THE INFLUENCE OF ENTREPRENUARIAL PERSONALITY, HUMAN CAPITAL AND ENTRY BARRIERS ON PERFORMANCE OF ENTREPRENNEURS IN THE INFORMAL TRANSPORT BUSINESS IN NAIROBI, KENYA

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A THESIS SUBMITTED IN FULFILMENT OF THE REQUIREMENT FOR THE AWARD OF THE DEGREE OF DOCTOR OF PHILOSOPHY IN BUSINESS ADMINISTRATION, SCHOOL OF BUSINESS, UNIVERSITY OF NAIROBI

NOVEMBER, 2013
DECLARATION

I, the undersigned, declare that this Thesis is my original work and has not been submitted to any other college, institution or university other than the University of Nairobi for academic credit.

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DEDICATION

To my dear parents; Rebecca Moraa, Ezekiel Otachi and my mother in-law Rebecca M. Abuya. My wife Eunice Nyasetia. My children; Deborah M. Kemunto, Octavia V. Boyani, Tracy R. Moraa and Prudence Kemuma.
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I cannot forget also to thank my dear parents for moulding and taking care of me from the time I was born. I recognize the role they played in my upbringing and provisions. Indeed without their support I would not have made it to this level. I have no proper words to use in appreciating them. I can only say bravo my dear parents. May the Almighty God give you good health, peace of mind and happiness.

Above all, I would like to thank my God for his love, unlimited provisions and sustainability. Through Him, I have been able to achieve my life time dream and purpose.
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SPSS  Statistical Program for Social Sciences
TLB    Transport Licensing Board
UNDP   United Nations Development Programmes
USA    United States of America
Entrepreneurship is believed to be the driving force behind economic and social development of nations. In today’s capitalistic system, entrepreneurs make an accelerated contribution to the economic growth and development of countries through the creation of small enterprises. In major world economies, these enterprises are associated to their overall economic growth and employment, hence the reason why research on this area is very critical. In carrying out the above study, the researcher was guided by five theories of entrepreneurship; the resourced-based, the social cultural, the psychological approach, the ecological and the institutional theory. Due to the nature and requirement of the study, the researcher was biased towards the use of two of the five theories mentioned above; the resourced-based and the psychological approach theory. The study was conducted in Nairobi, Kenya and the target was the Matatu entrepreneurs, operating the fourteen sitter public vehicles. Since its inception in Nairobi, the Matatu business has grown both in size and volume. This is assumed to indicate good business performance. However, despite the growth, it is only a few entrepreneurs who have succeeded. This is the problem this study attempted to investigate. The overall objective of this study was to determine the factors influencing performance of Matatu business in Nairobi, Kenya. This was a cross-sectional study and stratified random sampling technique was used to select the sample. Based on the routes and regions, a sample of 364 registered Matatu owners was picked and questionnaires given out giving a response rate of 95%. Results from respondents were analysed using both descriptive and inferential statistics which indicated that performance in Matatu business was a function of but not limited to, personality traits, human capital, government policies, entry barriers and the management of registered Matatu welfare bodies. The findings from the study revealed that vital information touching on this business were missing in government records. One of the major findings of the study was the positive contribution of the registered industry welfare bodies towards the success of the Matatu business. Another major finding from the study touched on the human capital. That though education is important, the same was not a major performance factor in Matatu business.