwan are typical countries that have shown exceptionally high economic growth rates, high employment rates and equitable income distribution as a result of the well-structured MSEs. In Malaysia, the government recognizes that about 25% of the country's economic performance is contributed by small scale enterprises and has, therefore, put in place many regulatory, legal and financial frameworks conducive to small business (Magambo, 2016).

Globally, small and medium firms – those with less than 250 workers – account for nearly 80% of employment in the formal sector in low income countries. When micro and informal firms are counted, the employment share of MSEs in developing countries rises to an estimated 90% of all workers. With such a global contribution, MSEs performances are expected to be high. However, this is not the case as posited by Nawier (2009). Despite efforts from governments to improve MSEs, problems still face potential young entrepreneurs with recent statistics showing that three out of five MSEs in global economy fail within the first few years of operation. Such challenges include identification of business opportunities and negative view of MSEs, poor management and financial problems. The major challenge the YG MSEs face is how to overcome the factors hindering growth from a strategy point of view.

Every organization requires a strategy. Organizational strategy can be defined as the process or set of processes by which organizational goals and objectives are to be achieved. Organizational strategies are influenced by the feedback from organization's various functions and factors regarding the ability to provide the resources and inputs as well as produce the outcome necessary for the functions that contribute to the attainment of the goals and objectives of the organization as a whole. That will reflect the view of firm's leader and emerges from organizational culture (Irwin, 2011).

In reality, however, MSE's productivity remains low and their sizes remain small. While their low performances may be attributed to the unfavourable circumstances surrounding them (Wanjohi, 2010), recent empirical studies have identified problems within firms (Wanjohi & Mugure, 2008). Although factors that influence MSEs have called for the attention of some researchers from various countries all over the world (Wanjohi, 2010), little is still known about the factors influencing performance of small Kenyan enterprises especially those run by the YGs (Gichuke, 2013).

In Africa, firms with more than 100 workers employ about 50% of the labour force. Medium scale enterprises (20-99 workers) constitute the second leading employment category with about 27% of the labour force, and small firms employ a further 23%. However, consistent with the evidence from developing countries in general, small firms in Africa appear to create a disproportionate share of new jobs. In the African countries, about 47% of new jobs are created in firms with 5-19 workers (Kinyua, 2014).

In the developing countries where we have a surplus of labour and scarcity of capital, labour intensive technology is preferred. Relative to large enterprises, MSEs are more labour intensive as they show a higher labour capital ratios than their counter parts the large enterprises producing the same products. The small scale business sector is presently one of the fastest growing and important sectors in the sub Saharan Africa as far as labour absorption and poverty reduction is concerned (Kituku, 2014).

Kenya, which is considered as a market economy, relies heavily on MSEs to provide the much needed employment. Available estimates show that MSEs are a growing and vibrant stream with a lot of untapped potential and employ about 7.5 million Kenyans or 80 per cent of the country's total employment outside small-scale agriculture and contribute 20 per cent to the country's GDP (Wandabusi, 2011). According to the KNBS Economic survey 2012, of all the 503,000 jobs created in 2011, 440,400 or 80.6 per cent were in the MSE sector. Additionally, MSEs are accountable for above 50 percent of manufacturing gross domestic product. It is estimated that in Kenya, small scale enterprises generate 18% of the national income.

Evidently, the MSE sector plays a vital role in development of the Kenyan economy through creating the bulk of the jobs, providing goods and services, democratizing the economy by providing an avenue for the majority to contribute to economic development, creating a market for local raw materials and acting as a vehicle for country industrialization. In spite of the important role played by the MSE sector its growth has been hampered by various constraints cited in a number of studies and that need to be addressed including: limited access to finance and markets, poor infrastructure, inadequate technical and managerial skills, inappropriate legal and policy framework, inadequate access to information and gender inequality. These factors limits vertical growth of the enterprises since 97% of MSEs are micro, 2% small and 1% medium. Wanjohi (2009) found out that the constraints faced by the MSEs lower their resilience to risk and prevent them from growing and attaining economies of scale. Challenges associated with access to financial resources are constrained by both internal and external factors. Internally, most MSEs lack creditworthiness and management

capacity, so they have difficulties securing finances from finance institutions because such institutions or banks are reluctant to lend to small businesses due to the perceived high credit risk.

Motor Vehicles Repair Industry

Motor vehicle garages in Kenya deal with motor vehicle body building, accidental repairs, reconditioning of old vehicles and customization. Most of the garages also act as training centres for mechanics. The garages operate as companies, partnerships and sole proprietorships. Their form of employment is both permanent and casual, with casual employees being hired when there is a stretch on the available labour. The importance of the garages in the economy is not limited to employment only. The garages also help in preventing economic waste and environmental degradation by repairing cars which would otherwise be grounded and dumped. They have also become sources of innovation, a fact that can be attested to by the Kenyan Matatu culture (Sharu & Guyo, 2015).

The service and repair sector in Kenya benefits from the second hand vehicles. They are imported in the country as they always need constant service and repair owing to poor state of the road infrastructure in the country. Studies show that used vehicles account for 70 per cent of the motor vehicle market in Kenya. The cost in terms of spares is high, since these vehicles cannot withstand the bad state of the local roads; the country has become a dumping ground for used motor vehicles from the western nations. Also, the increased demand for vehicle maintenance by people working within the Nairobi CBD has contributed to the establishment of vehicle service centers around the city centre's neighbourhood (Schnaars, 2008).

The motor vehicle repair and service sector is dominated by small and micro enterprises; the large firms in this sector operate big workshops that have state of art equipment and adequate technology to enable them to perform their motor vehicle repair service business. The small garages on the other hand operate in small workshops and semi-permanent sheds or open air. Garages with workshops are organized and have a formal status while those that have no workshops are run by freelance mechanics that are self-employed. The main advantage that attracts customers to the freelance mechanics in the Jua Kali sector is the fair prices they charge and the personalized services they give to the customers (Robson, 2002).

The motor vehicle dealers such as Toyota (East Africa), Cooper Motor Corporation, General Motors, Simba Colt and DT Dobie undertake the repair and service of motor vehicles and therefore in direct competition with the small and micro garages, however the small and micro garages mainly focus on individual clients and small corporate clients while the big motor dealers provide repair services to large corporate clients. The small and micro garages procure spare parts from micro traders who specialize on the sale of motor vehicle spare parts. The big motor dealers like DT Dobie however import vehicle parts directly from the manufacturers (Reena & Shakil, 2009).

The MSEs in motor vehicles' repair business are characterized by operating in small, semi organized, low compliance in licensing and unregulated registration from local authorities or the central government. They are more likely to engage in tax evasion practices and either operates completely outside the tax net or hide part of their business transactions. MSEs in

motor vehicles' repair business are found in the informal and formal sectors. However, according to Oluseyi (2010), informality does not mean illegality, some MSEs could be in varying levels of compliance to registration, licencing and other legal requirements in business, this can be termed as a "progression to legality". While MSEs have their inherent challenges of growth, those in motor vehicles' repair have been found to exhibit similar challenges with a varying degree. They are affected by the dynamic nature of business coupled with the rapid change in automotive technology.

Management expertise and competence has a direct link to the choice and the subsequent growth of MSEs in motor vehicles' repair business. Management decisions during planning and strategy implementation act as a key determinant to the direction a firm is likely to take. Managerial expertise and competence can be operationalized through employment of qualified staff and automation of key operators like finance, inventory and sales (Ndiwa, 2014).

According to the Kenya National Bureau of Statistics (2011), there were 1,626,380 registered vehicles on Kenyan roads. Out of this number, over 80% per cent are second hand vehicles. Only about 20% are brand new vehicles. In addition to the existing motor vehicles, all these newly registered motor vehicles require regular service, repairs and maintenance. Apart from a few mostly those who own new vehicles who take their vehicles for service and repairs to various car dealers like DT Dobie Ltd, Toyota Kenya, Cooper Motor Corporation and Simba Colt Motors. Most vehicle owners rely on either the more developed garages in Industrial area, Nairobi or the numerous Jua Kali garages like those in Shauri Moyo and other parts of the city. Moreover most of the imported vehicles are second-hand and the owners mostly prefer Jua Kali garages which are flexible and offer personalized service (Nawier, 2009).

Majority of these small and middle level garages are located in industrial area in Nairobi. Due to this increased demand for their services, the formally known as "Jua Kali" garages have evolved to become Micro and Small Enterprises. However, the performance of these transformed MSEs has been riddled with a myriad of challenges. These challenges have included among other factors, entrepreneurial marketing strategies, financial challenges, limited management skills and the ever changing economic environment (Nath, Nachiappan & Ramanathan, 2010).

STATEMENT OF THE PROBLEM

Majority of the small and middle level garages who are member firms of KEMRA are located in industrial area in Nairobi. The formally dubbed "Jua Kali" garages have evolved to become Micro and Small Enterprises. They compete directly with garages from established brands such as DT Dobie Ltd, Toyota Kenya, Cooper Motor Corporation and Simba Colt Motors. The performance of these transformed MSEs under KEMRA umbrella is riddled with a myriad of challenges. These challenges have included among other factors, entrepreneurial marketing strategies, financial challenges, limited management skills and low level of innovativeness. There is limited research in this area; one that this study seeks to fill (Muyengwa et al., 2014).

The motor vehicle industry is a major industrial and economic force worldwide. In Kenya, the industry remains influential and important. The industry provides well-paying employment with good benefits and has linkages with supplier industries which give it an important role in economic development. The ability of an organization to sustain the delivery of quality product and service is essential to its long-term success. Kituku (2014) observed three major deterrents to sustaining high performance in enterprises: inaccurate understanding of the marketplace in which the organization must compete, behaviour required to successfully implement the business strategies with the alignment to customer and market place requirements and organizational systems and processes which often fail to support the organizational vision and strategy.

Kates and Galbraith (2007) found that three of five businesses in Kenya failed within the first few months of operation, and those that continued 80% failed before the fifth year. MSEs have unique issues, which affect their performance and profitability. The issues that inhibit the performance of the MSEs include entrepreneurial marketing strategies, financial strategies, management skills and low level of innovativeness. This study therefore sought to find out how these factors affect the performance of the small and medium motor vehicles' repair firms within Nairobi's industrial area.

MSEs in motor vehicle business face problems in business choice due to constraints such as incompetent managements, poor financial control, and failure to plan, inappropriate technology, inappropriate locations, improper managerial attitudes and inability to make the "entrepreneurial transition". Other problems include, lack of a conducive environment due to regulatory challenges, limited management abilities, operation capacity and challenges of access to finance and market for growth. In spite of the importance of MSEs in Kenya and the issues relating to their performance more so in terms of their successes, failures and their strategic responses to the environment, no study has been done on factors influencing business choice by MSEs and more so on businesses in motor vehicle business. This study therefore aimed at narrowing the existing knowledge gap (Karime, 2013).

The garages continue to apply inadequate and inappropriate technology which according to Jones and George (2008), pose a great challenge to small business by slowing their work and offering poor quality service which leads to them losing and not attracting more clients. They continue struggling to acquire and retain new clients due to the slow and low quality service that they offer. The garage owners lack adequate financial resources to finance their operations which, according to (Koech, 2011) are one of the most difficult problems in the small business sector. The garage owners demand payment for parts upfront rather than offering the service and asking for payment later. This discourages some clients to seek their services hence affecting their growth.

Despite various support strategies spearheaded by both Government and private sector for the development of these small businesses, not much has been achieved in this particular sector due to lack of research. A study by Kihumba (2008) focused on the factors affecting the performance of Micro and Small Enterprises in the Jua Kali Sector in Nakuru Town, Kenya. The study was not based on the motor industry in Nairobi Area. Another one by Nawier

(2009) argued that in general terms that improving the work environment increases productivity. Any quantitative proof of this statement is sparse and conventional. There are number of interacting factors which affect productivity, including privacy, communication, social relationship, office system organization, management, as well as environmental issues. It is a much higher cost to employ people who work than it is to maintain and operate the building, hence spending money on improving the work environment may be the most cost effective way of improving productivity. Whereas the above studies point to various factors that have affected performance, they have not covered important independent variables such as entrepreneurial marketing strategies, financial strategies, management skills and innovativeness. As such, a knowledge gap exists on the link between these entrepreneurial factors and performance of Micro and Small Enterprises and, in particluar the motor vehicles repair firms in Nairobi industrial area, in the County of Nairobi.

GENERAL OBJECTIVE

The general objective of this study was to establish the entrepreneurial factors affecting performance of motor vehicles' repair firms focusing on member firms of KEMRA.

SPECIFIC OBJECTIVES

1. Establish the effect of entrepreneurial marketing strategies on performance of motor vehicles repairers in Nairobi industrial area focusing on member firms of KEMRA.
2. Assess the effect of business financing on performance of motor vehicles repairers in Nairobi industrial area focusing on member firms of KEMRA.
3. Determine the effect of entrepreneurial management skills and competences on performance of motor vehicles repairers in Nairobi industrial area focusing on member firms of KEMRA.
4. Examine the effect of innovativeness on performance of motor vehicles repairers in Nairobi industrial area focusing on member firms of KEMRA.

THEORETICAL REVIEW

According to Creswell (2009), the theoretical framework is the presentation of a theory that explains a particular problem. It is a summary of the theory regarding a particular problem that is developed through a review of previously tested knowledge of the variables involved. It identifies a plan for investigation and interpretation of the findings. The current study will be guided by different theories discussed below.

Resource Based Theory

The resource based view has been a common interest for management researchers and a lot of writing has been done on the same. A resource based view of the firm explains its ability to deliver sustainable competitive advantage when resources are managed such that their outcomes cannot be imitated by competitors, which ultimately creates a competitive barrier (Javed & Akhtar, 2012). Resource based view explains that a firm's sustainable competitive advantage is reached by virtue of unique resources being rare, valuable, and non-tradable,

non-substitutable, as well as firm specific (Luis, David & Robert, 2010). This was also cited by Matthew, Grawhich and Barber (2009). The two wrote on the fact that a firm may reach a sustainable competitive advantage through unique resources which it holds, and these resources cannot be easily bought, transferred or copied and simultaneously, add value to the firm while being rare. It also highlights the fact that not all resources of a firm may contribute to its sustainable competitive advantage. Varying performance between firms is a result of heterogeneity of assets and resource based view is focused on the factors that cause these differences to prevail.

Based on the resource-based theory, it is plausible to argue that previous entrepreneurial experience is a valuable resource to the firm. Research shows that an entrepreneur's management skills contribute to venture performance and growth. The propensity of the entrepreneur to employ and apply a variety of skills has been recognized. According to..... some of the important skills of successful entrepreneurs include accounting, marketing, sales and financial management. This theory can apply in the motor vehicles repairers industry through specialization for instance, a garage can decide to specialize on the gear box and perfect on it this will give them a competitive advantage over the rivals and competitors in the market. This can be achieved through recruiting the best in the area or training mechanics to specialize in an area (Nath, Nachiappan & Ramanathan, 2010). The theory therefore underpins the need for business financing for improved performance of motor vehicles repairers.

Agility and Flexibility Theory

Business Agility is a management concept to cope with the competition, business practices and corporate structures of the twenty-first century. A firm agility builds upon other concepts in business which include; dynamic capabilities, market orientation, absorptive capacity and strategic flexibility. The law of requisite variety, states that "the variety within a system must be at least as great as the environmental variety against which it is attempting to regulate itself". Nawier (2009) defined agility as the ability to thrive in a competitive environment of continuous and unanticipated change and to respond quickly to the rapidly changing fragmenting global markets that are served by networked competitors with routine access to a worldwide production system are driven by demand for high -quality, high performance, low-cost customer configured product and services (Nath, Nachiappan & Ramanathan, 2010).

Motor vehicles repairers must be agile that is once they are committed to managing business on commercial basis; competition quickly becomes the hallmark of the environment in which they operate. Environmental influences that affect motor vehicles repairers comes from; economic factors that influence the product and services they provide, Technological changes influence their performance, industry changes, strategic partners actions, competitors factors and geographical factors will affect the sector. To be effective and efficient, an enterprise system needs to be flexible, that is cover a certain range of functions and features and allow for variation over time (Jones & George, 2008). The theory therefore points on the need for agile entrepreneurial marketing strategies for effective performance of motor vehicles repairers businesses in Kenya.

Innovation Diffusion Theory

Robson (2002) explained the process of innovation diffusion as one which is dictated by uncertainty reduction behaviour amongst potential adopters during the introduction of technological innovations. Even though innovations typically offer its adopters novel ways of tackling day-to-day problems, the uncertainty as to whether the new ways will be superior to existing ones presents a considerable obstacle to the adoption process. To counter this uncertainty, potential adopters are motivated to seek additional information, particularly from their workplace peers.

Innovation Diffusion Theory (IDT) consists of six major components: innovation characteristics, individual user characteristics, adopter distribution over time, diffusion networks, innovativeness and adopter categories, and the individual adoption process. Arguably the most popular of the six components of IDT centres on the characteristics of the innovation itself. After analysing a variety of previous innovation diffusion studies, Jankowicz (2010) singled out the following five characteristics of innovations that consistently influence the adoption of new technologies: relative advantage, compatibility, complexity, observability and trialability.

In the domain of information systems, Nawier (2009) built on the work of Rogers, amongst others, and expanded the array of innovation characteristics to seven. Three of the seven innovation characteristics are directly borrowed from Rogers: relative advantage, compatibility, and trialability. The fourth characteristic, ease of use, is a close relative to Rogers' complexity. It is worth noting that both relative advantage and ease of use are subjective characteristics since they can be viewed differently depending on an individual's perceptions.

Gichuke (2013) reminds us, however, that these definitions are, in fact, based on perceptions of the innovation itself, and not on the perceptions of actually using the system. As Magambo (2015) concurs, attitudes towards an object and attitudes regarding a particular behaviour relating to that object can frequently differ. The theory therefore underpins the need for innovativeness among motor vehicles repairers in Nairobi industrial area in order to enhance their performance.

Human Capital Theory

Human Capital theory was proposed by Schultz (1961) and developed extensively by Becker (1964) in an article entitled "Investment in Human Capital" introduces his theory of Human Capital. Schultz argues that both knowledge and skill are a form of capital, and that this capital is a product of deliberate enterprise growth. The concept of human capital implies an investment in people through education and training. Schultz compares the acquisition of knowledge and skills to acquiring the means of production. The difference in earnings between people relates to the differences in access to education and health. Schultz argues that investment in education and training leads to an increase in human productivity, which in turn leads to a positive rate of return and hence of growth of businesses.

This theory emphasizes the value added that people contribute to an organization. It regards people as assets and stresses that investments by organizations in people will generate worthwhile returns. The theory is associated with the resource based view of strategy, the theory proposes that sustainable competitive advantage is attained when the firm has a human resource pool that cannot be imitated or substituted by its rival. For the employer investments in training and developing people is a means of attracting and retaining people. These returns are expected to be improvements in performance, productivity, flexibility and the capacity to innovate that should result from enlarging the skills base and increasing levels of knowledge and competence. According to Irwin (2011), suggest that the general message is persuasive skills, knowledge and competences are key factors in determining whether organizations and firms will prosper.

In addition to education, specific human capital attributes of entrepreneurs, such as capabilities that they can directly apply to the job in the firm, may be of special relevance in explaining enterprise growth. The specific human capital can be attained through precise trainings and previous experience. More focused business training can provide entrepreneur with a specific knowledge, compared to a formal education. This kind of specific human capital also includes knowledge of how to manage a firm, that is, entrepreneur-specific human capital. In particular, entrepreneurs with great industry-specific and entrepreneur-specific human capital are in an ideal position to seize neglected business opportunities and to take effective strategic decisions that are crucial for the success of the new firm (Storey, 2009). The human capital theory is important in guiding the decision maker in such a case. The theory looks at the effect of entrepreneurial management skills and competences on performance of motor vehicles repairers in Nairobi industrial area.

EMPIRICAL REVIEW

Various researchers have focused on determinants for small business success. Kithaka (2016) highlighted human capital, financial capital, social capital and keeping up with developments relevant to the business. Royle and Hall (2012) focused on psychological factors such as education, experience and founding team composition". SMMEs in general face various barriers in their day-to-day activities. Several authors have highlighted various barriers faced by SMMEs such as: non-supporting legal and regulatory environment which is connected with complicated and unstable legal regulations; lack of market access due to negative image of SMME work often treated as an incompetent entity; limited access to finance which contributes to low credit credibility that results with the impossibility of raising external capital; educational barriers which manifest itself in the imperfection in education especially in the scope of marketing, finances and managing, limited business premises, lack of access to resources and technology, poor infrastructure, bureaucratic hurdles and a lack of managerial competencies.

A study by Kinyua (2014) focused on finding the factors affecting the performance of Micro and Small Enterprises in the Jua Kali sector in Nakuru town, Kenya. The study adopted a survey research design and employed a stratified random simple sampling. Primary data was collected from 262 study respondents using structured questionnaires. The data was analysed

descriptively and inferentially and presented through figures, tables and percentages. The findings indicate that; that access to finance had the potential to positively affect performance of MSEs; management skills were found to positively and significantly affect performance of MSEs; macro environment factors were found to significantly affect performance and Infrastructure did not significantly affect performance of MSEs in the study area. The study results also indicated that as number of years in operations increased the performance increased. This is similar study but it did not focus on Nairobi area.

In another study by Magambo (2015), the focus was on the factors affecting growth of MSEs: a case of Jua Kali motor garages in Shauri Moyo, Nairobi, City County. The specific objectives of the study were to find out how those challenges affect growth and performance of the MSEs with particular reference to the Jua Kali Motor Garages in Shauri Moyo, Nairobi, City County. The review of firm growth theories by various proponents revealed that initially the entrepreneur requires some form of education to run an enterprise. They also require financial resources or capital and as the enterprise evolves to the next stage of growth the entrepreneur requires managerial skills and human as well as other resources. The research design was a case study of Jua Kali motor garages in Shauri Moyo, Nairobi, City County. The target population was 78 garages under three associations and a sample of 34 garages was selected from different categories of garages according to service rendered using stratified random sampling. Data was collected using questionnaires and interviews. It was analyzed using descriptive statistics by use of SPSS Computer software. From the correlation analysis it was clear that all the tested variables were significant as all of them had a p value of less than 0.05. It can be noted that lack of finance was the highest factor affecting business growth as it had a correlation values of 0.757 and a significant value of $0.0003 < 0.05$, followed by Legal and regulatory framework which had a significant correlation of 0.59. The study established that business registration in Kenya was not a major impediment to business growth due to the digitization of the systems. The study also concluded that the stringent requirements to access finances are the main reason why most MSEs cannot access finances. The study also concluded that lack of technology did not affect the service quality of the garages though it had an effect on customer focus (Krueger, 2012).

In addition, Gichuke (2013) studied the factors affecting the growth of MSEs. The study focused on motor Vehicle garages in industrial area, Nairobi. The study found that there are many constraints to growth and the objective of this study was to identify the factors that affect the growth of motor vehicle garages in Industrial Area, Nairobi. A descriptive design was used to study 54 garages in Industrial Area, Nairobi. Questionnaires which included questions on background, growth and constraints to growth were used to collect the data from the 54 garages. Data was analysed using Ms Excel and SPSS and the researcher identified eight factors that constrain the growth of MSEs. The factors, from high effect to no effect are inadequate technology, cost of machinery, low business skills, cost of energy (fuel and electricity), cost of raw materials, loan transaction cost, Interest rates and collateral for loans. Some factor had little or no effect at all on some of the garages, while some of the factors had very high effect. Transaction cost for loans had no effect on the highest number of garages, while cost of machinery had very high effect on most of the garages. The research

further found out that growth in sales does not lead to a proportional growth in profits and employment (Luis, David & Robert, 2010).

Another study by Muyengwa et al. (2014), enterprise development initiative was the focus. The study was based in the Balkan Region, in the South African Motor Body Repair Sector. This research investigates perceived barriers faced by Small, Medium and Micro Enterprises operating in the South African motor body repair sector. Despite various support strategies spearheaded by both Government and private sector for the development of these small businesses, not much has been achieved in this particular sector due to lack of research. An exploratory survey was carried out to ascertain barriers to enterprise development needs of auto body repairers. Funding opportunities are still scarce, causing a negative impact on equipment acquisitions, infrastructure development and access to market. There is need for proper multiskilling training on motor body repairs. Support measures for enterprise development for auto body repairers include the need to set up; dedicated lines of credit, acquisition of appropriate repair equipment from Original Equipment Suppliers, certified training from Original Equipment Manufacturers', specific sector focus from various small business funded programmes, procurement of proper infrastructure and employment of better entrepreneurial marketing strategies to remove poor business perception from the public. Unless measures are taken to address these problems the disadvantaged communities will forever lumber in poverty.

Further, a study by Kituku (2014) focused on the effect of foreign exchange rate fluctuation on the financial performance of motor vehicle firms in Kenya. The study's objective was to determine the effect of foreign exchange rate fluctuation on the financial performance of motor vehicle firms in Kenya. Secondary data was collected from the Companies Financial Report. Regression analysis was done for the periods to determine the effect of foreign exchange rate fluctuation on the financial performance of motor vehicle firms in Kenya. The study covered a period of 10 years from year 2002 to 2012. The study revealed that there was negative relationship between translation exposure using sales, translation exposure using raw material cost, transaction exposure using accounts receivable, transaction exposure using accounts payable, total machinery and equipment, economic exposure and firm financial performance, this is an indication that foreign exchange rate fluctuation negatively affect the firm financial performance , thus the study concludes that foreign exchange rate fluctuation negatively affect financial performance of motor vehicle firms in Kenya.

A study by Magambo (2015) concentrated on the influence of strategic marketing practices on the performance of motor companies in Kenya. This study sought to establish the influence of strategic marketing practices on the performance of motor companies in Kenya. The objectives of this study were to establish influence of the performance of motor industry in Kenya and to determine the challenges experienced by motor companies in implementing strategic marketing practices in Kenya. The study adopted a cross sectional research methodology to examine the influence of strategic marketing practices on performance of Kenya automotive companies in an attempt to attain their desired level of performance. The study focused on the registered motor companies in Kenya Motor Industry Association. The

respondents were either the sales and marketing managers or the general managers of the motor companies. The study administered one questionnaire to each company. The data was collected using a self-administered questionnaire. Data was then be summarized, coded and entered in a computer aided tool for analysis that is; Statistical Package for Social Sciences (SPSS) which generated descriptive statistics such as means, standard deviation and frequency distribution which was used to analyze the data. The study found that employee turnover was hindering strategic marketing practices in their companies to a moderate extent. This study therefore recommends that motor vehicle companies should ensure that the satisfaction of their employees. The study also found that most companies were experiencing difficulty in establishing clear priorities and making sure that what is important is what gets done.

A study by Koech (2011) examined the financial factors affecting growth of MSEs in Kenya, she found out that the SME Sector has continued to play an important role in the Kenyan economy. Many entrepreneurs have limited ways to grow their business into large enterprises. There are many to constraints hindering their growth , so it is important for an entrepreneur to fully understand all financial constraints. The study involved a survey of the financial constraints hindering growth of MSE's. The study further focused on Kamukunji District. Descriptive research design was applied with questionnaires as the main instrument of data collection from the 100 Micro and Small Enterprises within Kamukunji District. According to (Koech 2011), sales data are usually readily available and business owners themselves attach high importance to sales as an indicator of business performance. In addition, sales growth is also easier to measure compared with some other indices and is much more likely to be recorded.

A study by Olusola (2011), on accounting skill as a performance factor for small businesses in Nigeria found out that small businesses are vehicles for growth and development of a nation thus require much attention. Further, small businesses are affected by several many factors with major emphasis on funding. A survey research design was used for this research and data was collected from a sample of small business owners to determine the relationship between accounting skill and small business performance in Nigeria. Despite the increased number of small businesses in Nigeria, the rate of business failure is alarming. It is expected that small businesses entrepreneurs possess distinct skills found to have greater effect on their performances for their development. The study investigated the effect of accounting skill on entrepreneur performance for the success of small businesses in Nigeria. Accounting skill was found to be contributory to entrepreneurial performance and as such, owner entrepreneurs are advised to embark on capacity building in accounting skill in the area of financial management and record keeping while the government makes preparation of financial statement for performance monitoring mandatory for small business owners.

It is evident that the traditional concept of marketing is no longer adequate to meet the increased demands of customers and the ever-changing competitive environment (Koech, 2011). Despite the expanding role of the Internet in our world today, it is however not known as to whether firms in the Motor Industry in Kenya have adopted Internet Marketing. Studies

have been carried out on this topic Chandrasekar (2011) found out that many of the cognitive and affective factors that seem to influence performance include investor, customer, and worker confidence in the organizations. On the other hand the resulting self-confidence among successful individuals is likely to contribute positively to organizational performance, whereas the disassociation from failure restrains the loss of self-confidence among individual who are not successful. As a result, motivations generate performance and its attributes are likely to accelerate success more than failure among current.

In Kenya, Nawier (2009) argued, it is felt in general that improving the work environment increases productivity. Any quantitative proof of this statement is sparse and conventional. There are number of interacting factors which affect productivity, including privacy, communications, social relationship, office system organization, management, as well as environmental issues. It is a much higher cost to employ people who work than it is to maintain and operate the building, hence spending money on improving the work environment may be the most cost effective way of improving productivity. Whereas the above studies point to various factors that have affected performance, they did not cover independent variables such as entrepreneurial marketing strategies, financial strategies, management and economic environment. In addition, the past researches show that most of them focused on big organization ignoring the Micro and Small Enterprises. As such, a knowledge gap exists on the link between these factors and performance of the Micro and Small Enterprises in the motor vehicles repair industry and I hence i found a knowledge gap in past studies.

The literature review indicated that most researchers have mostly concentrated on factors that affect growth of big organizations leaving out the factors that influence the growth of small businesses (Lumpkin & Dess, 2001). They have also emphasized the behaviour of the entrepreneur which influences his management style and decision making process (Storey, 2009). However, it is not the behaviour of the entrepreneur alone that influences growth of an enterprise but there are other factors both internal and external that determines the growth of an enterprise. Although literature has been reviewed on factors affecting performance of motor vehicles' repair firms, most of these studies have been done in other countries and other organizations other than in Kenyan and specifically in Nairobi industrial area. This creates a research gap that this study sought to fill.

RESEARCH METHODOLOGY

The research employed a descriptive research design. Descriptive research design was appropriate because it enabled the researcher to build a profile of the phenomenon. This design is concerned with the what, where, how and when of the phenomenon. The target population was 85 member firms of the KEMRA in Nairobi. KEMRA as an association has a membership of over 140 members spread over the entire country. The population chosen has homogeneous characteristics since they are all in Nairobi. A sample size of 70 respondents out of a total frame of 85 firms was selected at 95% confidence and 5.0% margin of error which is a fair number and would hopefully yield fair results. This sample was recognized as being representative of the entire population (Kothari, 2006). According to Cooper and

Schidler (2012) a sample size of more than 30% or at least 10% is normally recommended for social science studies. The study in that respect took 82% of the population, a sample size that was considered appropriate according to Mugenda and Mugenda (2012). The study covered 70 respondents which were considered to be a representative of the total population. In my case I have applied Krejcie and Morgan (1970) formula to determine my sample size:

$$S = \frac{x^2 NP(1-P)}{d^2(N-1)+x^2P(1-P)}, \text{ where}$$

- S* = Required Sample size
- X* = Z value (e.g. 1.96 for 95% confidence level)
- N* = Population Size
- P* = Population proportion (expressed as decimal) (assumed to be 0.5 (50%))
- d* = Degree of accuracy (5%), expressed as a proportion (.05); It is margin of error

The research focused on primary data that was collected from questionnaires distributed to the target group. On the other hand secondary data was gathered from books, journals and previous literature covering the study topic as well as published statements backed up the primary data. Pilot testing of the research instruments were conducted using staff from member firms of the KEMRA in Nairobi. A total of 10 questionnaires were administered to the pilot survey respondents who were chosen at random. After one day the same participants were requested to respond to the same questionnaires but without prior notification in order to ascertain any variation in responses of the first and the second test. This is very important in the research process because it assists in identification and correction of vague questions and unclear instructions. It is also a great opportunity to capture the important comments and suggestions from the participants. This helped to improve on the validity and reliability of the instrument. This process was repeated until the researcher was satisfied that the instrument does not have variations or vagueness.

The researcher used the Cronbach’s Alpha that is widely used to assess internal consistency reliability and is used for three, four, or five point Likert scale items with 0.7 being the cut-off point (Oncu, 1994). The table below illustrates the ranking of Cronbach’s Alpha.

Table 1: Cronbach’s Alpha Range

Cronbach’s Alpha	Internal Consistency
$\alpha \geq 0.9$	Excellent (High-Stakes testing)
$0.7 \leq \alpha < 0.9$	Good (Low- Skates testing)
$0.6 \leq \alpha < 0.7$	Acceptable
$0.5 \leq \alpha < 0.6$	Poor
$\alpha < 0.5$	Unacceptable

The researcher used content validity through industry experts and peers who gave their opinion. The qualitative data collected was subjected to content analysis. On the other hand the researcher used descriptive and inferential statistics to analyse the quantitative data. This

study utilized the SPSS version 24 software to perform correlation and regression analysis on the collected data. The following multivariate regression analysis model on the factors affecting performance of motor vehicle repairers was adopted and analyzed using the SPSS version 24 software:

$$P = \beta_0 + \beta_1 MS + \beta_2 FS + \beta_3 MA + \beta_4 IV,$$

Where P: Performance of motor repair firms at time (t).

MS: Entrepreneurial marketing strategies

FS: Business Financing

MS: Entrepreneurial Management Skills and Competences

IV: Innovativeness

β_0 is the intercept; and reflects the constant of the equation.

β_1 is the sensitive coefficient of each independent variable (i=1,2,3,4).

The T-test at 95% ($\alpha=0.05$) level was used to test the significance of the difference in pre and post-performance of motor repair firms. The analysed data was presented using statistical and graphical techniques. Statistical techniques used were involved measures of central tendency (mean, median and mode) and measures of dispersion such as standard deviation and variance.

RESEARCH FINDINGS

Reliability Analysis

Cronbach Alpha was established for every objective which formed a scale. This illustrates that all the five scales were reliable as their reliability values exceeded the prescribed threshold of 0.7. This, therefore, depicts that the research instrument was reliable and therefore required no amendments.

Table 2: Reliability Analysis

	Cronbach's Alpha
Entrepreneurial marketing strategies	.829
Business financing	.733
Entrepreneurial Management	.751
Innovativeness	.748

Validity Analysis

With factor analysis, the construct validity of a questionnaire can be tested (Churchill & Iacobucci, 2010). If a questionnaire is construct valid, all items together represent the underlying construct well. Exploratory factor analysis detects the constructs - i.e. factors – that underlie a dataset based on the correlations between variables (in this case, questionnaire items) (Joppe, 2009). The factors that explain the highest proportion of variance the variables share are expected to represent the underlying constructs.

The results allowed for the identification of which variables fall under each of the 5 major extracted factors. Each of the 43 variables was looked at and placed to one of the 5 factors

depending on the percentage of variability; it explained the total variability of each factor. A variable is said to belong to a factor to which it explains more variation than any other factor. Thus, any loading used for interpretation should be able to explain large enough variance of the factor. Pole and Lampard (2010) proclaims that one would want in general a variable to share at least 15% of its variance with the construct (factor) it is going to be used to help name. This means only using loadings which are about 0.40 or greater for interpretation purposes. The findings therefore show that all the parameters had high construct validity.

Regression Analysis

In statistical modelling, regression analysis is a statistical process for estimating the relationships among variables. It includes many techniques for modelling and analysing several variables, when the focus is on the relationship between a dependent variable and one or more independent variables (or 'predictors').

Table 3: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.974 ^a	.948	.945	2.598

a. Predictors: (Constant), Entrepreneurial marketing strategies, Business financing, Entrepreneurial management and competencies, Innovativeness

Table 3 above is a model fit which establish how fit the model equation fits the data. The adjusted R² was used to establish the predictive power of the study model and it was found to be 0.945 implying that 94.5% of the variations in performance of motor vehicles’ repair firms is explained by changes in entrepreneurial marketing strategies, business financing, entrepreneurial management and competencies as well as innovativeness leaving 5.5% percent unexplained. Therefore, further studies should be done to establish the other factors (5.5%) affecting performance of motor vehicles’ repair firms who are member firms of KEMRA.

Table 4: ANOVA results

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	6822.522	4	1705.631	238.987	.000 ^b
	Residual	371.12	52	7.137		
	Total	7193.642	56			

a. Dependent Variable: performance of motor vehicles’ repair firms

b. Predictors: (Constant), Entrepreneurial marketing strategies, Business financing, Entrepreneurial management and competencies, Innovativeness

The probability value of 0.000 indicates that the regression relationship was highly significant in predicting how the entrepreneurial marketing strategies, business financing, entrepreneurial management and competencies and innovativeness affected performance of motor vehicles’ repair firms who are member firms of KEMRA. The F calculated at 5 per

cent level of significance was 284.946. Since F calculated is greater than the F critical (value = 2.5252), this shows that the overall model was significant.

Table 6: Coefficients of Determination

Model	Unstandardized		Standardized	t	Sig.
	Coefficients B	Std. Error			
(Constant)	1.291	0.373		3.461	.0011
Entrepreneurial marketing strategies	0.722	0.312	0.671	2.314	.0246
Business financing	0.639	0.303	0.548	2.109	.0398
Entrepreneurial Management and Competencies	0.796	0.261	0.577	3.050	.0036
Innovativeness	0.522	0.203	0.508	2.571	.0130

a. Dependent Variable: performance of motor vehicles’ repair firms

The established model for the study was:

$$Y = 1.291 + 0.722X_1 + 0.639 X_2 + 0.796X_3 + 0.522X_4$$

The regression equation above has established that taking all factors into account (entrepreneurial marketing strategies, business financing, entrepreneurial management and competencies as well as innovativeness) constant at zero performance of motor vehicles’ repair firms will be 1.291.

Entrepreneurial Marketing Strategies

The findings presented also show that taking all other independent variables at zero, a unit increase in the entrepreneurial marketing strategies would lead to a 0.722 increase in the scores of performance of motor vehicles’ repair firms. To achieve this, the MSEs had distributed products and services largely to acquire many customers (placement). Consistent with these findings, Kates and Galbraith (2007) noted that the digital revolution has placed a new set of capabilities in the hands of consumers and businesses, which has led to substantially new forms of marketing and business. This also correlates with Kithaka (2016) who argue a fundamental benefit of being market oriented to be the continuous superior performance for the business. Further, the processes and procedures for purchasing products have been made easy for the customers (process) within the MSE through marketing promotions. This is similar to Javed and Akhtar (2012) who indicated that competitive pressures have forced organizations to adopt the marketing orientation, which calls for constant change as market conditions evolve, as a strategy for dealing with market turbulence. These marketing promotions are done through advertising their services as well as pricing products/services optimally (pricing). This is done intensively to expand the market share (promotion) focusing on the needs of the customers in Kenya (people). On this, Kinyua (2014) agrees that consumers today value information. People live in the information

age, and the savvy, faithful customer is one that has knowledge about the products and services offered.

Business Financing

The findings presented also reveal that a unit increase in the scores of business financing would lead to a 0.639 increase in the scores of performance of motor vehicles' repair firms. This is through the acquiring credit from financial institutions. In regard to this finding, Magambo (2015) posited that one of the most difficult problems in the small businesses is obtaining financing. This agrees with Wandabusi (2011) who notes that in a study carried out by the Financial Sector Deepening Kenya showed that MSEs face numerous hurdles in accessing finance, denying them an important growth line at best or accessing it at a very high cost. Decisions on the reinvestment and distribution of profits are made reasonably to keep in line with the financial strategies such as goals, patterns or alternatives which aid in improving and optimizing financial management to achieve better business results. In line with this, Gichuke (2013) notes that a budgets' success depends on its execution. On budgets, organizations use budgets as a financial management tool. However, the MSEs in motor vehicle repair were found to fail due to lack of poor management of finances. Financial management practices are essential for a healthy functioning of any organization which makes it essential for the MSEs strive to maintain sufficient cash flows in order to manage the working capital.

Entrepreneurial Management Skills

Further, the findings shows that a unit increases in the scores of entrepreneurial management and competencies would lead to a 0.796 increase in the scores of performance of motor vehicles' repair firms. On this, Chandrasekar (2011) concur that many MSEs owners or managers lack managerial training and experience. The typical owner or managers of small businesses develop their own approach to management, through a process of trial and error. The effect was evidenced by low technical know-how in most employees of MSEs in motor vehicle repair businesses. This explained the failure of these MSEs in terms of entrepreneurial management skills. The low technical know-how affected the many management systems in place, e.g. quality management system. This agrees with Kituku (2014) who states that complete, accurate and precise information is necessary for financial decisions including obtaining business loans. Micro and Small Enterprises therefore require trained and experienced staff if they are to grow into large organizations and realize their true potential. The reason for the low technical know-how was sought and it was revealed that it was not due to recruitment process as the motor vehicles repairers considers education and vocational training when hiring employees. Another set of skills found missing in the employees was conceptual skills. Additionally, managerial skills were also found to be lacking in the employees. The study conducted by Magambo (2015) provides evidence that management skills are critical factors in both the failure and success of businesses. The lack of these skills compounded the issue of failing motor vehicles repairers in Industrial Area. However, it was found that motor vehicles repairers offer employees management training skills involving practices such as team working, empowerment, idea capture schemes and

information-sharing on quality. Therefore, the lack of management, conceptual and entrepreneurial skills was not due to lack of internal training.

Business innovativeness

The study also found that a unit increase in the scores of innovativeness would lead to a 0.522 increase in the scores of performance of motor vehicles' repair firms. This agrees with Ebaid (2009) who opined that an organization must innovate or die which means that survival and growth is fully dependent on the level of innovation. Innovation that affects the performance was in the form of strategic adaptation as a dynamic process of adjustment to change. These findings are supported by Krueger (2012) who intimated that innovation represents a continuum ranging from willingness to try new innovations to a serious commitment to innovation. Firms that are highly innovative grow. Also, environmental uncertainty was found to affect innovativeness. The use of commercialization of technology leading to company earning royalties is another aspect of innovation considered. The reason why innovation has failed in motor vehicles repairers in Industrial Area is because of slow adoption of technology. This is because there are poor innovation levels and low differentiation rates by MSEs in the motor vehicle repair business. Therefore, for the MSEs to grow, they must keep up with the pace of new business processes. They must also use transformational organizational strategy to promote radically innovative business models and strategies. The creation of a culture and a strategy that promotes innovation as a continuous activity in the motor vehicles repairers is also another crucial factor. This is possible given that the new and diversified products required for MSEs in motor vehicle repair business to grow are readily available. In line with this, Paul (2008) notes that through innovation and technology management, a competitive advantage is provided for the business through development of new products, services and systems. Overall, entrepreneurial management and competencies had the greatest effect on the performance of motor vehicles' repair firms, followed by entrepreneurial marketing strategies, then business financing while innovativeness had the least effect to the performance of motor vehicles' repair firms. All the study variables were significant ($p < 0.05$).

CONCLUSIONS

From the findings, the study concludes that entrepreneurial marketing strategies have a positive significant effect on performance of motor vehicles repairers in Industrial Area. The effect was deduced to be brought by the processes and procedures for purchasing products that have been made easy for the customers (process). The finding that motor vehicles repairers advertise their services, network, obtain business from referrals, and that their products/services are optimally priced, can be inferred to have the strongest influence on performance of the repair firms.

In relation to financing aspect, the study concluded that business financing has a strong, positive and significant effect on performance of motor vehicles repairers and that they mainly use credit from financial institutions. The study deduced that Motor vehicles repairers in Industrial Area have just sufficient cash flows to manage the working capital in short term

reducing the overall effect of business financing cost. However, lack of adequate finances led to poor growth rates among these MSEs.

Concerning entrepreneurial management skills, the study draws a conclusion that such skills affect significantly the performance of motor vehicles repairers. This is because it was revealed that the lack of managerial skills has affected the growth of MSE's in motor vehicle repair business. The performance of the repair firms was also found to be affected by practices such as team working, empowerment, idea capture schemes and information-sharing on quality. Therefore, since the management deals with human beings then their social interaction to both the external and internal environment are in a constant state of flux.

It was further revealed that MSEs in motor vehicle repair business are slow in the adoption of technology and hence their innovativeness is adversely affected. Due to this the differentiation by MSEs in motor vehicle repair business has affected performance since they are similar in the market and hence substitutable. The creation of a culture and a strategy that promotes innovation as a continuous activity has failed in most of the MSEs even when the new and diversified products required by MSEs in motor vehicle repair business to grow are readily available.

The study finally concludes that entrepreneurial management and competencies had the greatest effect on the performance of motor vehicles' repair firms, followed by entrepreneurial marketing strategies, then business financing while innovativeness had the least effect to the performance of motor vehicles' repair firms. This implies that for organizations to improve on their performance, they need to focus more on the human capital management and also their competences which will give them an upper hand over their competitors. To the government and policy holder, the findings point on the need to focus more energy to human capital development.

RECOMMENDATIONS

Currently, the study found that motor vehicles' repair firms were found to rely on processes and procedures for purchasing products being made easy for the customers as the main market placement strategy. However, this study recommends that marketing strategy be intensified in areas with low market accessibility through offering more training to the workers in marketing gimmicks. With ample entrepreneurial skills, these workers will take advantage of the placement strategy maximizing the opportunity to improve the general performance of motor vehicles' repair firms.

The study found that the motor vehicles' repair firms make decisions on the reinvestment and distribution of profits reasonably to keep in line with the financial strategies such as goals, patterns or alternatives which aid in improving and optimizing financial management to achieve corporate results. However, there was no evidence of these firms making decisions based on financial risk mitigation. Therefore, this study recommends that motor vehicles' repair firms ensure that they engage in effective financial risk mitigation techniques to ensure that the risks involved within the financial market do not negatively impact the performance

of the organization. This is because when such risks are not considered, the organization will perform poorly in terms of business finance and as the study has established business financing has a greater effect on performance of motor vehicles repairers.

The study additionally found there was low technical know-how in most employees in motor vehicle repair business. Therefore, the study recommends that up-to-date and hands-on training be offered to the workers in this industry consistently to ensure that the performance of the garages is maintained high at times. Hands-on training is most suited because it offers a practical opportunity for the workers to learn. As well, it will ensure that innovation and business financing skills are acquired and utilized well in order to secure good results.

Regarding innovativeness, the study found that the reason why innovation has failed in motor vehicles repairers in Industrial Area is because of slow adoption of technology. Therefore, this study recommends that the motor vehicles repairers adopt latest technology for improvements in innovation level. Further, the workers should be trained on how to use the latest technology after it has been adopted. This will provide the space for innovation to take over and minimize environmental uncertainty. This will help in ensuring high performances all through. Therefore, for the MSEs to grow, they must keep up with the pace of new business processes. They must also use transformational organizational strategy to promote radically innovative business models and strategies. The creation of a culture and a strategy that promotes innovation as a continuous activity in the motor vehicles repairers is also another crucial factor. This is possible given that the new and diversified products required for MSEs in motor vehicle repair business to grow are readily available.

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