Analysis of Factors Influencing Transfer of Technology among Micro and Small Enterprises in Kenya

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Abstract

Kenya's Micro and Small Enterprises (MSEs) are characterized by restricted levels of technology, inappropriate technology and inadequate institutional capacities to support adaptation and absorption of modern technological skills. Many MSEs produce products with moderate quality, applying to a great extent outdated technologies, therefore facing tough competition with imported products. In order for businesses to be competitive there is dire need for them to produce quality products. The study sought to fill a gap in knowledge concerning transfer of technology among MSEs by addressing the factors that influence the transfer of technology among MSEs in Kenya with great emphasis on the Jua kali Metal workshops in Nyeri Municipality. The study concludes that the level of education and training is the main determinant of transfer of technology other factors held constant. The study found no evidence to suggest that technological information, finances, technological infrastructure and governments support have positively influenced transfer of technology among MSEs in Kenya.

Key Words: Technology transfer, Micro and Small Enterprises, Government's support, Technological information, Education and training, Finances, Technological infrastructure

Introduction

Technology is essential not only for the development of smaller enterprises but the overall economy of any nation. Many developing countries consider the transfer of technology from developed countries as an important element of growth. Dabadi (2003) argues that access to technology is a major determinant of efficiency. The investment efficiency to a great extent depends on the capacities of the firms to acquire new technologies and adopt them to local conditions.

This study is based on Porter (1980) Five Forces Model. Porter suggests five competitive forces that drive any organization namely**; (**i**)** existing competitive rivalry between suppliers (ii) threat of new market entrant (iii) bargaining power of buyer (iv) power of suppliers and (v) threats of substitute products including technology change. Technology helps to improve quality products so that firms remain relevant and competitive.