IMPACT OF BUSINESS MANAGEMENT TRAINING ON PERFORMANCE OF MICRO AND SMALL ENTERPRISES:

A CASE OF MICRO ENTERPRISE DEVELOPMENT PROJECT IN TAITA/TAVETA DISTRICT.

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Mwakio Anselim
Impact of business management training

AUGUST 2005
DECLARATION

This research project is my original work and has not been presented in any university for the award of a degree.

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DEDICATION

To my loving parents

Mum, Agatha Wakio

And

Dad, David Mwakio Mghanga

For the love of my wife Anna Dali.

God bless you all.
ACKNOWLEDGEMENT

I would like to sincerely thank my supervisors; Dr. G. Gongera and Mr. P. Ochola who have great source of academic strength, inspiration and much tolerance throughout this study.

I greatly owe my sister Flavian Mwazo and to my brother Bornaventure Mwandau for the financial support and moral that they selflessly gave me as I pursued my studies.

I am indebted to the Entrepreneurship masters class of 2003 for the teamwork. Inspiration and support they gave during the study.

GOD BLESS YOU ALL
ABSTRACT

Small and micro enterprises has been highlighted by the sessional paper no. 1 of the government of Kenya on economic management for renewed growth (GOK 1986) and the sixth national development plan (1989-1993) as the primary means of strengthening Kenya's economy.

Through sessional paper no. 2 of the government of Kenya (GOK, 1992) on small enterprise and Jua kali development in Kenya, it was seen that from independence a lot of money has been spent in implementing government policies and programmes aimed at building institutions which were to promote small enterprise sector. Non-government organization and international agencies also provide a lot of support for the small and micro enterprises.

According to Tarus and Lagat (2004) the small scale enterprise sector has a major role in creating employment and contributed in expanding the Labour force from 11 million potential workers in 1992 to 14 million workers in 2002.

The study intended to assess the impact of business management training on the performance of micro and small enterprises in Taita/Taveta district.

The study focused on the entrepreneurs who received training offered by the micro enterprise development project (MEDP) in Taita/Taveta district. The Danish government through micro enterprise development project had spent a lot of money on training the entrepreneurs but there has never been an evaluation on the training. This necessitated the evaluation of the impact of the training, which was the focus for this study.

The sample was obtained from the Jua kali association, women groups, trainers and the project management team. Data was collected using questionnaires for the entrepreneurs and interview guide for project management team. Observation and
document analysis was used for the entrepreneurs and project management team. The data was analyzed using both qualitative and quantitative analysis.

The study was intended to be of great help to MEDP in determining the effectiveness of their training program and also the government and other training providers in improving the training policies and programs.
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ABBREVIATIONS

ASAL- Arid and semi arid lands
BDS- Business development services
DANIDA- Danish international development agency
DATO- District Applied Technology Officer.
DPC- District Project Coordinator
EVSE- Economically Vulnerable and Socially Excluded
GOK- Government of Kenya
ILO – International Labor Organization
MEDP- Micro Enterprise Development Project
MRP- Minor Roads Programme
MSEs – Micro and Small Enterprises
TNA- Training Needs Analysis
VET -Vocational Education and Training
WGS- Women Groups.
YPS – Youth Polytechnics
DEFINITIONS OF TERMS

Small scale enterprises
These are businesses with ten to fifty employees

Micro enterprises
Are businesses with ten or fewer employees and a few family members or one helper.

Informal training
Training undertaken as an apprentice in the informal sector.

Impact of training
This refers to the extent to which training influences the behavior of trainees.

Economy
Is the relationship between production, trade and the supply of money in the country.

Enterprise growth
This is the increase in business such as facilities income and specialization

Jua kali enterprises
These are the micro and small enterprises in the informal sector.

Training needs analysis
Is the identification training.
CHAPTER ONE

1.0 INTRODUCTION.

1.01 Background.

There is an increase in consensus concerning the important role played by micro and small enterprises (MSEs) in employment generation and economic growth. The International Labour Conference (ILO, 1986) recognizes the role of small enterprises in job creation. The widespread consensus on the great potential of small and medium enterprises development for job creation warrants special attention in both industrialized and developing countries. It further observes that micro and small enterprises play an important role in developing countries and are the largest outlet for the entrepreneurial spirit of individuals and helping in the dispersion of economic activity throughout the country. This marked the start of entrepreneurship development in many developing countries. The report however focused on training for the start-up of enterprises mainly on new graduates from schools and colleges and hence emphasizes more on entrepreneurial and business creation without much observation on the development of the existing entrepreneurs in terms of training. The existing micro and small enterprises contribute a lot in employment, income, investment, exports and other economic sectors and hence needs training to improve their performance and at the same time the effectiveness of the training need to be assessed. The observation of ILO (1972) showed that in the 1970’s, education was geared to overall national development and to the expansion of the formal sector of the economy while in the 80’s, educational policies shifted in favor of developing the informal sector which was considered to be a very important sub-sector.

Through sessional paper No. 2 of the Government of Kenya (GOK, 1992) it is seen that since independence in 1963 a lot of money has been spent in implementing government policies and programmes aimed at building institutions which are to promote the small enterprise sector. However the results to date have not been satisfactory due to poor coordination among implementing agencies. As a result much of the small enterprise sector has therefore been spontaneous especially the
Jua kali enterprises. However this sector has already reached a point at which further growth is not possible without strong and effective support from the government, the aid agencies, the business community and the people at large, all acting in coordination.

According to Bernadette (2004), training is a key factor for enhancing growth and competitiveness of small enterprises in Kenya and in the whole world. The changes in the global market demand the entrepreneurs to change their culture in order to cope with the competition in the international market. This applies to most of the African countries which includes Kenya, where entrepreneurs have remained small over the years and it is generally assumed that enterprise development is a new culture. Bernadette focused on the transfer of learning, looking at the role of small scale and medium enterprises but lacked the assessment of the impact of the transferred skills on the improvement of the businesses. It is the outcome of training which is more important as transfer of skills without assessing the result in use of the skills is not complete. Gains in development are increasingly seen in terms of human resources and sustainability. The government of Kenya has recognized education and training as a change agent in the domain of productivity and particularly in regard to small enterprise sector.

Training enables the participants acquire skills or experiences with the purpose of enhancing their technical and managerial skills and in the process become more competitive in the local and global market. There has been a rapid technological change and particularly products and process development which has provided a great change to micro and small enterprises. It therefore requires the MSEs to equip themselves to face and cope with the technology change by undergoing some training in technical skills in order to improve their product quality and become more competitive in this competitive environment.

The globe has been reduced to a village by development of information technology as shown in communication networks and MSEs to be able to market their products in the local and global market needs communication skills such as internet in order to provide and access information.
MEDP is a bilateral project of the Royal Danish Government and Kenyan Government. MEDP was started with the aim of alleviating poverty by enhancing the capacity building of micro and small enterprises in Kitui, Kwale, Makueni and Taita/Taveta district. The project is under the ministry of labour. MEDP is a project of the Danish international development agency which is one of the international agencies (DANIDA) supporting small enterprises. DANIDA is an agency of the Royal Danish government which takes care of all Danish projects in the other countries such as Kenya.

The Danida document ((DANIDA, 2003) on Micro-enterprise development through market approach to BDS provision in Taita/Taveta states that MEDP was started in 1999 as a continuation of the Taita/Taveta support project with the aim of working with micro-enterprises in four selected Districts. The objective of the project is to contribute to reduction of poverty through increased employment and income generating capacity of micro and small enterprises in four districts which are Taita/Taveta, Makueni, Kitui and Kwale district. The target groups for the program are a few selected youth polytechnics, women groups and Jua kali associations. The document gives a brief outline on how the program and show that implementation is through MEDP staff and key departments in the government as the main implementers in Taita/Taveta. The document observes that the project achieves its objectives in poverty eradication through the following means:

First by assisting Jua kali enterprises already engaged in small scale manufacturing, commerce and services to strengthen their ability to adapt to changes in the market and improve their efficiency of businesses.

Secondly is by enhancing the capacity of youth polytechnics (YPS) to produce quality products and services to their communities as well as competent graduates who are able to find employment after graduation.

Third is through assisting in developing Jua kali Associations and women groups (WGS) to become efficient and well managed member’s organizations which are able to provide guidance and support to their members. The project targets poverty stricken areas who’s population is characterized by small pieces of land, financial
problem, and little chances for off-farm employment with little and seasonal labour demand. There is little extension services with no much research on the needs of the people in the targeted areas.

The project undertakes business management training in seven sub-sectors which are Textile, wood work, building contraction, honey processing, metal work, food processing and electrical and electronics.

**The project set-up.**
The project was initially coordinated between the Danish Government and Kenyan government through the Ministry of Research and Technology however with time there has been changes and now it is under the Ministry of Labour.

The set-up is as shown on the figure 1.1 with project steering committee at the top comprised of 20 members of which are the ministerial staff and beneficiaries. The project management unit consists of project coordinator, Danida financial adviser, project accountant, representative from the Ministry, District project officer and any other technical staff. The project technical committee consists of the experts from different fields such as agriculture, education and training, marketing, communication and business administration. Its membership is not to exceed 12 members. The district technical committee comprises of relevant line ministries, target groups and district-based project staff.
The project areas

The project operates in Taita Taveta/Taveta, Makueni, Kitui, and Kwale districts. Taita Taveta, Kwale, Makueni, and Kitui are all part of Kenya’s Arid and semi-Arid lands (ASAL). These areas have low rainfall, low population density, underdeveloped public infrastructure and a high rate of migration of the labour force to towns and other areas in search of employment opportunities. The main source of
to towns and other areas in search of employment opportunities. The main source of livelihood is small holder mixed farming in the higher potential and marginal areas and livestock keeping in the drier parts. A map showing Taita/Taveta district is shown on Appendix V in the document.

Danida agricultural support projects are active in Taita/Taveta, Makueni and Kitui districts, whereas Danida is supporting the Minor Roads Programme (MRP) in Kwale district. The socio-economic characteristic of Taita/Taveta district is summarized in the table below.

Table 1.1: Socio-economic characteristics of Taita Taveta district.

<table>
<thead>
<tr>
<th>Area (km²)</th>
<th>16,959</th>
</tr>
</thead>
<tbody>
<tr>
<td>Population, 1997</td>
<td>255,383</td>
</tr>
<tr>
<td>Dependency ratio</td>
<td>100:117</td>
</tr>
<tr>
<td>Pop. Growth rate %</td>
<td>2.9</td>
</tr>
<tr>
<td>YPS:</td>
<td></td>
</tr>
<tr>
<td>- number</td>
<td>21</td>
</tr>
<tr>
<td>- enrolment</td>
<td>960</td>
</tr>
<tr>
<td>Commercial</td>
<td></td>
</tr>
<tr>
<td>- licensed businesses (retail shops, m/repairs etc)</td>
<td>1,734</td>
</tr>
<tr>
<td>Administrative units:</td>
<td></td>
</tr>
<tr>
<td>- divisions</td>
<td>4</td>
</tr>
<tr>
<td>- locations</td>
<td>16</td>
</tr>
<tr>
<td>- sub-locations</td>
<td>54</td>
</tr>
<tr>
<td>- local authorities</td>
<td>3</td>
</tr>
<tr>
<td>Women groups:</td>
<td></td>
</tr>
<tr>
<td>- number</td>
<td>600</td>
</tr>
<tr>
<td>Members</td>
<td>50,200</td>
</tr>
<tr>
<td>JKAs:</td>
<td></td>
</tr>
<tr>
<td>- number</td>
<td>4</td>
</tr>
<tr>
<td>- members</td>
<td>545</td>
</tr>
</tbody>
</table>

1.02 STATEMENT OF THE PROBLEM

Tarus and Lagat (2004) observed that the small scale enterprise sector has a major role in creating employment and contributed in expanding the labour force from 11 million potential workers in 1992 to 14 million workers in 2002.

According to the Danida project document (DANIDA, 1998), micro enterprise development project (MEDP) training program started training of MSEs in Taita/Taveta district in 1999 having been funded by the Danish Royal government. The Danish government has injected over 17 million shillings in this project having given training a lot of importance as a means of reducing poverty.

Despite the efforts made by Danish government there has not been any research undertaken to assess the training program’s impact on performance of the MSEs in Taita/Taveta district and the realization of (MEDP) objective in poverty eradication. Bernadette (2004) identified lack of financial, marketing skill, high quality products, enabling environment and human resource management as major problems which prevent entrepreneur’s growth. This shows the need for training in these areas. However, effective training is necessary to solve these problems and enable the businesses to grow. There is need therefore to assess the impact of training in comparison to the other factors such as credit and use of information technology. A lot of training has not been able to meet the needs of the micro and small enterprises to enable their growth and development.

There has never been an assessment of MEDP training in Taita/Taveta district and the project relies only on monitoring to assess its work. It is with this view that the study sets to investigate the MEDP business management training program to assess its impact on the performance and growth of the micro and small enterprises in Taita/Taveta district.

In order to adapt to the rapid changes and stiff competition the small enterprises must strive to reduce production costs and improve on the profit.
Training imparts the necessary skills to handle essential areas of business management such as marketing, quality control and financial management and this enables the businesses to compete both locally and internationally.

1.03 PURPOSE OF THE STUDY

The purpose of the study was to establish the effectiveness of MEDP business management training program on the performance and growth of micro and small enterprises (MSE) in Taita/ Taveta district. The study was set to assess how the training program is undertaken in order to improve future programs and make them relevant to MSEs.

The study intends to generate new knowledge and information related to the role of business management training and significance of the training on the MSEs looking at the ultimate goal of training, nature and content of training and utilization of the training by the owner managers and employees in improvement and growth of the businesses.

1.04 STUDY OBJECTIVES

General objective.

The main objective was to investigate the impact of business management training on the performance of micro and small enterprises in Taita/ Taveta district.

Specific objectives.

1. To identify the nature and analyze the content of training administered by MEDP.
2. To assess how MEDP plan and manage their training.
3. To determine the extent to which the micro and small enterprises implement what they learn from the training.
4. To assess the impact of MEDP business management training on the performance of micro and small enterprises in Voi division in Taita/ Taveta district.
5. To make recommendations for the MSE trainers in the design of futures training programs and policy makers.
1.05 RESEARCH QUESTIONS

1. How was the performance of MSEs before training?
2. What is the impact of training on the owner managers and the business?
3. How do MEDP plan and manage their trainings?

1.06 SIGNIFICANCE OF THE STUDY

The study was intended to be of great help to MEDP in determining the effectiveness of their training program and also to other training providers in improving their training programs to make the programs perform better.

The study findings was intended to contribute to the improvement in designing of training programs which are focused on MSEs for program’s effectiveness.

The findings was intended to help the government ministries which include the ministry of labour and human resource development, the Ministry of Education, science and Technology and government agencies that are involved in promotion and development of MSEs in formulating policies to enhance MSE training in Kenya.

The result of the study was also intended to provide useful information to the operating micro and small enterprise owners to understand the role of training and realize the effect and contribution of business management training on their businesses.

As for the scholars and researchers the study intended to give support information to enable them to pursue further studies in the same area of study or related field of study.

1.07 SCOPE OF THE STUDY

The study investigates the business management training by MEDP in determining the impact of training on performance of the micro and small enterprises. Due to
limited time the study limited itself to Taita/Taveta district. The district is one of the areas supported by MEDP.

The investigation focused on the nature and content of training, the relevance of training to the target group and growth of the MSEs.

The research is self sponsored and the available funds will enable the research to be conducted within the district in which the researcher works. This will give the researcher enough time to collect data from participants who can easily be reached and at low cost. The study focused on the MSEs supported by MEDP.

1.08 STUDY LIMITATIONS

1. Reluctance of the participants to provide information on performance of their enterprises.
2. Availability of financial data due to poor record keeping by most of the micro and small enterprises.

1.09 RATIONALE FOR THE STUDY

The government, World Bank, non government organizations (NGOs), trade associations, international agencies and other private organizations spent huge amounts of money in promoting micro and small enterprises. There has been a lot of money spent by MEDP on training of MSEs in business management and hence the need to assess the impact of the training program in order to justify the use of the finances.

The approach to micro and small enterprise training was of great importance. Training for MSEs can be formal or informal. The type of training needs to be given consideration in regard to the MSEs needs by the training providers to give a positive effect on the growth of MSEs. The study intended to provide such information to assist the training providers in identifying the best type of training for MSEs.

The program has been doing its own evaluation based on monitoring of their activities and this knowledge needs to be shared with other stakeholders and players
in the field. No study or serious evaluation had been done on the MEDP training in Taita/Taveta to assess the impact of the training and hence the need to undertake this study.

1.10 ASSUMPTIONS OF THE STUDY

In the proposed study the following assumptions were made.

i. All respondents would be cooperative, reliable and accurate in providing information.

ii. The respondents in each category had the same type of training.

iii. The respondents implemented what was taught in their training.

iv. The respondents had existing and operating business.

1.11 THEORETICAL FRAMEWORK

The study undertook the assessment of MEDP business management training program by looking at the program design, and its evaluation in terms of effect on the MSES performance.

a) Assessment of the program design

The study applied the training cycle model (David, 1996) to guide in assessing the program design.

The training model recognizes training as a process involving a cycle of activities which follows a problem solving pattern.

The training cycle model suggests four main stages which are training needs analysis, diagnosis, designing and planning and implementation. However the training process continues to performance analysis and goes back to training needs analysis.
The training cycle diagram shows the main four stages of a training cycle model. The cycle repeats itself after implementation. The stages are explained below with additional stages 5 to 8 to show the repeat process and importance of the repeat.

**Stage 1. Identification of training needs.**

This is the initial stage which is concerned with identification of the training needs. This involves training needs analysis (TNA) with five approaches which are organization wide, performance management, priority review, self-help support and functional versatility chart TNA.

**Stage 2. Diagnosis**

This involves the logical and rationale analysis of the problems and the whole training effort be defined. The trainer prepares the training objectives and detailed information from the training needs analysis, the trainer will set out training strategies which will identify the steps to be taken to support the achievement of training policy which specifies the type of training and methods of training to be used.
Stage 3. Designing and planning
This is the stage in which the trainer designs, plans and organizes training interventions.

Stage 4. Implementation
The trainer implements the training activity. For effective implementation, the trainer is required to understand the training needs, understand how to close the performance gap and understand the dynamics of the learner’s situation.

After implementing the process is repeated and therefore results in the following additional stages.

Stage 5. Evaluate results and identify needs
This is the stage in which the results of the training are evaluated to assess the impact of the training and training needs arises from the evaluation.

Stage 6. Reformulating training objects and policy.
After evaluating the results of the training the training organization or training provider reformulates its training objectives and policy in order to improve on the effectiveness of the training.

Stage 7. Re-planning
The newly formulated objectives and policies will demand establishing a better plan for future trainings and hence the need to re-plan.

Stage 8. Implement or test new training activities.
The new plan is put to test and the results evaluated.
b) Evaluation of the program in assessing its impact on MSEs performance

The study was based on the evaluation model by Warr, Bird and Rackham (1970) in evaluating the training program to assess the impact of MEDP on MSE performance in Taita/Taveta District. This evaluation model suggests four levels:

The first level is *content evaluation:* This involves obtaining and using information on the operational situation in order to decide training needs and objectives.

The second level is *input evaluation:* This involves the procedures to bring about change, time scheduling, selection of training methods, trainers used and choice of content.

The third level is *reaction evaluation:* This involves trainees’ opinion of the training. This includes evaluation of the sessions and reviewing of the sessions.

The forth level is *outcome evaluation:* This evaluation focuses on the evidence available showing that change has occurred. It could be immediate evaluation, which is the change in knowledge, skills and attitudes at the end of the training; intermediate change showing changes on the job performance, or ultimate change which shows how job performance has affected the organization.
CHAPTER TWO

2.0 LITERATURE REVIEW

2.01 INTRODUCTION.

The literature sources are the internet, text books, journals and conference papers. The review is organized using the sub topics which are the general overview of micro and small enterprises (MSE), over view of Kenyans micro and small enterprise, Kenya government policy issues, growth of micro and small enterprises, Micro and small enterprise training, Small scale business training, Training and the Poor, Impact of training to MSEs, Training policy, The Environment and Micro and small business culture. These sub topics are discussed in details from different reviews.

2.02 General overview of micro and small enterprises (MSE).

Literature on the perception of MSE and its role in the development of nations has emerged over time from early 1980s. This view is supported by Parkers (1998) in the organization for economic cooperation and development (OECD) which says that from 1980s attention began to focus on MSES as a means to poverty alleviation and employment creation hence are observed to be the primary means of nation’s economic development. This is supported by Malcolm (1998) who views micro enterprise as a means for reducing poverty. The paper refers to the small businesses as “temporary stepping stones to real business”. They are informal and very small.

This sentiment has been supported by Icier (2001) that the modern sector facing reforms, restructuring and increasing external competition from both regional and global competition from both regional and global competitors had to undertake retrenchments and other forms of labour reduction making it less able to contribute to the national efforts to reduce unemployment.
The micro and small enterprise sector includes all enterprises employing between 1-50 workers (Gok, 1992). The paper recognizes the Jua kali enterprises who are the majority of the micro enterprises in Kenya.

William, (1983) defines a small business as a business which is independently owned and operated and not dominated in its field of operation. However this definition does not show clearly the main characteristics of a small business in terms of economic position, number of assets and number of employees and areas in which they operate.

2.03 Overview of Kenya’s micro and small enterprise

Thyra and William (2004) study observed that in Kenya as in many parts of Africa a rapid developing informal sector has been the response to stagnating of employment growth in the formal economy and the downsizing of parastatals and of private companies as they reduce costs in the liberalizing environment. The study shows that today Kenya’s informal sector is estimated to constitutes 98 percent of all businesses in the country absorbing annually up to 50 percent of new non-farm employment seekers with employment growth rate of 12-14 percent. The paper is basically on the voucher training but lack proper analysis of the impact of the program on employment creation and reduction of poverty.

According to Catherine (2003) on sources of Training in African clusters and awareness of Information and communication technologies (a study of Kenya and Ghana), the number of employees in the surveyed enterprises in Kenya ranged from 1-20 with a mean of four. The paper observed that most of the enterprises (58.9%) employed 2-5 employees while 21.7% were of own-account type and owner managed enterprises were predominant in the trade (43.6%) and services (35.9%) sectors as opposed to manufacturing (20.5%). The study also shows that in Kenya a large proportion (80.6%) of the owners/managers of the MSES have skills in their respective businesses.
2.04 Kenya government policy issues.

The sessional paper No. 2 of the Kenyan government (GOK 1992) on small enterprise and Jua kali development in Kenya observed that the small enterprise and especially the Jua kali sector has been hindered from developing by lack of coherent policy guidelines, unfavorable regulatory environment, limited markets for the sector’s products and services, inadequate physical infrastructure, poor information gathering and dissemination, poor access to capital, lack of an enterprise culture, poor project and programme planning and implementation and lack of managerial skills. The paper also observes that resources in terms of professionally qualified staff in both the private and public sectors is of great importance for effective entrepreneurship programmes at start – up, operation and expansion phases of businesses. The paper highlighted poor project and programme planning as one of the factors leading to slow growth of the businesses with little chances of graduating into the formal sector.

Ngoze and Moses (2004) argue that in trying to assist the MSES the Kenyan government needs to initiate government assistance programmes or establish a government organization to undertake the work.

A synthesis report by Educational Training Consultants East Africa (2003) observed five basic policy objectives in Kenya’s poverty reduction strategy as facilitation of sustained and rapid economic growth, improvement of governance and security, increase in ability of the poor to raise their income to improve the quality of life of the poor. However the paper did not provide the means of realizing the strategy.

2.05 Growth of micro and small enterprises.

A study by Ngoze and Moses (2003), recognizes the laxity of government commitment to promote the micro and small scale enterprises by the poor implementation policies by the government. The study states that development of small enterprises takes the form of transformation in terms of increase in sales, income and specialization. However the paper has very little regarding the government’s contribution towards training of the MSEs.
Tarus and Lagat (2004) in their study on impact of training on small scale enterprises in Eldoret shows that training has an impact on the businesses in increase in number of employee’s assets and sales. This study being based on training portrays that training is a means of improving business performance.

According to Donnelly (1995) the development of strategic plans involves taking information from the environment and deciding on the organizational mission, objectives, strategies and investment plan. The training should therefore promote the small organization’s effort in achieving their plans.

A study by Milcah (2004) on effects of training on manufacturing micro enterprises in Nakuru show areas considered to be of great concern for training as record keeping, financial management, marketing and interpersonal relations as areas for training. However the study indicated that a high percentage (75.8%) had no growth, 14.5% of the enterprises experienced a decline with only 6% of the enterprises have a positive growth.

2.06 Micro and small enterprise training.

According to Henry (2004) micro and small enterprise training should consider areas such as the people to be trained, the content of the training and how entrepreneurship training should be organized and delivered.

The study suggested the methods of selection such use of psychological tests to select potential entrepreneurs, using pre-course assessment that include face-to-face interviews, prospective participants writing about themselves, their business ideas and their expectations from the training, recommendations from institutions such as banks former participants in training and significant community members, use of indicators of business potential, size of business capital and growth potential and use of demographic characteristics such as age, education level and previous business experience. It also observed that the use of the screening and recruitment methods will be desirable to ensure that participants get the benefits from the training program. The study observed that the structure and content of education and training play an important role in the development process. As for determining the training content a training needs analysis (TNA) should be done.
However the focus of training needs may vary and training needs analysis may thus focus on a) the person who is the entrepreneur b) the business and the sector and c) management functions and strategic needs. The study identified four approaches to needs analysis as person- focused needs analysis in which the person is the key factor in entrepreneurship and that regardless of the content taught it must go through the individual before it gives an impact on the business. This observes that every individual has certain personal characteristics and therefore the first task in entrepreneurship training is to work on the person.

The other approach is the sector and business-focused needs analysis which is based on the fact that global competition forces countries to find and concentrate on areas in which they have comparative advantage. The study proposes the selection of small scale enterprises be of sector with greater competitive strength and the kinds of training and non-training interventions they need.

The third approach is management function focused need analysis which focuses on the needs of knowledge and skill in the functional areas of business especially at start-up phase when the owner will be performing all the functions of the business. The paper argues that lack of knowledge and skills in functional areas of business can affect the success or failure of the business.

The forth approach is strategy – focused analysis which observes that strategic thinking in business is not highly developed that strategic thinking goes beyond functional skills and careful planning as it involves creativity, intuition, foresight and ability of the entrepreneur to interpret environmental forces. The study argues that the entrepreneurial competences and functional skills are not enough without the crucial strategic thinking skills. It is important for the training programmes to be oriented to take in to account the special training needs of the informal sector.

A study by Petersen (1996) argues that the development of technical education and a sector specific for vocational training relevant for developing small enterprises and flexible production environment has been much slower. He observed that a number of African countries including Kenya need to have their government make concerted
effort to reform educational system and introduce a more technical curriculum to cater for small enterprises especially the informal sector.

According to USAID (1998) the main objective of training programs is to help entrepreneurs and/or employees to get new ideas on how to improve enterprises through increased efficiency, reduced production cost, and access to more profitable markets. Henry (2003) proposes that the first step in needs analysis is to perform a gap analysis and to do this the instructional designer checks the actual performance of the organization against existing standards or current situation. Training programs have failed in the past and will continue to fail because the instructional designer did no understand the needs or the wants of the company.

According to Boocock (1999) formal training has been largely associated with large enterprises and this show that most of the training for small enterprises has been informal. Henry (2004) considered how entrepreneurship training of small scale and even medium scale enterprise should be organized and delivered suggests that there are several dimensions to the organization and delivery of entrepreneurial training for the small enterprises of which the key dimensions are composition and structure of the supply side which is concerned with the training providers, market development to capture trainees, program training resources and program design characteristics.

A discussion paper by Catherine (2003) observed that in Kenya 98.4% of the skills training provider within the MSE are the master craftsmen and that formal training in institutions have very little role as skill providers in MSEs sector with only 0.6% in Kenya. One reasons being lack of links between MSEs and the formal training institutions. The study observed that there are three main providers which are formal training institution (0.6%), the master craftsmen (98.4%) and NGOs. The study also show that majority of the MSEs had training of 1 month to 12 month duration in both internal and external training. Only 16% had training for one to two years with 1.6% having taken training programmes running for two to three years. A study by Harper (1993) observed that there is emphasis in ILO’S business start up programmes and the ILO project in Uganda and Malawi which use the concept of vocational
training to offer training packages in business management, business counseling and entrepreneurship development.

Haan (2001) study in training for work in the informal sector observed that most of the technical training in the MSE sector is carried out through the traditional apprenticeship system, particularly in manufacturing and services. A study carried out by the World Bank in 1992, estimated that 40% of all trainees acquire their skills through apprenticeship.

2.07 Training and the Poor.

A study by Paul Bennel for ILO (1999) observes that training systems have not been able to improve the poor as they have little effect on them due to lack of meeting their skills needs. The number of people living in absolute poverty with the little resources available in many developing countries cannot offer appropriate training. This resulted to confusion of what it means by “training to overcome economic vulnerability”.

The government’s and stakeholders need to come up with training strategies for the poor to enhance international competitiveness in the rapidly globalising world economy. The paper suggests a collective effort by the community and political development in skill development for the poor. Vocational education and training is a strategy used by donor agencies in developing countries. However there is lack of emphasis in this training.

The paper observes that a large number of people living in absolute poverty are in both Asia and Sub Sahara Africa (SSA) as shown on the table below from the World Bank (1998).
Table 2.0 showing the number of people living in absolute poverty in Asia and Sub Sahara Africa.

<table>
<thead>
<tr>
<th>Region</th>
<th>Number in 1987</th>
<th>Millions 1993</th>
</tr>
</thead>
<tbody>
<tr>
<td>East Asia and the pacific</td>
<td>464.0</td>
<td>445.8</td>
</tr>
<tr>
<td>Europe and central Asia</td>
<td>2.2</td>
<td>14.5</td>
</tr>
<tr>
<td>Latin America and the Caribbean</td>
<td>91.2</td>
<td>109.6</td>
</tr>
<tr>
<td>Middle east and north Africa</td>
<td>10.3</td>
<td>10.7</td>
</tr>
<tr>
<td>South Asia</td>
<td>479.9</td>
<td>514.7</td>
</tr>
<tr>
<td>Sub – Sahara Africa</td>
<td>179.6</td>
<td>218.6</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1227.2</strong></td>
<td><strong>1319.9</strong></td>
</tr>
</tbody>
</table>


The paper observed two sets of concern about vocational education and training (VET) and poverty reduction. First is that most targeted training interventions have little impact on livelihood due to poor quality and relevance of training and inability of trainees to utilize the skills or knowledge due to variety of economic and social constraints and second is the failure of the national vocational systems to reorient themselves to meeting skill needs of the economically vulnerable and socially excluded (EVSE).

However many researchers, policy makers and donors have hopes in potential impact of vocational training on productivity and income for the poor and particularly the informal sector. It was noted that formal training has had little impact in overcoming economic vulnerability among the poor and thus there is need for special training programmes in reducing poverty.

2.08 Impact of training to MSEs.

Milcah (2004) study observes that enterprise growth is measured both quantitatively and qualitatively.

Three factors observed are the increase in the number of employees, product quality, location of the business and the type of business promise. This study shows that
75.8% of the micro enterprises had no growth, 14.5% had decline in growth while only 9.75% had positive growth. Observations show that there is little significance differences in growth in terms of locations for those in the rural and those in the urban areas. There was high emphasis in need for record keeping training as compared other area of training such as management, marketing and interpersonal relationships.

Thyra and William (2004) in the voucher training program study identified a positive impact of the program on the increased income through improved market. There is improved ability to compete effectively through improved product quality, new product introduction, and improved efficiency in reduction of wastages and improved marketing and client service.

According to Paul (1999) the introduction of poverty agenda in the 1990s resulted to a lot of attention on micro enterprises by governments, donor agencies and NGOs, with skills development as the main (key) objective. Training for the improvement of the economically vulnerable needs more than the conventional technical and managerial competencies but also literacy, numeric, social and political awareness and life skills.

Dondo (1998) in his study on employment potential for micro and small enterprises made observation on the trend of employment of these enterprises from 1988 to 1996. The study show that employment increased from 1,736,200 in 1988 to 4,313,800 in 1996. With 14% projection growth the employment was expected to be 5,090,312 workers in 2001.

2.09 Training policy.

According to ILO (1998) report on world employment the observation made on "employability in the global economy: How training matters" report emphasizes on better provision for training in all sectors of the labour force. The report observes that there is little guidance on what specific policy and other measures needed to counter the current exclusion of the poor from training provision. The report argues that problems of a nation are best solved by building on the existing training systems
and culture and proposes social partnership, evaluation and research, skills recognition as set of global reforms. The report is however argued to fail to address the political influence on training policies and resource allocations and therefore the issue of partnership is seen to be unrealistic from the proposed reforms. The report argues that employers have no efforts in training their employees.

According to Paul (1999) training needs of the poor require major policy reforms to transform the roles played by the central and the local government, enterprises, communities, and other stakeholders in the society. However there are no quick solutions in implementing these reforms. The paper argues that the reforms need to address the current crisis of confidence in the role of training to the poor and emphasize the good role training has on the poor as an effective strategy for reforms.

Ngoze (2003) observed that many constraints faced by the MSEs are as a result of poor implementation and lack of co-ordination of policies set by the government. Dorothy (1996) also observed that policy is the issue of the government and the small enterprises have no chance in participating in policy formation. The paper observes that this has left the small enterprises to be disadvantaged as policies and resource allocation is opposed to small enterprise development.

Robert (2003) argues that the government can come up with an act to foster development of man power through training which leads to highly organized training culture. However this is not given consideration in most of the developing countries.

2.10 The business environment.

The sessional paper No. 2 of the government of Kenya (GOK, 1992) observed that the government intends to change the small enterprises attitude to be independent by forming associations of small enterprise entrepreneurs so as to promote interest of the members in areas such as training in business topics. The paper also observes that the government intends to provide essential services to the small scale enterprises of which the enterprise have to meet part of the costs. In the paper the government expressed interest in developing the small enterprises by identifying
emerging skills and abilities in the area of technology selection and use and also showed its concern in training the enterprises in technical and managerial skills. However little has been done by the government in terms of training the small enterprises as most of them rely on the job training as the means to acquire the skills.

McCormick (1996) observed that the structural adjustment programmes (SAPs) have stressed the importance of enabling policy environment. SAPs have tended to work against the small enterprises by liberalizing international trade which tends to favor the large enterprises. The paper supports that the small scale support is not a central government policy but should involve all the stakeholders. The environment however have not been favoring the small scale enterprise in many ways such as lack of support in getting permanent business premises leading to being moved from one place to the other and this has contributed to the slow growth of the enterprises.

The third European conference on the craft industry and small enterprises (1997) observed that an environment must be created which is conducive to the creation of businesses, particularly by young people and women for whom access to self employment represents one of the best chances of obtaining a foot hold in the employment market. The conference conclusion states that environment must enable existing businesses to improve their competitiveness so as to gain access to new markets for their products/services thereby generating income for growth and employment.

2.11 Micro and small business culture.

The third European conference on craft and small enterprises (1997) observed that to promote small business culture there is need to promote enterprise culture and spirit among young people and their parents through the media and in education and vocational training systems. It also looked at management training as a means of encouraging and preparing the young people to set up their own business and hence develop small business culture. The conference looked at the external partners of small businesses such as the banks, insurance companies, law firms, and other supporting institutions as needing training to understand the special nature of the small enterprise sector in order for them to promote the small business culture. It is
on the same note that culture can be disseminated through best management and organization methods and by stimulating the capacity to innovate and keep a breast of the new technologies.

According to Lyn et al (2002) the problems of isolation of women hinders them from participation in vocational education and small business training programs. This has resulted to low completion rates in the training programs. The study observed that social and economic changes have altered the conditions and structure of women employment mainly in the rural area resulting to increased need for women to seek additional non-farm income. The chances for rural women to respond to these changes are constrained by the problem of isolation. The study observed that this issue can be addressed through the small business skill for rural and regional isolated women project which aims at increasing women participation and completion and small business training by use of programs such as distance education and computer assisted technologies. The paper observed that one of the key factors negatively impacting on small scale business performance is the low level of management and business operators. It argues that traditional male- oriented culture of agricultural organizational training courses held by industry groups are usually held in the evening where a family couple with children only one partner in a family based form business can attend creating situational time and child care barriers for women.

According to karstesn (2005) small businesses, which are mainly owner managers, tend to resist people management and training. Business growth depends on the potentials within the business. This is through high quality products and services. Traditional small enterprises are known for poor training, leading to low quality products. The study observed that in some cultures, training itself has become a bad aspect as employers send staff to training only when their performance is very poor. The study observed a negative attitude in training by employers as employers feel that if a staff volunteers for training then they want to look for another job. The study also observed that small business resist training due to economic reasons such as recruiting cheap unskilled staff, owner manager want to reduces the risk by saving on additional investment, in staff means along term commitment to the employer, the owner managers may want to keep the knowledge as his or her power,
do not know the benefits of training or does not see the need for further development. The paper also argues that resistance to training should not be equated with inability to pay as entrepreneurs are accustomed to free services and are likely to resist paying for the services. The study identifies the reasons for resistance being mainly on economic or socio-cultural.

A study by Attahir (2004) on workforces diversity in small firms states that personal characteristics of the owners has an influence on the workforce diversity as they influence and control the firm’s culture in relation to ethnicity, education, gender, age and business experience. This is based on the expectancy of the owner as either posing threats or losses against the benefits. The study observed that small businesses owned by educated persons tend to diversity their work force that those owned by less educated.

2.12 Conceptual framework.

The study looked at the training program design and evaluation in assessing how the training program is expected to improve the MSE’s business management skills and hence improve in the businesses performance.

The diagram on the next page shows the relationship between the program design and the expected performance of the MSEs which undergo the training. The open system design and evaluation David (1996) is used to show the relationship of the training and the results of the training. The model consists of five stages which are:

i. Input.
ii. Process.
iii. Product.
iv. Output.
v. Outcome.

The study has the means which are the input and the process as its independent variables and the results which are the product, output and the outcome as the dependent variables. The relationship is shown on figure 1.3.
Table 2.1
Table showing the effect of a training program design on performance of MSEs

<table>
<thead>
<tr>
<th>MEANS</th>
<th>RESULTS</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>INPUT</strong></td>
<td><strong>PROCESS</strong></td>
</tr>
<tr>
<td>- Training needs analysis.</td>
<td>- Training methods</td>
</tr>
<tr>
<td>- Provision of facilities.</td>
<td>- Financial budget.</td>
</tr>
<tr>
<td>- Provision of finances.</td>
<td>- Facilities usage.</td>
</tr>
<tr>
<td>- Training content.</td>
<td>- Exposure of trainees to</td>
</tr>
<tr>
<td>- Nature of training.</td>
<td>tools and machines.</td>
</tr>
<tr>
<td>- Time duration.</td>
<td>- Language usage.</td>
</tr>
<tr>
<td>- Training venue.</td>
<td>- Evaluation of trainees by</td>
</tr>
<tr>
<td>- Trainee’s activities.</td>
<td>use of tests etc.</td>
</tr>
<tr>
<td>- Expertise by trainers</td>
<td></td>
</tr>
<tr>
<td>- Evaluation.</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Staff training and assessment by David (1996)
Stage 1. Input design and evaluation.

This stage involves identification of the training needs, preparation of the training objectives, devise and organization of the training program. The stage is mainly concerned with what and how information is gathered and factors that influence the training needs. The study looked at how the need for training arose, availability of the right trainers, demand for training by trainees, culture of the organization in support of training, objectives of training and content of the training.

As shown on the table above the input is mainly from the trainer as well as the trainees in regard to the training resources which includes the finances, training facilities, training content, training duration and trainees participation in learning.

The input has an effect on the process in making the training effective.

Stage 2. Process design and evaluation.

This stage is concerned with the way training is carried out. This involves the training process and the assessment of the training by the trainer and trainees in evaluating the progress of training.

The study assessed the use of resources in facilitating training. The expertise of the trainers is of great concern in making the training more effective.

It is at this stage where the researcher assessed the delivery of the training by the trainers, use of the training resources, reaction of the learners to the learning experiences and how the training is achieving its objectives.

This lead to investigating the use of finances, how trainees participate in learning, use of learning facilities, coverage of the training content, training methods and effective communication during training.

Stage 3. Product design and evaluation.

This is the stage which is concerned with assessing the immediate results of the training. It involves determining how well the training was conducted to achieve the training objectives in closing the identified training gap.
The study assessed how the training effectively enabled the trainers acquire the skills by evaluating the trainees performance in regard to immediate application of the knowledge, skills and changes in attitude.

**Stage 4. Output design and evaluation.**

This is the stage concerned with the performance of the trainees. The study assessed how the owner managers applied the acquired knowledge, skills and change in attitudes in their businesses. This needs the assessment of trainee's performance and determines whether the expected performance has been reached. The results in performance will help in reviewing the training process to make it more effective.

The research determined the performance of the owner managers in terms of increase in profit, reduced customer complaints, increase in production, reduced labour turnover, reduced absenteeism, reduced pollution, increased customer repurchase, and reduced wastage. An evaluation at this stage would show the effectiveness of the training and hence the weaknesses and propose necessary improvement to enable the training program realize its objectives.

**Stage 5. Outcome design and evaluation.**

This stage shows the effect of training at the organization level and even beyond to the society.

At the organizational level the study determined the training effect in terms of increase in assets, diversification of products, increase in the number of employees, increase in sales and expansion while at the society level the study will determine the effect of training in terms of increase in employment and improved standard of living.
The diagram below shows the relationship between the program design and the performance of the MSEs which undergo the training.

**Figure 1.3 Conceptual Framework**

Input design
- Proper training analysis
- Competent trainers
- Relevant content
- Proper nature of training.
- Proper evaluation of inputs
- Appropriate training venue.
- Proper training duration.
- Active involvement of learners.

Process design
- Proper training methods.
- Proper use of finances.
- Good exposure of trainees to tools and machines.
- Proper communication language.
- Good trainees involvement in learning.
- Proper evaluation of trainees.

Product design
- Proper evaluation of skill acquisition.
- Good performance of trainees.

Output design
- Reduced running costs.
- High quality products.
- Good customer relations.
- Increased production.
- Good records.
- Better employee's relations.
- New markets.
- Reduced wastes.

Outcome design
- Increased sales.
- New products.
- New businesses.
- More employees.
- More assets.
- Better standard of living.

Source: Researcher (2005)
The diagram shown on figure 1.3 shows the relation of the stages in training design and their effect on the training performance of the MSEs.

Path A show that with the proper training design form input the results will produce good outcome. The study therefore assessed the training program offered by MEDP to find out its impact on the performance of the MSEs in Taita/Taveta district. Good input such as proper training needs analysis, available resources leads to proper facilitation of the training process. Proper training process such as good training methods used, proper use if finance sand good exposure of trainees lead to good training results in terms of trainees job performance, good output in terms of customer relations, proper record keeping, new markets, reduced wastes, increased productivity and finally good outcome in terms of expansion of the enterprises in regard to introduction of new products, more assets, increase in income and improved standard of living.

Path B shows that poor training program design leads to poor outcome. The input has an effect on the process as with poor input leads to poor process and also poor trainees performance, poor output in terms of product quality, customer relations, record keeping, new markets, reduced wastes, labour turnover which ultimately lead to poor outcome as in terms of assets, employment, product diversification, sales and improvement of the standard of living.

2.13 Summary of literature review

The review shows that the researchers looked at the role of MSEs on employment and poverty eradication, there is assistance of government to MSEs in providing of essential services. The review observed the indicators of growth such as increase on sales employees and assets. A bit is discussed on the ability of the poor to access training showing economic reasons as hindering the poor in getting training. There is discussion on role of training in business planning. Some researchers looked at the essential areas for training as management marketing, interpersonal relations, The review looked at growth of MSEs. The essential consideration of training is stated on the review as consideration of the trainees, content, organization of the training and need for training needs analysis.
A lot of observation was done on training policies, which include formation of, polices to cater for training of MSEs and need involvement of MSEs in formulation of these polices. The government is observed to have a big role to pay in promotion of MSEs by providing the essential services support and conducive environment such as infrastructure and training. The review looked at isolation of women in employment and business training. A need of diversification in workforce is also looked at in the review and how effect of diversification on the business. The attitude of owner managers was observed to be negative towards training of employees.

It is observed on the review that training has not been able to improve the poor. Most of the training for the MSEs is informal such as apprenticeship while formal training forged the large enterprises.

There is nothing discussed on evaluation of the training programs in view of improving the programs effects on performance of the business. This research intends to give some light on evaluation of training programs and importance of evaluation to the training providers and the trainees and other organizations supporting training. It is the role of this research also to look at the input of the training, process of training as the means of trainings in relation to results of training such as the products output and outcomes. This relationship has not been properly highlighted by other researchers has been in this research.

It is hoped that this research will add knowledge to this crucial part of training to other researchers government and the trainees.
3.0 RESEARCH METHODOLOGY

3.1 Introduction

This chapter discusses the procedure and strategies to be used in the research study. This section includes research design, locale, study population, sampling strategy, data collection, data analysis, expected outcome and presentation.

3.2 Research design

The study used an evaluation design. An evaluation research helps determine whether the intended results were realized. The main purpose of this study was to collect data that would facilitate decision making. The study used a case of Micro Enterprise Development Project (MEDP) business management training in Voi division in Taita/Taveta district. The study analyzed cases to identify the impact of MEDP business management training on the performance of micro and small scale enterprises. The study assessed the effect of training on variables such as sales, profit, assets, products, and employees. The study looked at the effect of education, work experience, training content and method on the achievement of the training program in terms of change in behavior of the trained entrepreneurs. The study assessed the performance of the MSEs before training in comparison with the performance after the training.

3.3 Location of the study

The study was conducted in Voi division in Taita/Taveta district in coast province. The district’s employment is mainly in agriculture sector 95% of the employment, rural self employment is 0.5%, urban self employment has 1.5% and other areas form 1.0%. A percentage of 43.02% of the population is unable to meet the basic food requirements even after spending all their income on food.
3.4 Study population

The target population comprised of micro and small scale entrepreneurs in Taita/Taveta district who have had business management training from micro enterprise development project (MEDP). The population comprised of seven sub-sectors in Voi division. The total number of trained entrepreneurs in the division was 120 who formed part of the accessible population. The other population is the management team of MEDP with four members. In the target population also was the untrained entrepreneurs in Voi division.

Table 3.1 showing the number of MEDP trained participants in each sub-sector in Voi division in Taita/Taveta district.

<table>
<thead>
<tr>
<th>NO.</th>
<th>SUB-SECTOR</th>
<th>TOTAL NO OF MEDP TRAINED ENTREPRENEURS IN VOI DIVISION IN EACH SUB-SECTOR</th>
<th>SELECTED SAMPLE PER SUB-SECTOR</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>TEXTILE</td>
<td>34</td>
<td>11</td>
</tr>
<tr>
<td>2</td>
<td>WOODWORK</td>
<td>26</td>
<td>8</td>
</tr>
<tr>
<td>3</td>
<td>BUILDING CONSTRUCTION</td>
<td>28</td>
<td>9</td>
</tr>
<tr>
<td>4</td>
<td>ELECTICAL AND ELECTRONICS</td>
<td>8</td>
<td>3</td>
</tr>
<tr>
<td>5</td>
<td>FOOD PROCESSING</td>
<td>14</td>
<td>5</td>
</tr>
<tr>
<td>6</td>
<td>HONEY PROCESSING</td>
<td>6</td>
<td>2</td>
</tr>
<tr>
<td>7</td>
<td>METAL WORK</td>
<td>4</td>
<td>2</td>
</tr>
<tr>
<td></td>
<td>TOTAL</td>
<td>120</td>
<td>40</td>
</tr>
</tbody>
</table>

Source: MEDP Taita/Taveta Project, 2005
3.5 Sampling strategy and procedure

The researcher used purposive sampling to select the location (Voi division) of the study as it was one of the areas where MEDP conducted their training and had the highest number of MEDP trained entrepreneurs in Taita/Taveta district.

The study will comprise of micro and small scale entrepreneurs who own enterprises and have been trained by MEDP, the project management team and untrained group of entrepreneurs as the control group. The population was stratified in sub-sectors and a sample size of 30% of the total number of trained entrepreneurs in each sub-sector selected, making a total of 40 trained entrepreneurs. According to Mugenda and Mugenda (1999) stratified random sampling ensure that the desired representation from various sub groups in the population is realized and subjects were selected in a way that the sub-groups in the population were more or less reproduced in the sample. The individuals in each sub-sector were selected using simple random sampling. The entrepreneurs were obtained from MEDP list of trained members, mainly of Jua Kali associations and members of women groups who own businesses in Voi division.

The selection of the management team was done using purposive sampling by selecting all the four(4) members.

Table 3.2 showing the management team selection.

<table>
<thead>
<tr>
<th>OFFICER</th>
<th>NUMBER OF OFFICERS</th>
<th>OF SAMPLE</th>
</tr>
</thead>
<tbody>
<tr>
<td>District Technology officer</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>District project officer</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>District Business officer</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>District project coordinator</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>TOTAL</td>
<td>4</td>
<td>4</td>
</tr>
</tbody>
</table>

Source: MEDP Taita/Taveta Project, 2005
A control group of untrained entrepreneurs was used to make a comparison with the trained group. The control group was selected from a list of entrepreneurs from the District bureau of statistics office. This sample was selected using simple random sampling from the list. This group contain the names of those not in the list of those trained by MEDP in Voi division. The list focused on only small enterprises in Voi division. A sample of 10% was used as this is the minimum acceptable sample for a small population according to Gay (1992).

Table 3.3 showing the number of entrepreneurs not trained by MEDP in Voi division and the sample.

<table>
<thead>
<tr>
<th>NO.</th>
<th>SUB-SECTOR</th>
<th>NUMBER OF ENTREPRENUERS IN VOI DIVISION IN EACH SUB-SECTOR</th>
<th>SELECTED SAMPLE PER SUB-SECTOR</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>TEXTILE</td>
<td>42</td>
<td>7</td>
</tr>
<tr>
<td>2</td>
<td>WOODWORK</td>
<td>25</td>
<td>5</td>
</tr>
<tr>
<td>3</td>
<td>BUILDING CONSTRUCTION</td>
<td>14</td>
<td>4</td>
</tr>
<tr>
<td>4</td>
<td>ELECTICAL AND ELECTRONICS</td>
<td>18</td>
<td>4</td>
</tr>
<tr>
<td>5</td>
<td>FOOD PROCESSING</td>
<td>95</td>
<td>9</td>
</tr>
<tr>
<td>6</td>
<td>HONEY PROCESSING</td>
<td>12</td>
<td>2</td>
</tr>
<tr>
<td>7</td>
<td>METAL WORK</td>
<td>16</td>
<td>4</td>
</tr>
<tr>
<td></td>
<td>TOTAL</td>
<td>222</td>
<td>35</td>
</tr>
</tbody>
</table>

Source: Taita/Taveta District statistics office, 2004

The sample was 79 which included the MEDP trained entrepreneurs (40) and those entrepreneurs not trained by MEDP (35) and four (4) from the management team.
3.6 Research instruments
The data collection instruments used for the study were interview guide for the MEDP management team and researcher administered questionnaires for the entrepreneurs and observation of participant’s business premises and document analysis for the project and entrepreneur’s records.

3.7 Data analysis
The study was analyzed using both quantitative and qualitative analysis methods. In qualitative analysis the researcher obtained detailed information and then establish patterns, trends and relationships from the information gathered. Qualitative data analysis followed the process of data organization, creating of categories, themes and patterns then an evaluation done to see the usefulness of the information in answering the research questions.

As for quantitative analysis the researcher used descriptive statistics to describe the data. The types of descriptive statistics used in this study were frequency tables, group frequencies, and percentage representation of the frequency distribution.
CHAPTER IV

4.0 DATA ANALYSIS AND INTERPRETATION

4.1. Introduction.

This chapter presents and discusses the results of the data collected. The findings are presented in form of frequency distribution tables, percentages and narrative form. The analysis strives to achieve the research objectives which are:

1. To identify the nature and analyze the content of training administered by MEDP.
2. To assess how MEDP plan and manage their training.
3. To determine the extent to which the micro and small enterprises implement what they learn from the training.
4. To assess the impact of MEDP business management training on the performance of micro and small enterprises in Voi division in Taita/Taveta district.
5. To make recommendations for the MSE trainers in the design of futures training programs and policy makers.

These analysis looks at the Micro Enterprise Development Training project training program, background of the entrepreneurs and training, and impact of training. The study managed to collect data from 32 trained entrepreneurs comprised 8 from food processing, 8 from textile, 3 from metal work, 4 from building, 2 from electrical, 3 from honey processing and four from wood work. Only two from the management team were interviewed. The study collected data from 28 untrained entrepreneurs comprised of 8 from food processing, 4 from textile, 4 from wood work, 2 from building construction, 4 from electrical, 2 from honey processing and 4 from wood work.

4.2 MEDP training program.

This part of the chapter presents a description of the Micro Enterprise Development Project training program to provide a logical background of the study findings. These results were obtained from the two management team interviewed also from the thirty two trained respondents interviewed by the researcher out of the forty entrepreneurs targeted.
4.2.1 Main activities of the project.

The project undertakes the following activities:-

i. Technical skill training for the small and micro business entrepreneurs.

ii. Business development services.

iii. Rural enterprise development.

iv. Access to financial services.

v. Capacity building aimed at organizational development.

These activities are conducted by project officers in the project with the help of government officer in different departments in the district such as livestock officers.

4.2.2 Main beneficiaries of the project.

The main beneficiaries of the project are:-

i. Small and micro business entrepreneurs.

ii. Agri-business farmers.

iii. The youth.

iv. The women groups.

The study focused on the small and micro business entrepreneurs who received training from the project and thus the findings in this part are based on the data collected from small and micro entrepreneurs and MEDP management team as shown on table 1.4 and table 1.5.

4.2.3 Identification of the trainees and training needs.

The project used government department such as the livestock and Applied technology to identify the trainees. Some of the trainees approached the officer through district business officer to request for the training.

Those who approached the office for training gave details of their training needs. It was the responsibility of the district training officer to make a work plan for the training.
The training needs were also identified through service providers within the district by using the local professionals to do the TNA. It was the responsibility of the project to identify a professional in each sub-sector to conduct the training needs analysis.

4.2.4 Nature and content of training.

The training was conducted in selected venues. The project officers, who prepared the training program in advance including the time schedule for the training, training venues and facilitators, did the selection of the venue. Most of the training was conducted outside the business premises except training for upgrading of skills, which was done on limited basis. The training was done based on different sub-sectors. The sub-sectors are the Food processing, Textile, Building construction, Metal work, Honey processing, Electrical and electronics and Wood work.

The project supported training in business management as well as technical skills upgrading.

The business management program includes the following areas.

i. Book keeping (Record keeping
ii. Costing and estimating.
iii. Marketing.
iv. Business planning.
v. Leadership.
vi. Purchasing.

vii. Cost reduction

The technical skill upgrading program includes the following areas:

i. Food processing.
ii. Honey processing.
iii. Wood work.
iv. Textile.
v. Building construction.
vi. Metal work.
vii. Electrical and electronics.
The content of the training was based on the identified needs through the training needs analysis and project officer prepared the training for each group based on the identified needs. This enabled the entrepreneurs to get the right training aimed at improving the performance of their businesses. However it was observed that the training content was properly covered due to short duration of the training leading shallow coverage and ineffective training.

The training duration ranged from three days to four days with a minimum of five days.

4.2. 5 Identification and competence of trainers.

The project obtained the trainers from the district with a few from outside the district. The trainers used were from training institutions such as the Coast Institute of technology and other professionals from different government departments. Those from outside were for specialized areas such bee keeping who were obtained from International Centre of Insect Physiology and Ecology (ICIPE) from Nairobi.

The trainers were selected based on their areas of expertise and therefore were competent in the work. The languages used were English and Swahili as about 41% of the trainees had primary level of Education. The training was conducted in English while the explanations were done in Swahili. This enabled the trainees to understand the content of the training.

4.2.6 Cost of training program.

The cost for the training was covered by the project taking care of the venue, facilities, food and payment of the facilitators while the participants catered for their writing materials. This means that the project had allocated money for the training and the training was offered free for the small and micro enterprises.

According to the Danida project document (1998) the project allocated Ksh 19 million to be used for training for five years since 1999. This gives Ksh 3.8 million per year.
4.2. Evaluation of the training.

The project planned to assess the impact of the training through conducting evaluation and follow-ups. The respondents indicated that there was no evaluation and follow-up done on the trainees to check for implementation of the skills and identify needs of the trainees. This left the entrepreneurs to try on their own to implement what was learnt making it difficult for them and hence poor implementation.

4.3. Background of entrepreneurs.

This part presents the characteristics of the entrepreneurs who have undergone training through MEDP and those who have not had the training. Such characteristics include age, level of education and business experience. There were 40 trained entrepreneurs and thirty-five untrained entrepreneurs targeted but only thirty-two (32) trained and twenty-eight (28) untrained entrepreneurs responded.

4.3.1 Age distribution of the entrepreneurs.

Table 4.1 showing age distribution of entrepreneurs.

<table>
<thead>
<tr>
<th>AGE</th>
<th>TRAINED GROUP</th>
<th>UNTRAINED GROUP</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Frequency</td>
<td>Percentage</td>
</tr>
<tr>
<td>20-30</td>
<td>3</td>
<td>9</td>
</tr>
<tr>
<td>31-40</td>
<td>19</td>
<td>60</td>
</tr>
<tr>
<td>41-50</td>
<td>9</td>
<td>28</td>
</tr>
<tr>
<td>Above 50</td>
<td>1</td>
<td>3</td>
</tr>
<tr>
<td>Total</td>
<td>32</td>
<td>100</td>
</tr>
</tbody>
</table>

The results from the findings on table 4.1 show that only 3% of the trained respondents were above 50 years and 9% between 20 to 30 years with 28% being between the age of 41 to 50 and the age of 31 to 40 year having 60% in the sample. This means that majority of the trained entrepreneurs are between the age of 31 and 40 years.
As for the untrained group the entrepreneurs have the same number in ages between 20 to 30 and 31 to 40 with 32% in each in the sample. The lowest number is in the age above 50 years with the age group 41 to 50 having 29%. There is good balance between the trained and the untrained in that majority of the entrepreneurs are in age group 20 to 40 with trained entrepreneurs having 69% and untrained having 64%. The age group 41 to 50 is almost the same as trained entrepreneurs had 28% while untrained entrepreneurs had 29%.

4.3.2 Education level.

Table 4.2 Education level of entrepreneurs.

<table>
<thead>
<tr>
<th>EDUCATION LEVEL</th>
<th>TRAINED GROUP</th>
<th>UNTRAINED GROUP</th>
</tr>
</thead>
<tbody>
<tr>
<td>Frequency</td>
<td>Percentage</td>
<td>Frequency</td>
</tr>
<tr>
<td>Primary</td>
<td>13</td>
<td>40</td>
</tr>
<tr>
<td>Secondary</td>
<td>7</td>
<td>22</td>
</tr>
<tr>
<td>College</td>
<td>12</td>
<td>38</td>
</tr>
<tr>
<td>University</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Total</td>
<td>32</td>
<td>100</td>
</tr>
</tbody>
</table>

The findings as shown on table 4.2 on educational level indicate that all the respondents had formal education. However the results show that majority of the trained entrepreneurs had only primary with 40%, followed by those with college education with 38% while those with secondary education were only 22% in the sample. There was no trained entrepreneur with university education. This shows that the trainers had to consider the level of education as an important factor when training for the training to be effective as about half were likely to have difficulties in understanding and internalizing the learned skills.

For the untrained group majority of the entrepreneurs had primary education with 54% of the sample. Those with secondary education form 25% which is almost the same as those trained with a lower percent of 21% of entrepreneurs having college education. There was no untrained entrepreneur with university education.
These results are supported by language problem experienced by two (6%) of the trained entrepreneurs during training in English requiring the trainers to use Swahili to explain for better understanding.

4.3.3 Years of business operation.

Table 4.3 Experience of entrepreneurs in business.

<table>
<thead>
<tr>
<th>EXPERIENCE IN YEARS</th>
<th>TRAINED GROUP</th>
<th>UNTRAINED GROUP</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Frequency</td>
<td>Percentage</td>
</tr>
<tr>
<td>2-4</td>
<td>10</td>
<td>31</td>
</tr>
<tr>
<td>5-7</td>
<td>9</td>
<td>28</td>
</tr>
<tr>
<td>8-10</td>
<td>6</td>
<td>19</td>
</tr>
<tr>
<td>Above 10</td>
<td>7</td>
<td>22</td>
</tr>
<tr>
<td>Total</td>
<td>32</td>
<td>100</td>
</tr>
</tbody>
</table>

The results of the findings on table 4.3 show that majority of the trained entrepreneurs had been in operation for two to four years with 31% followed by those in operation for 5 to 7 years having 28% while the lowest number of trained entrepreneurs had been in operation for 8 to 10 years. Those with over 10 years in operation form 22% of the sample.

The results are different for the untrained group who have 39% having in operation for two to four years followed by those with over 10 years experience in their businesses. This shows that the untrained have a high percentage of people with more experience in the businesses.

4.3.4 Relevance of training to the trained group

Table 4.4 Relevance of training.

<table>
<thead>
<tr>
<th>Rating</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Very relevant</td>
<td>3</td>
<td>9</td>
</tr>
<tr>
<td>Relevant</td>
<td>26</td>
<td>81</td>
</tr>
<tr>
<td>Fairly relevant</td>
<td>2</td>
<td>7</td>
</tr>
<tr>
<td>Irrelevant</td>
<td>1</td>
<td>3</td>
</tr>
<tr>
<td>Total</td>
<td>32</td>
<td>100</td>
</tr>
</tbody>
</table>
The results on relevance of training on table 4.4 shows that 9% of the respondents rated the training as very relevant, while 81% rated it as relevant, with 7% rating it as fairly relevant to the business operations and only 3% rated it as irrelevant. This indicates that the training need analysis was done well and the content of the training was as per the needs of the entrepreneurs.

4.3.5 Response of trainees on quality of trainers.

Table 4.5 Quality of trainers

<table>
<thead>
<tr>
<th>Rating</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Excellent</td>
<td>25</td>
<td>78</td>
</tr>
<tr>
<td>Good</td>
<td>3</td>
<td>9</td>
</tr>
<tr>
<td>Average</td>
<td>3</td>
<td>9</td>
</tr>
<tr>
<td>Poor</td>
<td>1</td>
<td>4</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>32</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

The results of the findings on table 4.5 shows that the trainers were very competent in their areas of training as there was high percentage of 78% having excellent rating with only 4% with poor rating. This indicates that the respondents had no problem with the trainers.
4.3.6 Assessment of the training venues by trainees.

Table 4.6 Assessment of the training venues.

<table>
<thead>
<tr>
<th>Rating</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>V. good</td>
<td>1</td>
<td>3</td>
</tr>
<tr>
<td>Good</td>
<td>19</td>
<td>59.2</td>
</tr>
<tr>
<td>Average</td>
<td>11</td>
<td>35.3</td>
</tr>
<tr>
<td>Poor</td>
<td>1</td>
<td>3.1</td>
</tr>
<tr>
<td>Total</td>
<td>32</td>
<td>100</td>
</tr>
</tbody>
</table>

The findings from the study as shown on table 4.6 revealed that 3% of the respondents rated the venues as Very good, 59% as good, 35% as average and only 3% rated the venues as poor. This indicates that majority felt comfortable with the training venues.

4.4. Impact of training.

This part of the chapter presents a description of implementation of the learned skills and the impact analysis of the skills on the performance of the businesses. It shows the use of skills by the entrepreneurs in the seven business sub-sectors which are Food processing, Textile, Wood work, Electrical and electronics, Metal work and Honey processing (Bee keeping). The study observed that out of the 32 respondents only 27 had businesses before the training. The five businesses started after the training were in food processing sub-sector in which the respondents were trained in making of cakes, juice, jam, yoghurt, mala, chutney and even alovera soap processing. This training gave room for creation of the businesses. The rest of the respondents in each of the sub-sectors were operating on a small scale basis with majority of the food processing not taking their businesses seriously as a means of income before the training. All the trained respondents received training in record keeping, marketing, leadership skills, purchasing, and cost reduction. The study used the following indicators to assess the impact of training. These indicators are the use of marketing skills, ability to keep records, response of customers to prices, product and service quality, reduction or increase in costs, morale of employees, employee turnover, changes in monthly sales, profit use.
reduction of waste, new production methods used, potential of growth, proposed areas of training, ability to meet fees and family medication and lastly the business contribution to the welfare of the entrepreneurs.

4.4.1 Use of marketing skills.

Table 4.7 showing use of marketing skills.

<table>
<thead>
<tr>
<th>Rating</th>
<th>TRAINED GROUP</th>
<th>UNTRAINED GROUP</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Before training</td>
<td>After training</td>
</tr>
<tr>
<td></td>
<td>Freq</td>
<td>Percentage</td>
</tr>
<tr>
<td>Very good</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Good</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Average</td>
<td>1</td>
<td>4</td>
</tr>
<tr>
<td>Poor</td>
<td>26</td>
<td>96</td>
</tr>
<tr>
<td>Very poor.</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Total</td>
<td>27</td>
<td>100</td>
</tr>
</tbody>
</table>

The researcher observed use of marketing skill by looking at the use of business name, signboard, posters, display of products, packaging and labeling of the products in both trained and untrained entrepreneurs. It was observed that few entrepreneurs used business name in both trained and untrained group. There poor packaging and labeling in food products such as cakes, jam, chutney, juices and also poor packaging in soap products. There was no labeling of the products in both groups. There was no use of posters by all entrepreneurs as observed by the researcher. The products were poor arranged in almost all the businesses and no signboards used by all the businesses in both trained and untrained entrepreneurs.

The results of the study on table 4.7 show responses from the questionnaires. The results show that trained group had not utilized the marketing skills to improve there business since 63% of the entrepreneurs indicated poor rating in use of the skill after the training from 96% rating before training. This however shows same improvement in use of marketing skills. The same is indicated by the untrained group with majority (81) having poor rating in the use of marketing skills. It shows therefore that there is need to train the untrained entrepreneurs in marketing or make
a follow up to ensure that the skill is used by the trained entrepreneurs. Only 3% of the trained group and 4% of the untrained group used marketing skills.

4.4.2 Ability of the trained and untrained entrepreneurs in using record keeping skills.

Table 4.8 showing the ability of the trained and untrained entrepreneurs in using record keeping skills.

<table>
<thead>
<tr>
<th>Rating</th>
<th>TRAINED GROUP</th>
<th>UNTRAINED GROUP</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Before training</td>
<td>After training</td>
</tr>
<tr>
<td></td>
<td>Freq</td>
<td>Percentage</td>
</tr>
<tr>
<td>Very good</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Good</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Average</td>
<td>1</td>
<td>4</td>
</tr>
<tr>
<td>Poor</td>
<td>26</td>
<td>96</td>
</tr>
<tr>
<td>Very poor.</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Total</td>
<td>27</td>
<td>100</td>
</tr>
</tbody>
</table>

The researcher observed the use record keeping by looking at the available records such as daily transaction records, purchase records, cash in cash out records, sales record and profit and loss account. The researcher observed that most of the entrepreneurs had daily sales in both trained and untrained group. There was poor recording of daily transaction as most of the expenses were not properly recorded were not recorded in both the trained and untrained groups. There was cash book for very entrepreneurs who used small exercise books but the record were not properly recorded to show cash in and out for each day for both trained and untrained group. There was on one untrained entrepreneur with profit and loss account with non from the trained group. The results of the study on table 4.8 show responses of the questionnaires. That results show that majority (94%) of the trained group rated poor indicating that they had not utilized recording skills after training. There is no much difference in record keeping as indicated by the rating of 96% before training and 94% after training. This same results are reflected on the untrained group who have the majority (75%) rating poor in keeping of records.
4.4.3 Customer response to prices.

Table 4.9 showing customer responses to prices.

<table>
<thead>
<tr>
<th>Rating</th>
<th>TRAINED GROUP</th>
<th>UNTRAINED GROUP</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Before training</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Freq</td>
<td>Percentage</td>
</tr>
<tr>
<td>Very good</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Good</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Average</td>
<td>3</td>
<td>11</td>
</tr>
<tr>
<td>High</td>
<td>24</td>
<td>89</td>
</tr>
<tr>
<td>Very high</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Total</td>
<td>27</td>
<td>100</td>
</tr>
</tbody>
</table>

The response of customers on prices on table 4.9 shows that majority (53%) of the customers find the prices of the trained group to be high after training. However, there is an improvement of the trained group since the rating of the customers before training show a high percentage (89%) who rated the prices as high and also those who rated the prices as average increased from 9% to 44%.

It is not the same with the untrained group who show to have better pricing than the trained with 11% rating as good prices, 46% as average and 43% as high.
4.4.4 Quality of service and products.

Table 4.10 showing quality of service and products

<table>
<thead>
<tr>
<th>Rating</th>
<th>TRAINED GROUP</th>
<th>UNTRAINED GROUP</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Before training</td>
<td>After training</td>
</tr>
<tr>
<td></td>
<td>Freq</td>
<td>Percentage</td>
</tr>
<tr>
<td>Very good</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Good</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Average</td>
<td>14</td>
<td>52</td>
</tr>
<tr>
<td>Poor</td>
<td>13</td>
<td>48</td>
</tr>
<tr>
<td>Very poor</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Total</td>
<td>27</td>
<td>100</td>
</tr>
</tbody>
</table>

The results on quality of products and service quality on table 4.10 shows a great improved from 48% poor rating for the trained group to 53% rating as good after training. They also show that the quality of products and service of the trained group is better as the trained have 53% good rating while the untrained have 28% good rating while majority (54%) rating the quality of untrained as average.

4.4.5 Changes in costs in the enterprises.

Table 4.11 showing changes in costs.

<table>
<thead>
<tr>
<th>Rating</th>
<th>TRAINED GROUP</th>
<th>UNTRAINED GROUP</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>After training</td>
<td>Current</td>
</tr>
<tr>
<td>Increased</td>
<td>31</td>
<td>97</td>
</tr>
<tr>
<td>No change</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Reduced</td>
<td>1</td>
<td>3</td>
</tr>
<tr>
<td>Total</td>
<td>32</td>
<td>100</td>
</tr>
</tbody>
</table>
The results on rating for changes in costs on table 4.11 show that there is no much difference for the trained group after training and the untrained group as the majority rated the costs to have increased with ratings of 97% rating for trained group and 87% rating for the untrained group.

4.4.6 Morale of employees in their job in the enterprises.

Table 4.12 showing morale of employees in their job in the enterprises

<table>
<thead>
<tr>
<th>Response</th>
<th>TRAINED GROUP</th>
<th>UNTRAINED GROUP</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Before training</td>
<td>After training</td>
</tr>
<tr>
<td>Freq</td>
<td>Percentage</td>
<td>Freq</td>
</tr>
<tr>
<td>Yes</td>
<td>6</td>
<td>22</td>
</tr>
<tr>
<td>No</td>
<td>14</td>
<td>52</td>
</tr>
<tr>
<td>No employees</td>
<td>7</td>
<td>26</td>
</tr>
<tr>
<td>Total</td>
<td>27</td>
<td>100</td>
</tr>
</tbody>
</table>

The results on moral of employee on table 4.12 shows that the respondents observed an increase in moral of employees after training with only 22% who responded yes for good moral of employees before training and 35% of the respondents observing good moral after training. However 35% is a low percentage for the employee’s moral as the moral of employees is important for better performance of the employees.
4.4.7 Changes in number of employees.

Table 4.13 showing changes in number of employees.

<table>
<thead>
<tr>
<th>Number of employees</th>
<th>TRAINED GROUP</th>
<th>UNTRAINED GROUP</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Before training</td>
<td>After training</td>
</tr>
<tr>
<td></td>
<td>Freq</td>
<td>Perc %</td>
</tr>
<tr>
<td>1-4</td>
<td>16</td>
<td>59</td>
</tr>
<tr>
<td>5-8</td>
<td>3</td>
<td>11</td>
</tr>
<tr>
<td>9-12</td>
<td>1</td>
<td>4</td>
</tr>
<tr>
<td>13-16</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>17-20</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Above 20</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>No employees</td>
<td>7</td>
<td>26</td>
</tr>
<tr>
<td>Total</td>
<td>27</td>
<td>100</td>
</tr>
</tbody>
</table>

The results on change in number of employees on table 4.13 show a slight improvement as the trained group had 59% for those enterprises with 1 to 4 and increased to 58% but reduced to 0% for those with 9 to 12 employees from 3%. The untrained group also had its enterprise falling under the majority (64%) with 1 to 4 employees. This shows that there no much difference in number of employees for those trained and the untrained.

4.4.8 Response to experience of problems with employees in the enterprises.

Table 4.14 showing responses of entrepreneurs with problems with employees.

<table>
<thead>
<tr>
<th>Response</th>
<th>TRAINED GROUP</th>
<th>UNTRAINED GROUP</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Before training</td>
<td>After training</td>
</tr>
<tr>
<td></td>
<td>Freq</td>
<td>Perc %</td>
</tr>
<tr>
<td>Yes</td>
<td>11</td>
<td>41</td>
</tr>
<tr>
<td>No</td>
<td>9</td>
<td>33</td>
</tr>
<tr>
<td>No employees</td>
<td>7</td>
<td>26</td>
</tr>
<tr>
<td>Total</td>
<td>27</td>
<td>100</td>
</tr>
</tbody>
</table>
The trained group results on table 4.14 show that there is a slight improvement in relationship of the entrepreneurs and the employees as the number of enterprise with problems with employees reduced from 34% to 31%. However the reduction is too small to say that the training had much effect. The results are different for the untrained group which had a high percentage (50%) of enterprises without problems with employees.

4.4.9 Employee’s turnover.

Table 4.15 showing employee’s turnover.

<table>
<thead>
<tr>
<th>Response</th>
<th>TRAINED GROUP</th>
<th>UNTRAINED GROUP</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Before training</td>
<td>After training</td>
</tr>
<tr>
<td></td>
<td>Freq</td>
<td>Percg %</td>
</tr>
<tr>
<td>High</td>
<td>4</td>
<td>15</td>
</tr>
<tr>
<td>Moderate</td>
<td>2</td>
<td>7</td>
</tr>
<tr>
<td>Low</td>
<td>14</td>
<td>52</td>
</tr>
<tr>
<td>No employees</td>
<td>7</td>
<td>26</td>
</tr>
<tr>
<td>Total</td>
<td>32</td>
<td>100</td>
</tr>
</tbody>
</table>

The results on employee’s turnover on table 4.15 show that the trained group had 52% low rating on employees turnover before training and 50% low rating after training. This indicates that the turnover did not reduce after the training. The untrained group shows a slight reduction of employee turnover from rating of 54% low turnover to 58% low turnover rating.
4.4. 10 Changes in monthly sales revenue.

Table 4.16 showing changes in monthly sales revenue

<table>
<thead>
<tr>
<th>Amount (Ksh)</th>
<th>TRAINED GROUP</th>
<th>UNTRAINED GROUP</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Before training</td>
<td>After training</td>
</tr>
<tr>
<td></td>
<td>Freq</td>
<td>Percg %</td>
</tr>
<tr>
<td>Below 10,000</td>
<td>13</td>
<td>48</td>
</tr>
<tr>
<td>10,000-20,000</td>
<td>7</td>
<td>25</td>
</tr>
<tr>
<td>20,000-30,000</td>
<td>4</td>
<td>15</td>
</tr>
<tr>
<td>30,000-40,000</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>40,000-50,000</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>50,000-60,000</td>
<td>1</td>
<td>4</td>
</tr>
<tr>
<td>60,000-70,000</td>
<td>1</td>
<td>4</td>
</tr>
<tr>
<td>Above 70,000</td>
<td>1</td>
<td>4</td>
</tr>
<tr>
<td>Total</td>
<td>27</td>
<td>100</td>
</tr>
</tbody>
</table>

The results on changes in monthly sales for the trained group on table 4.16 show that majority (48%) of the entrepreneurs had monthly sales below Ksh. 10,000 with 25% of the enterprises with Ksh 20,000 to Ksh 30,000. Almost similar rating is observed after training meaning that there was no improvement in performance of the businesses. The same is observed for the untrained group which had 32% of the enterprises having monthly sales below Ksh 10,000. However the untrained group had improvement on those enterprises with monthly sales of Ksh 40,000 to Ksh 50,000 from 0% to 14%.

4.4.11 Increase in assets.

The trained entrepreneurs had only 10 entrepreneurs (31%) who showed increase in assets in terms of machines and other facilities while the rest (69%) had no increase in assets. This shows that majority of the entrepreneurs did not perform well enough to earn money as indicated on change in monthly sales in which majority (41%) have monthly sales below Ksh 10,000 after the training. This reduced their financial power to buy business assets.
The same is reflected on the results of the untrained group which had 7 entrepreneurs (25%) who had added assets to their businesses and this is also supported by their current change of monthly sales which has majority of the entrepreneurs (32%) having monthly sales below Ksh 10,000.

Due to lack of proper facilities the business in both trained and untrained group could not be able to improve their production methods. This was observed to have resulted from lack of capital to buy the technology needed to improve their production and quality of their products which were of low quality.

4.4.12. Profit use.

Table 4.17 showing profit use by the entrepreneurs

<table>
<thead>
<tr>
<th>PROFIT USE</th>
<th>TRAINED GROUP</th>
<th>UNTRAINED GROUP</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Frequency</td>
<td>Percentage</td>
</tr>
<tr>
<td>Saving</td>
<td>3</td>
<td>9</td>
</tr>
<tr>
<td>Reinvested in business</td>
<td>17</td>
<td>53</td>
</tr>
<tr>
<td>Started another business</td>
<td>5</td>
<td>16</td>
</tr>
<tr>
<td>Buy assets</td>
<td>10</td>
<td>31</td>
</tr>
<tr>
<td>Non business activities</td>
<td>18</td>
<td>56</td>
</tr>
<tr>
<td>Purchase of land</td>
<td>3</td>
<td>9</td>
</tr>
</tbody>
</table>

The results of the findings on use of the profit on table 4.17 show that the trained group had use the profit mainly on reinvestment (53%) and non business activities (56%) with only 31% used for buying of assets. The results indicate that more money is out for other activities other than business activities and this may have had negative impact on the performance of the businesses.
The results on the untrained group show that the same thing happens as majority of the enterprises used the money for reinvesting (61%) in to the business and for non business activities (64%). The negative effect of using the money for non business activities may also have interfered with the growth of the enterprises.

4.4.13. Reduction in waste.

Table 4.18 showing reduction in waste.

<table>
<thead>
<tr>
<th>PROFIT USE</th>
<th>TRAINED GROUP</th>
<th>UNTRAINED GROUP</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Frequency</td>
<td>Percentage</td>
</tr>
<tr>
<td>Yes</td>
<td>12</td>
<td>38</td>
</tr>
<tr>
<td>No</td>
<td>20</td>
<td>62</td>
</tr>
<tr>
<td>Total</td>
<td>32</td>
<td>100</td>
</tr>
</tbody>
</table>

The results on reduction of waste (table 4.18) show that the trained group had a high number (62%) of the enterprises which had not experienced any reduction of wastage. This indicates that many of the enterprises lost some money as waste increased. The untrained group that about half (54%) of the enterprises experienced some reduction in waste which is a positive indication in reduction of costs. However this also a high percentage for the group and need some strategies to reduce the number of those that did not experience reduction in waste.


Table 4.19 showing potential of growth of the businesses

<table>
<thead>
<tr>
<th>PROFIT USE</th>
<th>TRAINED GROUP</th>
<th>UNTRAINED GROUP</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Frequency</td>
<td>Percentage</td>
</tr>
<tr>
<td>Yes</td>
<td>31</td>
<td>97</td>
</tr>
<tr>
<td>No</td>
<td>1</td>
<td>3</td>
</tr>
<tr>
<td>Total</td>
<td>32</td>
<td>100</td>
</tr>
</tbody>
</table>

The results on growth experience (table 4.19) show that the trained group had 97% of the enterprises had potential for growth. However this indication is supported by
the slight growth as shown on the result on changes monthly sales which show that there was no much change in monthly sale of the trained group except in the rating of Ksh 30,000 to Ksh 40,000 which indicated increase in number of enterprises from 0% to 6%. It also indicates that with proper needs analysis the enterprises can be made to improve on their performance.

As for the untrained group the results show that a good number (86%) had potential of growth as there was an improvement on the high monthly sales of Ksh 30,000 to Ksh 40,000 which improved from 7% of the entrepreneurs to 14% and also Ksh 60,000 to Ksh 70,000 which improved from 0% to 7% of the entrepreneurs. This indicates that the businesses can grow with proper assessment and assistance such as training.

4.4.15. New businesses started.

The results show that the trained group had only 4 entrepreneurs(13%) started new businesses in computer services when in food processing, making of soap and shampoo when in food processing, grocery when in wood work and grocery when in textile business. The untrained group results show that only two entrepreneurs (7%) started new businesses in bicycle repair when in metal work and a small retail shop when in textile business.

This shows that the trained group has very little improvement however the businesses show a better performance in opening new businesses compared to the untrained group.
4.4.16. Proposed areas of training.

The entrepreneurs proposed the following areas for training.

Table 4.20 showing proposed areas of training.

<table>
<thead>
<tr>
<th>PROPOSED AREA FOR TRAINING.</th>
<th>TRAINED GROUP</th>
<th>UNTRAINED GROUP</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Quantity survey</td>
<td>2 6</td>
<td>0 0</td>
</tr>
<tr>
<td>2. Embroidery and design</td>
<td>3 9</td>
<td>2 7</td>
</tr>
<tr>
<td>3. Bee keeping management</td>
<td>1 3</td>
<td>2 4</td>
</tr>
<tr>
<td>4. Soap processing</td>
<td>1 3</td>
<td>2 7</td>
</tr>
<tr>
<td>5. Marketing</td>
<td>22 68</td>
<td>23 82</td>
</tr>
<tr>
<td>6. Record keeping</td>
<td>25 78</td>
<td>25 89</td>
</tr>
<tr>
<td>7. Tie and die</td>
<td>1 2</td>
<td>1 4</td>
</tr>
<tr>
<td>8. Proposal writing</td>
<td>5 16</td>
<td>2 7</td>
</tr>
<tr>
<td>9. Leadership</td>
<td>4 13</td>
<td>0 0</td>
</tr>
<tr>
<td>10. Costing and estimating</td>
<td>6 19</td>
<td>2 7</td>
</tr>
<tr>
<td>11. Quality control</td>
<td>5 16</td>
<td>2 7</td>
</tr>
<tr>
<td>12. Finishing</td>
<td>2 6</td>
<td>1 4</td>
</tr>
<tr>
<td>13. Employee management</td>
<td>6 19</td>
<td>3 11</td>
</tr>
<tr>
<td>14. Farm produce processing</td>
<td>1 2</td>
<td>0 0</td>
</tr>
<tr>
<td>15. Wood curving</td>
<td>2 6</td>
<td>0 0</td>
</tr>
<tr>
<td>16. Computer maintenance</td>
<td>1 2</td>
<td>0 0</td>
</tr>
<tr>
<td>17. Mobile repair</td>
<td>1 2</td>
<td>0 0</td>
</tr>
<tr>
<td>18. Making posho mills</td>
<td>1 2</td>
<td>0 0</td>
</tr>
<tr>
<td>19. Making biscuits and sweets</td>
<td>3 9</td>
<td>1 4</td>
</tr>
<tr>
<td>20. Business plan</td>
<td>3 9</td>
<td>2 7</td>
</tr>
<tr>
<td>21. Juice and jam making</td>
<td>2 6</td>
<td>2 7</td>
</tr>
</tbody>
</table>

The results on training (table 4.20) areas proposed show that the trained entrepreneurs need a high percentage of the same areas trained with record keeping (25%) and marketing (22%) skills having higher rating. The same areas of training were proposed by the untrained group with 25% for record keeping and 23% for ...
marketing skills. This implies that the training was not effective and the trained entrepreneurs still needs the training. The untrained group did not show the need for training in seven areas as shown on table 4.20.

4.4.17. Significance of the businesses to the entrepreneurs.

The trained group results show that 22 trained entrepreneurs (69%) indicated to be able to meet basic needs such as feeding and their medication expenses and fees for their children. These entrepreneurs (69%) indicated very little improvement of their welfare from the businesses. There were only three trained entrepreneurs who managed to build their own houses.

The untrained group had 23 entrepreneurs (82%) indicating to be able to meet their basic needs such as feeding and 25 of the entrepreneurs (89%) indicated that there was little improvement of their welfare from the businesses. Only one of the untrained entrepreneurs managed to build a house. It shows that there little difference in the two groups in terms of improved standard of life of the entrepreneurs.
CHAPTER FIVE

5.0 SUMMARY OF FINDINGS, DISCUSSION, CONCLUSION AND RECOMMENDATIONS.

5.1 Introduction.

The purpose of this study was to evaluate the impact of training of Micro Enterprise Development Project (MEDP) training on the performance of MSEs in Taita/taveta district. The study is of great importance to training provider in understanding many aspects of training and improvement of training to make it more effective in improving the design and implementation of training program.

For policy makers the results are important in coming up with policies, which support training of MSEs with a view to, improve the businesses performance and the economy of the nation.

The findings were intended to help the government ministries and government agencies in formulating policies aimed at enhancing MSEs training in the country.

The findings are also intended to prove useful information to the entrepreneurs to see the importance of training on the performance of their businesses.

5.2 Summary of findings.

The study observed that the main activities of Micro Enterprise Development Project (MEDP) was to give technical training skills, business development services, development of rural enterprises, provision of financial services and capacity.

The project target farmers, small and micro enterprise, youth and women groups as beneficiaries.

The project used local professionals to train with a few from outside the district. Professionals within the district conducted the TNA.

The training was based on the TNA results however the content was not well covered due to short duration of training allocated. The duration was three to four days with a minimum of five days.

The training was offered free for the participants. The program planned for evaluation and follow-ups.
The entrepreneurs had the highest age distribution of 31-40 with 60% for trained and 32% for untrained group. However the untrained ground has an equal 32% for untrained group. However the untrained ground has equal 32% for those with age group between 20 and 30 years.

The two groups (trained and untrained) showed a high percentage 40% trained and 54% untrained having primary education level for the entrepreneurs with trained entrepreneurs having 38% college graduates.

Majority of the entrepreneurs had 2-4 years of business experience with trained group having 31% and untrained group with 39% of this experience. However the trained group had 28% of the entrepreneurs having between 5-7 years experience as untrained had 14% of the 5-7 years experience.

The trained entrepreneur showed high rating for relevant of training with 81% rating.

The trainers were highly rated (78%) as being excellent in their training. The training venues were observed by the entrepreneurs to be good with of 59% rated as good venues.

As for the use of marketing and record keeping skills the entrepreneurs showed poor for both before (96%) and after (63%) training for trained group and 75% poor for use of record keeping skills.

The prices of trained group were still observed to be high (53%) after training from 89% rating before training while the untrained group rated 46% average and 43% high.

The quality of products and services of trained entrepreneurs improved after training as 55% were rated to be good from 0% good rating with 54% average rating after training.

The findings showed a high rating of 97% of increase on costs for trained group while untrained group showed 89% rating of enterprises with increased costs. The morale of employees was observed to have improved after training from 22% to 35% for trained group while untrained group showed 57% response to employees having good morale for their job.

As for changes on number of employees there was no much changes before and after the training as the trained group had 59% before and 58% after training for 1-4 employees while untrained group had same 64% for both previous and current rating for 1-4 employees.
The entrepreneurs also experienced reduced employee problems with trained group having 33% before and 38% after training for enterprises without problems while untrained group had 39% for enterprise without previous employee problems and 50% without employee problems currently.

There is slight change in employee turnover before and after training with 50% low rating after and 52% rating before training for trained group and only slight change for untrained which had rating of 54% to 58% low rating for previous and current ratings.

The results showed a high percentage of entrepreneurs with changes in monthly sales of Ksh10,000 to Ksh 20,000 with trained group having 48% before training and 41% after training while untrained group and had 25% previous and 32% current entrepreneurs with the sales.

The findings show that only 31% of trained entrepreneurs had increase in assets while only 25% of the untrained had increase in assets.

The profit was mainly used for reinvestment and non-businesses activities with trained group having 53% for those who reinvested the money and 56% for those who used the money for non-business activities. The same applied to untrained group who had 61% of the entrepreneurs reinvesting the money into the money for non-business activities.

As for reduction of wastage the trained group showed no reduction of wastage indicating 62% for those who did not experienced reduction while 54% of the untrained group indicated reduction of waste.

The enterprises showed a high potential for growth with trained group having 97% potential and untrained group having 86% potential.

Only 4 trained entrepreneurs (13%) and 2 untrained entrepreneurs (7%) started new business.

Most of the areas trained were proposed for training with marketing having 68% for trained group and 82% for untrained group. Record keeping had 78% for trained group and 89% for untrained group.
5.3 Discussion.

The project activity was to give support to Agri-Business formers small and micro enterprises, youth and women groups as the beneficiaries.

The study being focused on training of micro and small enterprises in Taita/Taveta district observed that the project used competent trainers. This gave a good opportunity for the project to give good and quality training to the MSEs for improvement of the trainees skills and improvement of their businesses. 78% of the trainees rated the trainers as competent it was observed that the project used the service providers to undertake a training needs assessment which proved to have benefited the trained MSEs as 81% of the trainers rated the content as relevant to their business operations, his shows the skills were relevant as for as improvement of the businesses is concerned and the trainees appreciated the learned skills, However the duration of the training was the hindrance to attainment of the skills as the duration was short being 3 to 4 day with a maximum of five days. This to me was not enough to cover the content properly and give the trainees time to internalize the content even understand what was taught. This was a crucial factor which was overlooked and proved to have a negative impact on the knowledge of the project to impart knowledge. This contributed to the poor coverage of the content lack of understanding and even poor implementation of the learned skills by the entrepreneurs.

The project planned for evaluation and follow up of the training to see the implementation. This was not properly done and resulted to lack of support for the trained group and hence no encouragement to entrepreneurs to implement the skills. It was very important for evaluation and follow-ups to be done as this gives the management of the project an opportunity to identify problems encountered by the participants and develop strategies on how to counter the problems and make the training more beneficial to the entrepreneurs and ultimately to the development of the business.
The training had a good number (60%) of age group between 31-40 which shows that majority were mature adults. This was a good group to train as the trainees knew what they needed and were likely to concentrate and achieve what was required of them. The untrained group on the other and seem to have different age distribution with a high percentage (32%) having 20 to 30 years while the trained group has only 9% for this age group distribution. The untrained group had 32% of age distribution between 31 to 40 years while trained group had 60% for the same age group. The two groups had almost the same percentage for age between 41 and 50 years. The trained group had a good number of experience with 31% having 2-4 years experience and 28% having 5-7 years experience as compared to the untrained group which had majority (39%) having 2-4 with only 14% having 5-7 years experience. However the trained group had few (22%) with over 10 years compare with untrained group who had (36%) with over 10 years experience. The age distribution for trained group was fairly distributed compared with that of untrained group.

The training venues had good responses indicating that the trainees were impressed by the venue having rated (59%) them as good. This shows that there was good selection of the training venues.

The pricing of products was observed be poor having majority (53%) of the responses after training showing high price rating from the customer responses. This shows that the training on marketing & costing and estimating was not properly utilized by the entrepreneurs. However the views expressed by the respondents was that, the materials used to manufacture the products was high leading to high pricing of the products. This reflects poor sourcing of the raw materials and poor pricing of the products which may have a negative effect on the sales and hence poor performance of the businesses. 44% of the business indicated overage price response from the customers from previous 11% response. However their has been an improvement in pricing due to the fact that those customers who rated the prices as high reduced from 89% to 53% and those who rated the process as average increased from 11% to 44%. Comparing the price responses of trained with those untrained show that there is need for improvement for the trained group as still their prices are rated high (53%) compared to (43%) for untrained group. This indicates
poor performance of the training. The study shows that there has been poor record keeping (94%) and marketing (63%) offer training indicating that there was little or no effect on implementation of these skills. This gives an indication of poor training impact on the performance of the business owners and hence poor performance of the businesses.

Some results on marketing and record keeping was reflected on the control group which had poor rating for marketing (81%) and record keeping (75%). This shows that there was no much difference between the trained group and the untrained group as far as implementation of these two skills is concerned.

The quality of the trained group had improved from 53% rating as good from 0% rating as good quality compared to untrained group which had only 28% of untrained entrepreneurs rating their products as being of good quality.

The morale of employees increased as their results show that only 22% indicated good morale before training and 35% indicated good morale offer trained. There is need to improve as untrained had 51%. However good morale there was no improvement in increase in number of employees as there was 59% before training for businesses with 1-4 employees to 58% for the same group of number of employees.

The businesses experienced reduction in enterprises having problems with employees as 41% had problems with employees before training and 31% of the same business still had problems with employees. There was no much change in terms of employee turnover as the rating was 18% high turnover before 13% high turnover and offer training. This results on employees indicate lack of very slow growth of the enterprises and no improvement in leadership. The results also show slight change in monthly sales as the trained group had reduce the number of enterprises having below 10,000 from 48% to 41% and increase those with monthly sales of 10,000 to Kshs 210,00 from 25% to 28%. This shows a potential for growth in the enterprises and also that the training had little effect on growth on ales.
A high number (69%) of the trained entrepreneurs had no increase in assets indicating lack of growth of these enterprises. This reflects low income to enable the purchases of business and also poor profit use as indicated by the percentage of 56% who used the income for non business activities. This shows that a high priority is given to spending on things not related to business activities which denies the businesses a chance to grow. However 53% of the money was reinvested in the business. The same results are reflected on untrained group with reinvestment 61% and non business 64%. The results records a low reduction of waste, indicating high costs incurred on production. 97% of the trained entrepreneurs indicated growth potential meaning that with proper assistance the businesses can grow. This was the same with untrained group which had 86% of the entrepreneurs indicating growth potential. It was observed that only 13% of the trained entrepreneurs started new business. This shows slow growth of the MSEs. The untrained group had even a low rate of 7% for those who started new businesses.

The trained group proposed the same areas of training with marketing having 68% and record keeping 78%. This shows that the entrepreneurs still feel the need for training and also that there was little effect in importing the skills to the entrepreneurs looking at how the entrepreneurs improved in their standard of living and general welfare from income generated from their businesses, it was observed that there was little impact on the lives of the entrepreneurs 69% of the trained entrepreneurs were only able to meet their basic needs with only three (9%) of these entrepreneurs managing to build their own houses. The untrained group indicated 873% of those only able to meet the basic needs with only one able to build a house. This shows little improvement in standard of life for group.
5.4 Conclusion.

The results show lack of implementation of the skills indicating poor impact of the training on performance of the enterprises. The training needs to improve on its duration as this was observed to have negative impact on the training. There seems to be little differences between the performance of the trained group and the untrained group meaning that the training had very little impact on the performance of the entrepreneurs and their businesses.

5.5 Recommendations

The findings of the study have far-reaching implications to the training providers in training of MSEs. The following are the recommendations.

1. There is need for further training of the entrepreneurs and adequate duration of the training should be provided.
2. There should be proper evaluation and follow up of the implementation of the skills by the trained entrepreneurs.
3. There is need for financial support to the entrepreneurs to enable them purchase the necessary machines and equipment to be used along with the trained skills.
4. There is need for proper training needs analysis and strictness in preparing the training content based on the identified needs as in consideration of the level of education.
5. The government and other organizations supporting training of the MSEs should develop strategies of supporting the enterprises in marketing of the products.
6. The supporting organizations should have plans for tours for the trainees to see development from role models in different locations.
7. The supporting organizations should develop special training in agriculture and livestock since the Taita/taveta district has a large portion of its land being dry land.
8. The training should be designed in a way that the content is well understood and be easy to implement especially considering level of education and language to be used by trainers.
5.6 Suggestions for further research.

1. Research should be carried out to establish the effect of financial support by MEDP to MSEs in Taita/taveta district.

2. Research should be carried out to establish the effect of quality of training on the performance of MSEs.
REFERENCES


Lyn (2002) *Journal of educational and training Vol 54 No. 4*. 2002


APPENDICES

APPENDIX I: INTERVIEW GUIDE FOR MEDP MANAGEMENT TEAM

Introduction.
Dear sir/madam

I kindly request you to provide me with the following information to enable assess the impact of business training on the performance of entrepreneurs (Jua kali association members and members of the women groups) trained by MEDP in Taita/Taveta district.

It is hoped that this study will be of help in encouraging more small business operators to get trained and also other training providers to engage more in training programmes to improve on the business performances.

As one of the project officers involved in coordination of the training programmes, you have been selected to participate in this study by completing the following questionnaire as accurately as possible. I undertake to keep all the information received from you as confidential.

QUESTIONS.

A. MEDP BACKGROUND

1. Name: ____________________________ Designation ____________________________

2. Place of work ____________________________

3. Experience ____________________________ yrs

4. When was the MEDP training started? ____________________________

5. What was the intention of the project?

6. Which were the main activities of the project?

7. Who are the main beneficiaries of the project?

8. How many sub-sectors are service in training?
9. How many participants are there in each sub-sector?

10. Where are the participants located?

11. Who funds the projects?

12. Were the finances enough for the training?

13. Were the facilities enough for training?

B. TRAINING PROGRAM

14. How was the selection of the training participants done? Give the criteria for selection?

15. How were the participants informed about the training?

16. How was identification of areas of training done?

17. What type of training was provided?
   1. Internal (on-the-job) { }
   2. External (outside the job) { }

18. What can you say about the training resources?

19. How were the trainers recruited? Give the criteria for their selection.

20. What was the duration of the trainings? Was it enough?

21. How was assessment of the trainings done?

22. Were the identified training needs covered by the training?
23. Where were the trainers recruited from?

24. What could be the cost of training since the training started in 1999?

25. Is the project able to meet the costs of training?

26. Did you evaluate the training input such as use of finances and training itself? If yes how. If No give reasons.

27. What can you comment about the outcome of the training?
APPENDIX II.

QUESTIONNAIRE FOR THE PARTICIPANTS (ENTREPRENEUERS)

A. PERSONAL DATA

1. Name: - ____________________
2. Age: - _________________
3. Which type of business are you engaged in? For how long have you been in the business? __________________________________________
4. For how long have you been in the business? _____________________________
5. What is your highest level of education?
   Primary { } Secondary { } College { } University { }
6. Have you had any training?
   Yes { } No. { }
   If yes specify the areas and type of training and period of training.
7. Which other areas of training do you require? _____________________________
8. Did you have any problems with the language used during training? __________
9. How did you come to know about the training? _____________________________
10. How were you selected to participate in the training? ______________________
11. Do you pay for the training? No { } Yes { } If yes how much _______________
12. Was the training content satisfactory? Yes { } No. { }
   Give reasons for your answer. ____________________________________________
13. What can you comment on the trainers? _________________________________
14. What can you comment about the training materials? ______________________
15. How was the training venue?
   1. Very poor { } 2. Poor { } 3. Average { } 4. Good { } 5. Very good. { }
16. Where was the training venue? _________________________________________
B. PERFORMANCE OF FIRMS

17. Have you experienced any growth after training?
   Yes {}  No. {}
If yes, complete the table below.

<table>
<thead>
<tr>
<th>ITEM</th>
<th>Year before training</th>
<th>Year of training</th>
<th>Years after training</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Sales volume</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. Increase in assets</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(specify which ones)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. Expenses</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4. Profit</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5. Employment</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6. New product lines</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>7. New businesses</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>8. Other {specify}</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

If no, how was your performance before training?

18 How do customers view your prices before training and after training?
   1 very good {}  2. Good {}  3. Average {}  4. High {}  5. Very high {}

19. What has contributed to the growth?
    State the major reasons below. ____________________________________________

20. How is the trend in costs before training and after training?
    1. Increased {}  No change {}  Reduced {}

21. What is the response of customers on your products and services after the training?
22. What have you done with the profit from the enterprise for the last two years?

Tick the items which correspond to the profit use

a) Purchased assets

b) Used for non-business activities

c) Reinvested into the business.

d) Saved.

e) Used for daily expenses of the business.

f) Purchased land.

g) Started another business.

h) Other (specify)

Indicate the level of performance the business achieved after the training using the following levels.


23. Average profit before training and after training? ____________________________

24. What has been your ability to attract and maintain employees before training and after training?

25. What has been your ability to keep records before training and after training?

1. Very poor { } 2. Poor { } 3. Average { } 4. Good { } 5. Very good. { }

26. What has been your ability to come up with good methods of advertising before training and after training?

1. Very poor { } 2. Poor { } 3. Average { } 4. Good { } 5. Very good. { }

27. What has been the customer response on quality of product and service before training and after training?

1. Very poor { } 2. Poor { } 3. Average { } 4. Good { } 5. Very good. { }

28. What has been the quality of products before training and after training?

1. Very poor { } 2. Poor { } 3. Average { } 4. Good { } 5. Very good. { }

29. Has there been a reduction of wastes after training? Yes { } No { }

30. What has been the employees turnover before training and after training?


31. Have you had any problems with employees before training and after training.

Yes { } No { }
32. What has been the service to customers before training and after training.
   1. Very poor { } 2. Poor { } 3. Average { } 4. Good { } 5. Very good { }
33. Has there been some satisfaction and morale of employees after training.
   Yes { } No { }
34. Is there potential for growth in sales after training.
   Yes { } No { }
35. Has there been any development of new or improved production methods after
   training.
36. Do you need more training? No { } Yes { } If yes which areas?
37. Are you able to meet children’s fees and medication? ______________________
38. Has the business helped to improve your welfare? If Yes how?
# APPENDIX III: TIME LINE AND BUDGET

## TIME LINE

<table>
<thead>
<tr>
<th>ACTIVITY</th>
<th>TIME IN MONTHS</th>
<th>FROM - TO</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project writing</td>
<td>3</td>
<td>1&lt;sup&gt;st&lt;/sup&gt; Jan to 31&lt;sup&gt;st&lt;/sup&gt; March 2005</td>
</tr>
<tr>
<td>Department defense and corrections</td>
<td>½</td>
<td>1&lt;sup&gt;st&lt;/sup&gt; April to 15&lt;sup&gt;th&lt;/sup&gt; April 2005</td>
</tr>
<tr>
<td>Faculty defense and corrections</td>
<td>1</td>
<td>16&lt;sup&gt;th&lt;/sup&gt; April to 16&lt;sup&gt;th&lt;/sup&gt; May</td>
</tr>
<tr>
<td>Fieldwork</td>
<td>1</td>
<td>17&lt;sup&gt;th&lt;/sup&gt; May to 17&lt;sup&gt;th&lt;/sup&gt; June</td>
</tr>
<tr>
<td>Data Analysis</td>
<td>1</td>
<td>18&lt;sup&gt;th&lt;/sup&gt; June to 18&lt;sup&gt;th&lt;/sup&gt; July</td>
</tr>
<tr>
<td>Report writing and submission</td>
<td>1</td>
<td>19&lt;sup&gt;th&lt;/sup&gt; July to 19&lt;sup&gt;th&lt;/sup&gt; August</td>
</tr>
</tbody>
</table>
### APPENDIX IV

#### BUDGET

<table>
<thead>
<tr>
<th>ITEM</th>
<th>DETAILS</th>
<th>AMOUNT (Ksh)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1. Project. writing</strong></td>
<td>- Internet browsing @ 1/- per min for 36hrs&lt;br&gt;- Typing 60 pages @ 30/-&lt;br&gt;- Traveling to NRB 6trip @ 1000/-&lt;br&gt;- Traveling to Wundanyi 4trips @ 120/-&lt;br&gt;- Photocopy 10 copies @ 3/-&lt;br&gt;- Telephones&lt;br&gt;- Stationery&lt;br&gt;- Subsistence @ 200/- per day for 10 days&lt;br&gt;- Contingencies</td>
<td>2,160&lt;br&gt;1,800&lt;br&gt;6,000&lt;br&gt;480&lt;br&gt;1,800&lt;br&gt;600&lt;br&gt;1,000&lt;br&gt;2,000&lt;br&gt;1,604</td>
</tr>
<tr>
<td><strong>2. Pilot study</strong></td>
<td>- Typing services 7 pages @ 30/- a page (instruments).&lt;br&gt;- Photocopy @ 3/- for 70 pages.&lt;br&gt;- Subsistence @ 200/- for 5days.&lt;br&gt;- Data analysis and report writing.&lt;br&gt;- contingencies</td>
<td>210&lt;br&gt;210&lt;br&gt;1,000&lt;br&gt;600&lt;br&gt;202</td>
</tr>
<tr>
<td><strong>3. Data collection</strong></td>
<td>- Preparation of instruments&lt;br&gt;- Subsistence for researcher and two research assistants for 12days @ 300/- per day per person.&lt;br&gt;- Traveling for 3 people for 2days @ 700/- per day per person, 3days @ 240/- per day per person, 3days @ 140/- per day per person&lt;br&gt;- Telephone&lt;br&gt;- Contingencies</td>
<td>210&lt;br&gt;10,800&lt;br&gt;7,620&lt;br&gt;600&lt;br&gt;1,923</td>
</tr>
<tr>
<td><strong>4. Data analysis and report writing</strong></td>
<td>- Typing services 150 pages @ 30/- per page.&lt;br&gt;- Computer use @ 60/- per hour for 24hrs.&lt;br&gt;- Photocopying 6 copies @ 3/- per page for 900 pages.&lt;br&gt;- Binding @ 80/- for 6 copies.&lt;br&gt;- Contingencies</td>
<td>4,500&lt;br&gt;1,440&lt;br&gt;2,700&lt;br&gt;480&lt;br&gt;912</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td></td>
<td><strong>51,051</strong></td>
</tr>
</tbody>
</table>
APPENDIX V: MAP OF TAITA/TAVETA DISTRICT

TAITA-TAVETA DISTRICT
ADMINISTRATIVE BOUNDARIES

KEY
1. Werunga
2. Wundanyi
3. Mbaile

LEGEND
- District Boundary
- Division Boundary
- Location Boundary
■ Urban Centres
△ Rural Centres
VOI Division Name
CHALA Location Name

0 5 10 15 20 25 30KM