



## **Demographic Characteristical and Behavioral Factors Among Small and Micro Enterprises in Nairobi County, Kenya**

**Leah Jemutai Barno**

Phd Student, Moi University

**Dr. Josephat Cheboi**

Senior Lecture, Moi University

**Dr. Catherine Muganda**

Senior Lecture, Moi University

### **ABSTRACT**

Behavioural factors play an important role in decision making which entails overconfidence, Anchoring, Prospecting, Herding. However, behavioural factors are associated with some personal and enterprise features. Therefore, the paper seeks to investigate the influence of demographic characteristical and behavioural factors among Small and Micro Enterprises. The study was premised on the Behavioural Portfolio. Positivism paradigm was deployed. The study adopted explanatory research design. The target population of the study was 102,821 owners of SMEs in Nairobi County in Kenya. A sample of 383 respondents was selected using stratified random sampling technique. ANOVA was used in analysis using 5% significant level to test hypotheses. The study found that firm size had significant effect on anchoring and prospect factor. However, enterprenuers' education has significant influence on behavioural factors. Similarly, organization origin has significant effect on behavioural factors. The study recommends that Entrepreneur experince has significant effect on overconfidence, anchoring factors, and herding factors. Therefore, it is important for enterprenuers to gain more experience since it influences the behavioural factors. Similar, the enterprenuers education has significant influence of overconfidence, anchoring factors, prospect factors and herding factors. Therefore, enterprenuer should improve knowledge through going through education to reduce behavioral factor in decision making process.

**Key Word: Demographic Characteristics, Behavioural Factors, Explanatory Design.**