

INFLUENCE OF ENTREPRENEURIAL MANAGEMENT FACTORS ON PERFORMANCE OF MICRO, SMALL AND MEDIUM INSURANCE BROKERAGE FIRMS IN NAIROBI COUNTY IN KENYA

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ABSTRACT

Research has shown that there are factors that contribute to success or failure of small

enterprises. Statistics show that 51.8% of registered micro, small and medium enterprises (MSME's) fail during the first five years, with 9.5% failing per year. This subsector has been recognized as an important factor in most countries and is considered to be the life blood of modern economies. Entrepreneurial management factors are known to be key ingredients for the success of MSME firms. Most insurance brokerage firms operating in Kenya fall under the category of micro, small and medium enterprise subsector and experience similar poor trends in performance. This study therefore sought to assess the influence of entrepreneurial management factors on performance of micro, small and medium insurance brokerage firms in Nairobi County, Kenya by reviewing four study variables namely: owner/manager characteristics, employee qualifications, entrepreneurial skills and the marketing management practices and their influence on performance. The study adopted a descriptive research design and had a target population of 159 licensed insurance brokers from which a sample of 61 insurance brokerage firms was sampled.

Questionnaires were used to collect data which was analyzed through descriptive and inferential statistics.

The findings of the study revealed that owner / manager characteristics, employee qualifications and entrepreneurial skills positively and significantly influence performance of insurance brokerage firms in Kenya while marketing management practices influence performance of insurance brokerage firms positively but not significantly. The study recommends a need for the insurance brokerage firms to put more emphasis on

owner / manager characteristics such as innovativeness and autonomy; employee qualifications such as educational level and skills; entrepreneurial skills such as conceptual skills and technical skills, as well as marketing management practices such as advertising.

Key Words: *Manager Characteristics, Employee Qualifications, Entrepreneurial Skills, Marketing Management Practices, Insurance Brokerage Firms*

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