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Factors Influencing the Performance of *Jua Kali* Metallic Artisan's Businesses at Kamukunji Enterprise Cluster in Nairobi County, Kenya

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KeyWords

Fabricators: formal sector: Informal sector: *Jua kali*: Metallic products: Artisans

ABSTRACT

The purpose of this study was to establish the factors influencing the performance of *jua kali* artisans' businesses at Kamukunji enterprise cluster in Nairobi County, Kenya. The research employed descriptive research design. The target population of the study was 4,500 registered *jua kali* metallic artisans operating at Kamukunji enterprise cluster. The researcher used a sample size of 184 respondents. 181 questionnaires were administered randomly to selected metallic artisans and Interview schedules were administered to 3 purposively sampled officials from; Kamukunji Informal Association (KIA), Kenya National Federation of *Jua Kali* Association (KNFJKA), and Nairobi County ministry of trade official. Global Positioning System (GPS) was used to identify the spatial distribution of the sampled respondents. The questionnaires were structured to collect both qualitative data and quantitative data which were coded quantitatively and analyzed using SPSS Version 21.0. The descriptive data analysis was used to generate percentages, frequencies and measures of central tendency. Multiple Regression Analysis was also used to determine the degree of relationship among the variables. Further, Analysis of variance (ANOVA) was used to confirm the regression findings. The results were presented using graph charts, pie charts and tables. The study findings concluded that accessibility to finances by the artisans, availability of managerial skills and education, market competition, government policy and digital social platforms are key factors influencing the performances of Kamukunji enterprise cluster businesses. From the research findings, at 5% level of significance and 95% level of confidence, all the variables were significant $p < 0.05$. The study recommends that the government should set laws and policies to govern the importation of *jua kali* products. The *jua kali* artisans should be encouraged to attend further trainings on management and entrepreneurship skills. The financial institutions should be flexible in their loan terms to attract the *jua kali* entrepreneurs.

1 Introduction

For many years, governments in both developed and developing countries have not been able to develop a well-structured formal sector capable of providing employment for their rapid growing population. This has rendered many social and economic planners to develop interest in the informal sector in their aim to achieve national economic growth (Packard *et al.*, 2012). Many organizations have been on the forefront encouraging upcoming informal enterprises by promoting broader participation in the private sector (Polese *et al.*, 2017). The informal sector is made up of small enterprises with little or no formalized organization. According to ILO, (2012) the employment in the informal sector comprehends individuals who by law are not subjected to the national labour legislation, income tax, social protection and other employment benefits. In most developing countries informal employment forms a great component of the total employment workforce compared to the formal employment. The estimates reveal that in the developing countries, more than a half of non-agricultural employment is in the informal sector (Polese *et al.*, 2017). The total work force in the informal sector differs in various regions. For example; 82 % in South Asia, 66% in Sub-Saharan Africa, 65% in East and Southeast Asia (China excluded) and 51 % in Latin America (ILO, 2012). The informal sector also contributes massively to the Gross Domestic Product (GDP) of many countries, for example in the United States of America (USA), the sector contributes approximately 29% of the country's GDP. In Sub-Saharan Africa (SSA) countries the informal sector contributes about 41% of the total Gross Domestic Product (GDP) with countries like Kenya, Uganda, Nigeria and Tanzania on the lead (ILO, 2012). Besides employment creation and GDP, the informal sector also provides food and services to the citizens at a cheaper price. The sector contributes to Gross Value Added (GVA) which varies from as low as 14% in the Eastern and Central Asian countries to 50% in the Sub-Saharan Africa countries (ILO, 2012). In Kenya, the sector absorbs surplus of untrained laborers and trainees from polytechnics who obtains their income mostly from operating small self-governing enterprises either at local or subsistence level. The informal sector accounts for approximately 87.5% of the total workforce in Kenya (Beegle & World Bank, 2016). The sector contributes about 18% of the Gross Domestic Product and accounts for 90% of all businesses in the country. Besides the great importance of the informal sector to the Kenyan economy, the sector is influenced by numerous obstructions that hinder its long-term operations. For instance, the informal enterprises in developing countries fail at a high rate compared to those in developed countries. Worse still three out of five established businesses fail to take off after a few months of operation (KNBS, 2015). Furthermore, unemployment rate in Kenya is very high standing at 12.7%. The solution to unemployment resides in initiating strategies that favor the excellence performance of informal sectors in the country. Regardless of many factors affecting the performances of the informal sectors in Kenya, the sector still contributes massively to the economic growth, hence it should not be overlooked (Beegle & World Bank, 2016). Therefore, the study sought to find out the factors influencing the performance of *jua kali* metallic artisans' businesses at Kamukunji enterprise cluster in Nairobi County, Kenya.

1.2 Statement of the Problem

Most of the Kenyan urban areas have experienced a gradual growth of *jua kali* enterprises. This has been as a result of increased rural-urban migration and increased unemployment opportunities in the formal sector to many young educated individuals. The population in the Kenyan urban areas has been growing rapidly that the existing resources can't support it anymore. However, despite the increased establishment of *jua kali* enterprises in the Kenyan urban areas, their growth to well-established enterprises is not well-defined. Most of the established *jua kali* enterprises collapse within the first few months of operation. Nevertheless, the *jua kali* sector is still the key pillar in the Kenyan industrialization sector as projected in Vision 2030 economic blue print and the achievement of Sustainable Development Goals (SDGs). Therefore, this study sought to establish the factors influencing the performances of *jua kali* metallic artisans' businesses at Kamukunji enterprise cluster in Nairobi County. This is crucial in the formulation of appropriate policies in poverty reduction and reduction of unemployment in Nairobi County at large. The understanding of Kamukunji enterprise clusters' characteristics which includes the socio-economic factors influencing the performances of the sector and the challenges the sector encounters is crucial for its stability and healthy economy. This will promote the adoption of required measures and plan of action to improve the sectors performance not only at Kamukunji enterprise cluster but in Kenyan informal sectors at large. Therefore, it was vital for the researcher to carry out this research study.

The objectives of the study included; To determine the socio-economic factors influencing the performance of *jua kali* metallic artisans' businesses at Kamukunji enterprise cluster, To identify the challenges affecting the performance of Kamukunji enterprise cluster metallic businesses and To establish the coping strategies to curb the challenges encountered by *jua kali* metallic artisans at Kamukunji enterprise cluster.

Research hypothesis of this study included the following;

- H₀₁** There is no relationship between the socio – economic factors and the performance of *jua kali* metallic enterprises at Kamukunji enterprise cluster.
- H₀₂** There is no relationship between the challenges encountered by the *jua kali* artisans’ businesses and the performance of Kamukunji *jua kali* enterprise cluster.
- H₀₃** There is no relationship between the coping strategies and the performance of Kamukunji *jua kali* enterprise cluster.

2 Literature Review

This chapter reviews existing literature on the subject of this study. It outlines the literature review, the theoretical framework, the conceptual frameworks, empirical review and research gap.

2.2 Theoretical Framework

In the study, the researcher utilized the resource based view theory (RBV) and the balanced scored card theory (BSC).

2.2.1 The Resource Based View Theory (RBV)

The researcher utilized the resource based view theory (RBV). The theory emphasizes that the firm’s ability to add value in customer value chain, develop new products and expand its market globally is a road to its sustainability and competitiveness (Barnely & Clark, 2007). Although RBV theory is widely used, it has encountered some criticism from various scholars on its specific context and applicability. The researcher sought to apply resource based view theory in the *jua kali* industry. Through specialization, for instance, Kamukunji metallic *jua kali* artisans can decide to specialize on products they are best in and perfect on them this will give them a competitive advantage over their rivals and competitors in the market.

2.2.2 The Balanced Scorecard (BSC) Theory

The balance scorecard theory (BSC) advocates that the managers should view the organization’s performance in four dimensions namely, financial perspective, customer perspective, learning perspective and internal perspective (Kaplan and Norton 1997).

2.3 Conceptual Framework

The performance of metallic *jua kali* artisan’s at Kamukunji enterprise cluster depends on certain factors set into three categories; independent variables, dependent variables and intervening variable. Independent variables include; access to finances, access infrastructure, and market competition, access to education and managerial skills and digital social networks. Government regulations are included as intervening variable and dependent variable is the performance of Kamukunji enterprise cluster which can be reflected in indicators like; increased profitability, increased number of entrepreneurs and increased number of consumers to be served. The relationship among the variables is reflected in figure 2.2 below;

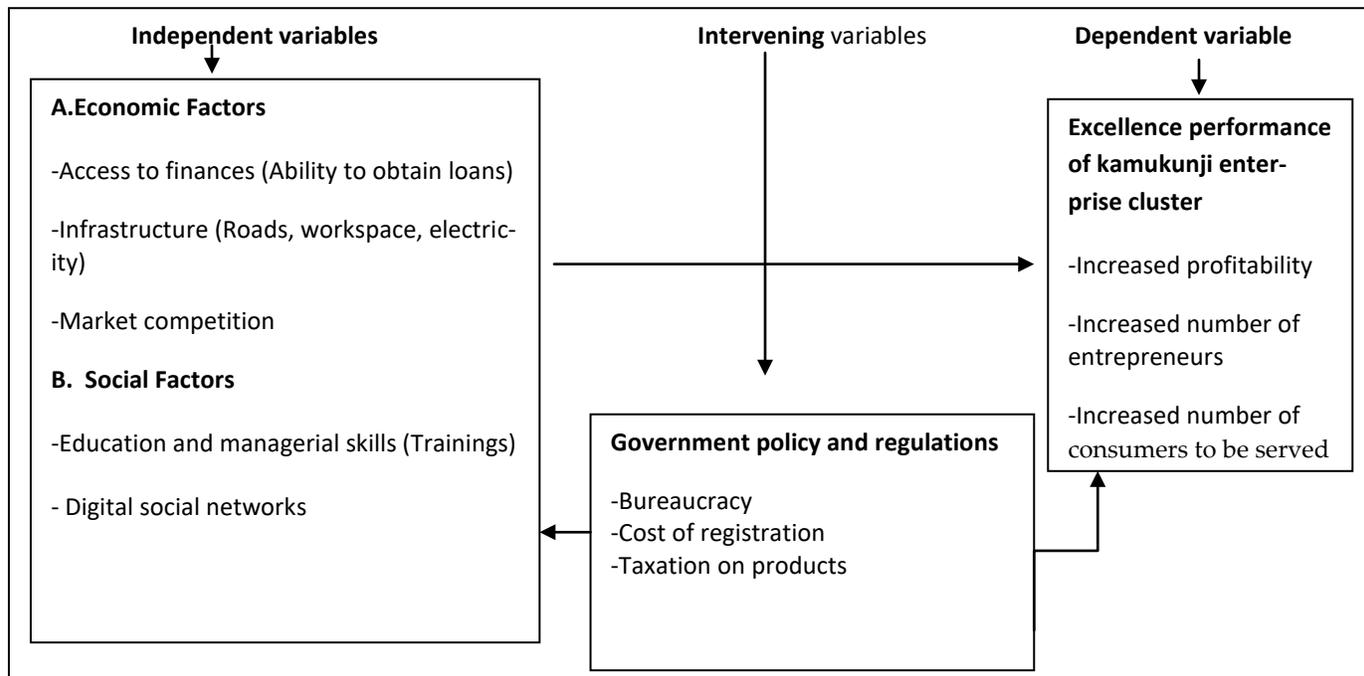


Figure 2.2: Conceptual Framework

Source: Adopted and modified from: Akintoye, (2015)

2.3.1 Access to Finances

Inadequacy of financial services remains a major obstacle in the growth of many micro and macro enterprises. According to Polese *et al.*, (2017) in the economic global outlook, only 11% of the informal enterprises use loans and only 23% have bank account. Furthermore, 80% to 84% of the informal sector uses internal funding from friends and money lenders as a working capital. Inaccessibility to financial institutions affects the day to day operations of the informal sector. For instance the informal sector in Latin America encounters financial constraints that affect their performance. The financial systems available are designed to suit mostly the formal sector. In Sub-Saharan African countries like Tanzania, Uganda, Angola, Nigeria and Ethiopia, financial problems are even worse and have hindered the growth of many SMEs (Ahmed & Hamid, 2011). Majority of the artisans in Sub-Saharan African countries depends mostly on self- savings or friends for the finances to run their enterprises (Ahmed & Hamid, 2011). Banks opt to offer credit facilities to formal employees due to less risk and high returns incurred which results to limited finances for the SMEs. Most small scale entrepreneurs in Kenya use their personal savings or borrow from friends due to difficulties in accessing financial aid. According to Joseph (2014), accessibility to bank loans by small enterprises is limited due to cumbersome processes for acquiring the loans. In Kenya many studies have been done regarding the influence of accessibility of finances to the informal enterprises (Joseph, 2014 & White, *et al.*, 2015). Although the cited studies dwelt on effects of financial accessibilities to the business performances, the research was conducted in different regions and different sampled population. Therefore, the researcher sought to fill the knowledge gap by finding out the influence of financial accessibility on metallic *jua kali* artisans in Kamukunji enterprise cluster in Nairobi County.

2.3.2 Accessibility to Infrastructure

Proper road network accelerates the performance of the business, it is associated with ease movement of goods and services from one destination to the other (Nteere, 2012). Poor infrastructure is associated with impassable roads, inadequate work space, unreliable electricity and lack of suitable land allocation (Nteere, 2012). Well established infrastructure networks are useful for good business performance in Latin American economies as they make things to happen faster hence reducing the cost of production. Infrastructure in Sub-Saharan Africa countries like Uganda, Nigeria, Rwanda and Zimbabwe is an important factor that accelerates growth in the informal sector's businesses. Inadequacy or poor infrastructure lowers the performance of the business either big or small (Nteere, 2012). In Kenya, poor infrastructure has derailed the performance of business enterprises, absence of physical infrastructure is a major reason for low levels of investments and poor performance of informal sectors in Kenya. Many studies have

been done in Kenya regarding the influence of infrastructure accessibility to the performance of informal enterprises (Nganga, *et al* 2011 ; Ndiang'ui, 2012). Although the cited studies focused on accessibility of infrastructure on the performance of the informal enterprises, they were researched in specific regions and different sampled population. This study therefore, sought to fill the knowledge gap on the effects of availability of infrastructure on the performance of *jua kali* metallic artisans' businesses at Kamukunji enterprise cluster in Nairobi County.

2.3.3 Market competition

Previous literature concentrated more on the definition of informality and determining the causes and effects of informal sector to the economy (ILO, 2012). But in recent years, economists and social planners unanimously agreed that the informal sector encounters market competition from other enterprises although little information has been published. According to Alin and Najman (2016), SMEs in Latin America like Chile, Colombia, Costa Rica, Mexico and Panama encounters competition from the formal sector and other big sophisticated enterprises that dominate the markets as compared to small enterprises. Likewise, the informal sector in Cameroon encounters market competition from firms producing similar goods and large firms in the region. In Sub-Saharan Africa (SSA) the informal sector encounters market competition both at local and national level where similar consumers are found. Analyzing competition in the informal sector in Kenya isn't easy because of the sectors uniqueness that makes it strong (Ali & Najman 2016). Although the studies dwelt on market competition in the *jua kali* sector, specific units in the informal sector were ignored. Therefore, the study established the effects of market competition on the performance of *jua kali* metallic artisans in Kamukunji enterprise cluster, Nairobi County.

2.3.4 Availability of Managerial Skills and Experience

Managerial skills and experience has increasingly become of interest to many economist and social planners as a key determinant in the productivity, growth, and durability of business enterprise. Excellent management skills are vital for the success of entrepreneurs' activities in the South Pacific Islanders' (McKenzie & Woodruff (2012). In Uganda, majority of informal workers lacks managerial skills and only handful are high school graduates, similarly, in Mali 75% of the informal workers lack relevant managerial skills. According to Kwang'a, *et al.*, (2015), managerial skill is a factor that accelerates the growth of businesses enterprises. Many informal entrepreneurs lack managerial training thus opting to develop their own approach to management through trial and error technique (Balwanz, 2012). This type of management may be more in-built than analytical. It is likely to be a day-to-day operation than long-term and more opportunistic than strategic in its concept. In Kenya studies have been done regarding the influence of managerial skills and experience on the performance of informal sector (Kwang'a, *et al.*, 2015; Balwanz, 2012). Although the cited studies dwelt on the effects of education and managerial skills to the performances of informal businesses, the studies were researched in specific regions and different sampled population. Therefore, the study sought to establish the effects of availability of education and managerial skills on the performance of *jua kali* metallic artisan's businesses at Kamukunji enterprise cluster in Nairobi County.

2.3.5 Digital Social Networks

Digital social networks like Facebook, Instagram, YouTube and WhatsApp have become popular among many business enterprises as a means of advertising their products (Zolait, 2012). Social networks has "seen" many informal businesses accelerates their sales thus improving their performances. In California, majority of informal entrepreneurs use digital platforms in advertising their products which has improved the performances of Californian informal sector (Humphreys, 2015). Similarly in Sub-Saharan African countries like Uganda, Senegal, Zimbabwe and Nigeria informal entrepreneurs have opted to use digital social platforms to meet their market needs in the flexible and negotiable market place. In Kenya, digital social platform has enabled many informal entrepreneurs to open up new markets for the finished products (Cherotich, 2016). Many studies have been done concerning the effect of digital social networks on the performances of the informal sector (Cherotich, 2016; Bowen, *et al*, 2009). Although the studies dwelt on the influence of social platforms in the informal sector, the studies were done in specific areas using different specific objectives. Therefore, the study sought to establish the effects of digital social networks on the performance of metallic *jua kali* artisans businesses at Kamukunji enterprise cluster in Nairobi County, Kenya.

2.3.6 Government Regulations

The informal sector, just like other sectors requires government regulation that protects the rights of workers and promotes its' stability and security. A proper legal framework encourages economic development and growth. For instance, in China, the government has taken interest in the informal economy as a way to fight the issue of unemployment among its citizens. Similarly, in India the

National Commission on Labour set up in 1999 has been keen on development, implementing and enforcing national legislation for the informal sector. (Finkin, & Mundlak, 2015). In Africa, countries like South Africa, a successful informal economy policy has been formulated that have incorporated the street traders in city-planning processes. In East African countries like Uganda and Tanzania, there has been a trial in incorporating legal empowerment reforms in the informal sector to overcome barriers and disincentives (Banik, 2011). The legal reforms ought to address barriers in the informal sector although the reform process has partially addressed the political obstacles to the acceptance of the reforms and the micro-entrepreneurs they are expected to legitimate (Banik, 2011). The Kenyan constitutional framework and micro and small enterprise act 2012 provide an opening that allows the informal sector to be recognized through a devolution framework. The government regulation includes; wages, taxation and licensing. The goal of government policies is to encourage and promote the development of the informal sector. Although the cited studies dwelt with government regulations in the informal sector, the studies were done in different areas using different specific objectives, therefore, the study sought to find out the influence of government policy on the performances of *jua kali* metallic artisans' businesses at Kamukunji enterprise cluster.

2.4 Summary of Empirical Review and Research Gap

The researcher reviewed various empirical literature which included; Nyang'ori, (2010); Lydia, (2018); Obel, (2018) & Nyangala, (2017). These studies were done on factors influencing the performance of the informal sectors both locally and internationally. The studies concentrated on the informal sector as a whole and were done in their specific areas basing their argument on different specific objectives. There is scarcity of literature touching on the specific units in the informal sector. Therefore, the study sought to fill the knowledge gap on the Factors influencing the performance of *jua kali* metallic artisans at Kamukunji enterprise cluster in Nairobi County.

3. METHODOLOGY

The researcher deployed descriptive survey design in carrying out the research study because it enabled the researcher to describe the characteristics of the elements in the research study. The target population of the study was 4,500 registered *jua kali* artisans at Kamukunji enterprise cluster as per the records of Kamukunji *jua kali* association (Kamukunji *Jua Kali* Association, 2019). Simple random sampling method was used in selecting the elements in the field while purposive sampling was used to select the 3 officials from each of the following; Kamukunji Informal Association, Kenya National Federation of *Jua Kali* Association and Nairobi County Ministry of trade. A sample size of 181 *jua kali* metallic artisans was utilized. The researcher used formulae by Ryan, 2013, $n = (NZP(1-P) / (e^2(N-1) + ZP(1-P))$, Z score of 1.96, e= error margin which is 0.01 and a level confidence of 95% Using the formulae above, the total respondents were 181 *jua kali* metallic artisans. The researcher also purposively picked one officials from each of the following; Kamukunji Informal Association, Kenya National Federation of *Jua Kali* Association and Nairobi County Ministry of trade making the total respondents to be 184.

The researcher focused on both primary and secondary data collection methods. Primary data collection entailed usage of questionnaires and interview schedule and secondary data collection method entailed usage of past books, magazines, newspapers and journals. Global Positioning System (GPS) was also used by the researcher to pick the entrepreneurs enterprises locations. This was helpful because it enabled the researcher to avoid repetition in administering the questionnaires. The researcher administered 181 questionnaires to 181 *jua kali* metallic artisans and 3 interview schedules to 3 purposively selected individuals from Kamukunji Informal Association, Kenya National Federation of *Jua Kali* Association and Nairobi County Ministry of trade.

The researcher carried out a pilot study at Bondeni *jua kali* cluster at Mathare slum to test the validity and reliability of the questionnaires. Face validity and content validity of the questionnaires were determined. The content validity of the questionnaires was determined using content validity index. A 4-point likert scale was used to rate the content validity of the formulated questions. The percentage content validity index for the scale (S-CVI) was 81.25%. The reliability of the questionnaires was achieved using split half technique. A reliability co-efficient of $\alpha \geq 0.767$ was obtained thus considered adequate. According to Wilson, (2013) a reliability co-efficient of $\alpha \geq 0.805$ is considered to be of high internal consistency.

The researcher sought to clean code, classify and tabulate the data before analyzing and interpreting. Qualitative data analysis consisted of examining, classifying and regrouping evidences to address the study objectives. Quantitative data was analyzed using SPSS version 21.0 to generate frequencies, percentages, and measures of central tendency. The researcher sought to present the data through tables, graphs and pie charts.

4. FINDINGS AND DISCUSSIONS

4.0 Introduction

In this chapter, results from the field were analyzed, discussed, interpreted and presented. The main objective of the study was to establish the factors influencing the performance of *jua kali* metallic artisan's businesses at Kamukunji enterprise cluster in Nairobi County. The data was collected and analyzed using descriptive statistics. Multiple regression analysis was used to test the hypothesis. Further, Analysis of variance (ANOVA) was used to confirm the regression findings.

4.1 Response Rate

A total of 181 questionnaires were administered to the *jua kali* metallic artisans at Kamukunji enterprise cluster. The researcher obtained 171 completed questionnaires representing 94.47 % response rate.

4.2 Socio- Economic Factors Affecting the Performances of Kamukunji *Jua Kali* Metallic Businesses

The researcher sought to test the following variables in the field, Economic factors were ; access to finances, accessibility to infrastructure and market competition and social factors were; availability of skills and managerial experience and knowledge on digital social network.

4.2.1 Accessibility to Financial Assistance

In Kamukunji enterprise cluster, the finding indicates that majority (60.2%) of the respondents uses their own savings as a beginner capital for their businesses. This was closely followed by funds borrowed finances from friends and relatives 29.2%, Savings and Co-operative Societies (SACCOs) at 5.8 % and Bank loans at 4.7%. There has been a constant pattern in previous studies (Lydia, 2018; Obel, 2018 & Nyangala, 2017) that, the capital of starting any business is positively correlated to the success of the business. The table 4.1 below shows the sources of capital by the *jua kali* metallic artisans at Kamukunji enterprise cluster.

Table 4.1: Accessibility to Finances

Source	Frequency (f)	Percentage (%)
Sacco loans	10	5.8
Government fundings	1	0.1
Bank loan	8	4.7
Own saving	102	60.2
Borrowing from friends	50	29.2
Total	171	100

Source: Authors findings, (2019)

The study findings correlates to the research findings (Obel, 2018), most informal entrepreneurs uses the own savings as a starter capital. The research findings also indicated that most of the artisans (60%) save their finances in Savings and Co-operative Societies (SACCOs). Although the study findings reflected that most (90%) of the artisans have a bank account, majority (95%) don't take bank loans but in case the artisans takes a loan, they only take less than Kenya shillings twenty thousand only. The respondents also noted that they get minimal support from the government which doesn't have an impact to their business performance. The respondents responses corresponded with the responses from the Kenya National Federation of *Jua Kali* Association (KNFJKA) official who insisted that actually financial accessibility can greatly improve the performance *jua kali* industries. This study findings contradicts the study findings (Gladys, 2016), most of the small scale entrepreneurs in Makueni County, Tawi Sub-County don't have bank accounts thus affecting their business performances.

4.2.2 Accessibility to Infrastructural Services

The study findings show that majority (40.94%) of the *jua kali* respondents indicated that they encounter challenges in accessing infrastructure services. 17.64 % of the respondents noted that their work space is effective, 11.70% noted that they access internet services, 12.28% noted that electricity available is efficient and 17.94 % noted that the roads available are passable. The research findings corresponds the literature review of inaccessibility of essential infrastructural services like water, limited space and street lighting by Kagemi informal traders. Kagemi informal traders also lack street lightening which has led to increased criminal activities in the area (Mwau, 2009). The official from the ministry of trade noted that availability of proper infrastructure will improve the performance of the *jua kali* sector by improving the marketing of the products. The official further insisted that the usage of internet services can promote both internal and international trade. The table 4.2 below shows the availability of infrastructure by the *jua kali* metallic artisans.

Table 4.2: Accessibility to Infrastructure

Infrastructure	Frequency (f)	Percentage (%)
Proper work space	30	17.44
Internet services	20	11.88
Electricity	21	12.30
Passable road networks	30	17.44
Others	70	40.94
Total	171	100.00

Source: Authors findings, (2019)

In the study findings above, 40.94% of the respondents denoted other factors which included; storage problems and communication barriers. For instance the metallic *jua kali* artisans have limited storage facilities which make them to produce fewer products to be accommodated in the available storage.

4.2.3 Market Competition

The study sought to establish the effect of market competition on the performance of Kamukuji enterprise cluster. The researchers investigated the effect of following parameters while in the field; number of sellers, information availability, quality of products and others. The results are shown in figure 4.1 below;

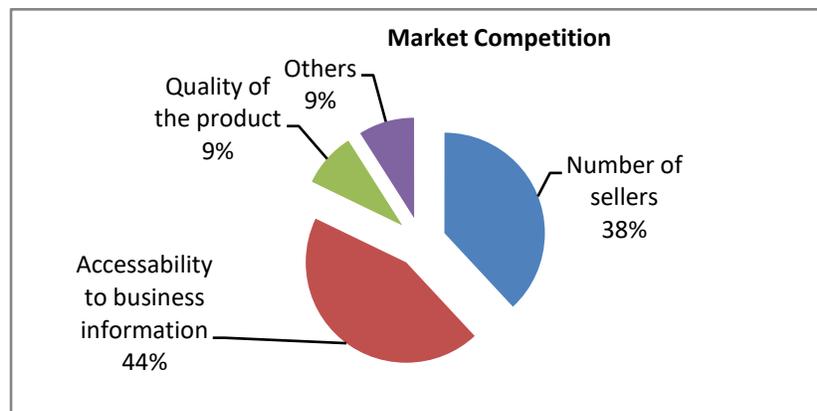


Figure 4.1: Market Competition

Source: Authors findings, (2019)

From the study findings, (44%) of the respondents indicated that the biggest hindrance for them to penetrate into the market is the accessibility to business information. This research findings corresponds the research study findings, if the developing countries ought to achieve a sustainable growth in the informal sector, then the governments and business providers ought to be keen with the provision of business information to the entrepreneurs (Kinyua, 2014). The findings also indicate that the number of sellers of similar products is high as denoted by 38%. The respondents indicated that their quality of product is good to be competitive in the market. And 9% of the respondents indicated other factors which includes; location of their enterprise and the barriers they encounter to enter into the business.

4.2.4 Accessibility of Skills and Managerial Experience

The study sought to find out the metallic *jua kali* artisans level of education as shown in the figure 4.2 below;

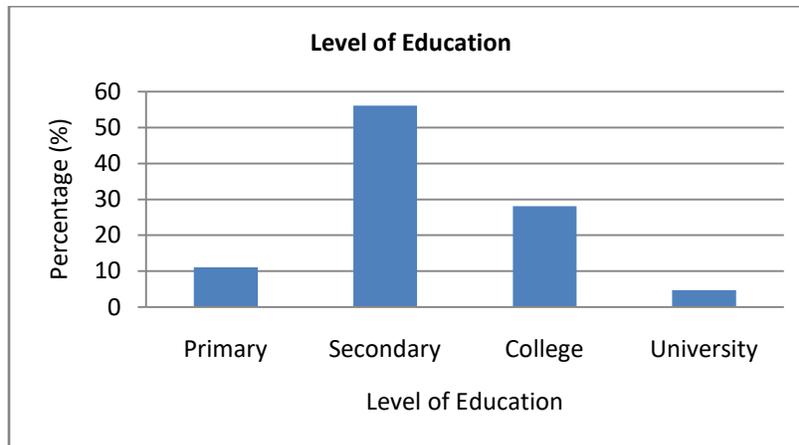


Figure 4.2: Level of Education

Source: Authors findings, (2019)

Majority (56.1%) of the *jua kali* entrepreneurs had attained secondary education, 28.1% were college graduates, 11.1% were primary graduates and only 4.7% were university graduate. The level of education and managerial skills are vital for good business management. Managerial experience is important to businesses because it determines the quality of decisions made. This research finding comprehends with literature review skills and experience of the artisans is vital in profitability of the informal business (Okwang'a, 2015). Therefore, skills and experiences are vital in the growth of Kamukunji enterprise cluster businesses. Further the study sought to know if the *jua kali* artisans attend trainings and the findings shows that a few (30%) attend the meetings when called upon using their own funds. The study finding also shows that the core areas covered includes business record keeping, sourcing the business capital and consumer service.

4.3.5 Digital Social Network

Digital social networks are social factors that affect the performances of business enterprises. The research finding shows that 53.21% of the artisans are familiar with most of the digital social platforms which they use for marketing their finished products. The research finding follows the literature review, in Kenya social digital platforms has enabled many informal entrepreneurs to expand their markets (Meagher, 2015). The figure 4.3 below shows examples of the digital social platform that the *jua kali* artisans are familiar with.

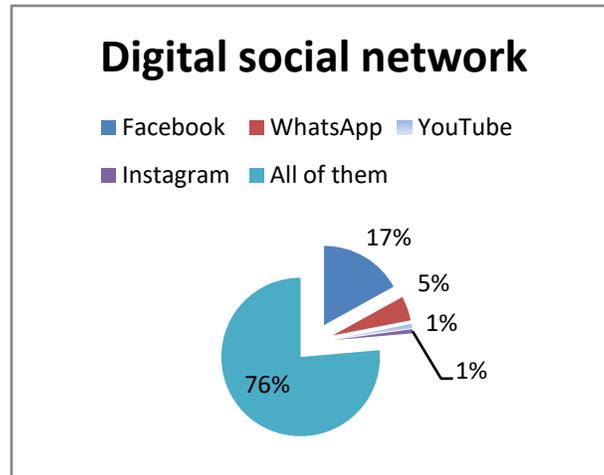


Figure 4.3: Familiarity of Social Networks by the Kamukunji Artisans

Source: Authors findings, (2019)

From the table above 76 % of the *jua kali* artisans indicated that they are familiar with all the digital social networks. 17 % indicated they are familiar with Facebook, 5 % are familiar with WhatsApp, 1 % are familiar with YouTube and 1 % are familiar Instagram.

4.2.6 Rating of Socio-Economic Factors Influence the Performance of Kamukunji Enterprise Cluster.

This study sought to establish the factors influencing the performance of Kamukunji *jua kali* metallic enterprise businesses. By identifying, prioritizing and assessing the importance of each factors is essential for the gradual growth of their businesses. It is also crucial for the entrepreneurs to standardize and improve the internal processes timely to improve the quality of production. Below is table 4.3 showing the statements relating to socio-economic factors influencing the performance of Kamukunji enterprise cluster.

Table 4.3: Statements Relating to Socio-Economic Factors Influence the Performance of Kamukunji Enterprise Cluster.

Statements	Mean	Standard Deviation
Business financial position affects credit acquisition for my business	4.14	0.227
My business performance is affected by Limited accessibility to financial Institutions	4.08	0.246
I get financial assistance from the government	1.79	0.232
Infrastructural inaccessibility limits the number of potential buyers to accessing the business	2.41	0.254
Infrastructural inaccessibility limits affects marketing of the business	2.41	0.328
I keep records of day to day activities in my business	4.11	0.152
I attend regular trainings and seminars to help improve my business performance	2.38	0.371
Trainings have assisted in the management of my business	3.60	0.692
The digital social network has improved my business performance	3.95	0.292
I use the digital social network for marketing my finished products	3.76	0.230

Source: Authors findings, (2019)

The findings reveal that majority of the respondents agreed that; business financial position affects credit acquisition for their business as shown by a mean of 4.14, they keep records of day to day activities in their business as demonstrated by a mean of 4.11 and that they have received training that has assisted in the management of their business as demonstrated by a mean of 3.60. The respondents disagreed that infrastructural inaccessibility limits affects production of goods as shown by a mean of 2.44, infrastructural inaccessibility limits affect marketing of the business as illustrated by a mean of 2.41, that they attend regular trainings and seminars to help improve their business performance as shown by a mean of 2.38, that infrastructural inaccessibility limits the number of potential buyers to accessing the business as demonstrated by a mean of 2.28 and that they get financial assistance from the government agencies as illustrated by a mean of 1.79.

4.2.7 Hypothesis Testing

The hypothesis was tested using multiple linear regression analysis and the results were confirmed by the ANOVA.

4.2.8 Multiple Linear Regression Analysis

Multiple linear regression analysis was used to find the relationships among the variables in the study. The results were presented in the table 4.4 below;

From the regression equation below it was found that holding socio-economic factors to a constant zero, business performance would be 2.113. A unit increase in access to either of the socio-economic factors (accessibility to finances, accessibility to infrastructural services, accessibility of skills and managerial experience and digital social network) would lead to an increase in business performance by 0.602 units. Further, in determining the hypothesis at 5% level of significance and 95% level of confidence, all the variables were significant ($p < 0.05$). The P value for socio-economic factors is -0.12, thus $p < 0.05$, we therefore reject the null hypothesis that there is no relationship between socio-economic factors and the performance of *jua kali* enterprises at Kamukunji enterprise cluster. This means that there is a relationship between socio-economic factors and the performance of *jua kali* enterprises at Kamukunji enterprise cluster.

Table 4.4: Regression Coefficient

	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	2.113	0.271		7.797	.000
Socio- Economic factors					
-Accessibility to finances	0.602	0.164	0.581	3.671	-0.12
-Accessibility to infrastructural services					
-Market competition					
-Accessability of skills and managerial experience					
-Digital social network					
a Dependent Variable: business performance					

Source: Authors findings, (2019)

$$Y_i = 2.113 + 0.678X_1 + -0.582X_2 + 0.602X_3 + \epsilon$$

4.2.9 Analysis of Variance (ANOVA)

The study sought to use the Analysis of variance (ANOVA) to confirm the regression findings of the hypothesis, there is no relationship between the socio – economic factors and the performance of *jua kali* metallic enterprises at Kamukunji enterprise cluster.

Table 4.5: Analysis Of Variance (ANOVA)

		Sum of		Mean		
Model		Squares	df	Square	F	Sig.
1.000	Regression	43.053	2	21.526	20.244	.000 ^b
	Residual	178.639	168	1.063		
	Total	221.692	170			

a Dependent Variable: business performance
b Predictors: (Constant), economic factors, social factors

Source: Field research findings, (2019)

From the ANOVA statistics in table above, the processed data, which is the population parameters, had a significance level of 0.000 which shows that the data is ideal for making a conclusion on the population's parameter as the value of significance (p-value) is less than 5%. It also indicates that the model was statistically significant.

5. SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

5.0 Introduction

This chapter presents a summary of the findings from chapter four, conclusions and recommendations of the study based on the study objectives.

5.1 Socio-Economic Factors Influencing the Performances of Kamukunji *Jua Kali* Businesses

The research findings shows that majority (Mean = 4.08) of Kamukunji Metallic *jua kali* artisans agreed that accessibility to financial institution is a major factor influencing their performances. An overwhelming majority (60.2%) of the respondents uses their own savings as a beginner capital for their businesses. The research study also shows that majority (60%) of the respondent save their money in saving and co-operative societies (SACCOs. 90% of the respondents indicated that they own bank account although majority (95%) don't take bank loans. The metallic *jua kali* respondent's correspondent that of the Kenya National Federation of *Jua Kali* Association (KNFJKA) official who insisted that financial accessibility by the *jua kali* artisans would at large improve its performances.

The respondents further agreed that poor infrastructure has derailed the performance of my business enterprises as illustrated by a mean of 3.86. The respondents agreed that managerial skills have enabled them to manage the enterprise well as demonstrated by a mean of 3.67. The study result also shows that digital social network is essential in the business performance. Majority of the artisans (53.21%) uses the digital platform like Facebook for marketing their products.

5.2 Conclusion

The study concluded that at Kamukunji enterprise cluster, an overwhelming majority of the respondents uses their own savings as a beginner capital for their businesses. The artisans face challenges in accessing loans from financial institutions due to high collateral requirements and business financial position. The findings established that business financial position affects credit acquisition for their business. The business owners do not attend regular trainings and seminars to help improve their business performance neither do they get financial assistance from the government agencies. The study concludes that the artisans are familiar with most of the digital social platforms which they use for marketing their finished products. The digital social networks such as Facebook and WhatsApp are used for marketing their products. The artisans lack knowledge on how to use the platforms for marketing their products. They also have challenges like difficulty in building the followers and tracking the results on time.

5.3 Recommendations

The study recommends that credit giving financial institutions and banks should come up with flexible policies that would enable the Kamukunji enterprise cluster artisans and any other individuals operating SMEs to access financing easily.

It also recommend that the artisans invest more on generators and solar penal with will enable them to continue working in events of blackout occurrence.

The study further recommends that the artisans should be keen about their products quality and quantity to meet the international standards. The government should formulate policies to restrict the importation of products that can be manufactured by the local citizens.

The study recommends that through trainings and seminars, the artisans should be taught on how to use the platforms as a means of advertising their final products. The artisans should be able to learn how to modify their products using the information obtained from the platforms.

5.4 Areas for Further Research

From the study research, the following directives for future research should be carried out. This research only covered Kamukunji enterprise cluster businesses in Nairobi County however, there are other *jua kali* enterprises in the same County and the researchers are encouraged to research on them. In future, researchers can carry out research on metallic *jua kali* sector in other towns to be able to come up with sufficient conclusions.

In future a comparison study should be done between the financial performances of *jua kali* metallic artisans businesses that have accessed credit facilities and the ones that have not accessed the financing. This will help one to detect if accessing financial facilities will help the *jua kali* metallic artisan's businesses to perform better than other businesses.

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