

**PROJECT MANAGEMENT CONSIDERATIONS AND PERFORMANCE OF
SMALL AND MEDIUM-SIZED ENTERPRISES IN NAIROBI CITY COUNTY,
KENYA**

ASIEMA ANDESIA DOROTHY

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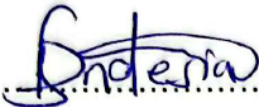
**A RESEARCH PROJECT SUBMITTED TO THE SCHOOL OF BUSINESS,
ECONOMICS AND TOURISM IN PARTIAL FULFILMENT OF THE
REQUIREMENTS FOR THE AWARD OF DEGREE OF MASTERS OF
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UNIVERSITY**

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DECLARATION


This research project is my original work and it has never been presented to Kenyatta University or any other institution of higher learning for an academic award.

Signed  Date 24/11/2022

DOROTHY ANDESIA ASIEMA

D53/CTY/PT/23360/2011

I hereby confirm that this research project was undertaken by the candidate under my supervision.

Signed  Date 25/11/2022

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ABSTRACT

The Small and Medium-Sized enterprises (SMEs) play an integral role in fostering welfare growth and development of economies globally. In Kenya, SMEs constitute about 98 percent of all businesses, create about 30 percent of all jobs annually, and contribute about 3 percent of the Gross Domestic Product (GDP). Despite this vital role, SMEs performance is still below the optimum levels as it is constantly curtailed by notable challenges such as credit access constraints, stiff competition from larger firms, regulatory burdens, and more importantly project management challenges. The later proves substantial to SMEs in the wake of internal operational constraints that negatively impact on their productivity. The study, therefore, sought to evaluate the influence of project management considerations on SMEs performance in Nairobi City County, Kenya. More specifically, the study evaluated the influence of project planning, due diligence, and risk management on SMEs performance. A purposive sampling approach was employed to collect data from 30 SME firms using a questionnaire. The targeted population was SMEs who have had projects financed by the Industrial and Commercial Development Corporation (ICDC). The data was analyzed using both descriptive statistics and the probit model regression analysis guided by the stakeholder, control, and complexity theories of project management. The findings revealed that the degree of impact of a given project management consideration variable on SMEs performance varied depending on the expected output measure. Risk measurement was found to be paramount and significant when we considered increased market share as the SMEs output performance indicator. In considering the prospects of an SME firm launching a new product in the market, utmost attention need to be accorded to conducting a proper budget analysis and staff training as they significantly increased SMEs performance. Concerning increased product diversity and increased customer base performance measures, proper risk identification and resource coordination frameworks were found to be the significant drivers of firm performance. The study, therefore, recommended the government of Kenya to expand on various funding sources for SMEs. This will not only enable the sustainability of the SMEs in the long run but also increase their profit potential. Besides, there is need by SMEs to conduct regular and continuous proper risk measurement and identification frameworks prior to the project implementation process since risks are part and parcel of any business prospect. Further, SME firms need to provide training programs to their employees to enhance their skills, knowledge and technical know-how in the project management process in order to increase their productivity.