EFFECT OF THE TYPE OF INNOVATION ON THE GROWTH OF SMALL AND MEDIUM ENTERPRISES IN KENYA: A CASE OF GARMENT ENTERPRISES IN JERICHO, NAIROBI

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ABSTRACT

In Kenya like other countries in Sub-Saharan Africa, the ability of SMEs to innovate largely depends on its technological capabilities, the information and skills availability. More emphasis has been on technological innovation at the expense of other types of innovation. Entrepreneurs have lacked information on the effect of different types of innovation on growth of their enterprises. This study therefore sought to investigate and document different types of innovations adopted by garment SMEs in Nairobi. The study also evaluated whether there is any effect between the innovations adopted and growth of the enterprise. Descriptive design was used to study the research objectives. Census was conducted on the population. Questionnaires were administered to thirty one entrepreneurs/managers of garment businesses in the study area. The questionnaire was first pilot tested on six firms at a different location from study area to ensure reliability of research instrument. Descriptive statistics and inferential statistics were used to analyze the data before reporting and making recommendations. The study found out that among the types of innovation analyzed, marketing innovation contributed most to the growth of garment SMEs in Jericho market, Nairobi. However, it was also established that all types of innovation were being practiced in the sector and that innovation is very critical for SMEs to become and remain competitive in the global market. Arising from these findings, the study recommended that promotion of information on innovative practices through networks and linkages to be enhanced.

Keywords: Innovations, enterprise growth, innovative practices.