



**ENTREPRENEURIAL FACTORS INFLUENCING THE PERFORMANCE OF YOUTH ENTERPRISE DEVELOPMENT
FUNDED YOUTH OWNED ENTERPRISES IN KIRINYAGA COUNTY**

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ENTREPRENEURIAL FACTORS INFLUENCING THE PERFORMANCE OF YOUTH ENTERPRISE DEVELOPMENT FUNDED YOUTH OWNED ENTERPRISES IN KIRINYAGA COUNTY

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ABSTRACT

In Kenya, the level of unemployment is very high with the most affected being the youth who are graduating from universities and other institutions of learning, who fail to secure formal employment opportunities and hence fail to gainfully contribute to economic development of the country despite their enthusiasm, energy and drive. The need to come up with strategies to deal with the situation is highly regarded. One of the strategies put in place by the government is the Youth Employment Development Fund. The overall objective of the YEDF is to support youth oriented small and medium enterprises, in various capacities. The purpose of this study was to investigate the entrepreneurial factors influencing the performance of youth enterprise development funded enterprises in Kirinyaga County, Kenya. This is because the studies dealing with the entrepreneurial factors of youth enterprises funded by YEDF are limited and hence this study aimed at enriching this gap. Two objectives guided this study; the influence of entrepreneurial experience and entrepreneurial es. The research utilized personal interviews and questionnaires to collect data from the respondents. Stratified random sampling technique was used to draw the sample. The data was subjected to descriptive and inferential statistical analysis, and the results represented in statistical tables and pie charts among others. Data was analysed using both qualitative and quantitative methods. Qualitative data was analysed manually followed by categorization and coding into emerging themes and presented in a narrative form. Quantitative data was organized, coded, and standardized then descriptive statistics was used to analyse aided by statistical package for social scientists (SPSS). Entrepreneurial networking had the best correlation with performance of YEDF youth enterprises, which is a strong positive correlation. The implication is that entrepreneurial networking among youthful entrepreneurs in Kirinyaga County is vital in cultivating network ties that can bring with it marketing assistance in the form of new markets and marketing capabilities for youth SMEs. Entrepreneurship experience was the second best predictor of performance of youth enterprise development funded enterprises, with a significant positive correlation. This implies that entrepreneurial experience among youthful entrepreneurs is paramount to the overall performance of the enterprise. Most important independent variable in measuring performance of YEDF funded youth enterprises in the regression model was networking, followed by entrepreneurial experience. This shows that one unit change in networking results in 0.951 unit increase in performance. The study concluded that entrepreneurial networking is the best measure of performance of YEDF funded enterprises since it had the best correlation. The study recommends that that the youth entrepreneurs should be introduced to business development and incubation centres to acquire the necessary experience that they lack in order for them to run their enterprises successfully. Networking of youth enterprises is central to success of any enterprise and there is need for YEDF to help in exposing the enterprises to potential customers through vertical and horizontal networking. An area for further research is to investigate the entrepreneurial factors influencing the performance of YEDF funded women enterprises in Kirinyaga County should also be conducted.

Key Words: Entrepreneurial, Performance, Youth Enterprise Development

INTRODUCTION

Youth unemployment around the globe has become a major challenge in the 21st century. According to the World Youth Report (2012) approximately 88 million youth around the world are unemployed and underemployed. According to International Labour Organization report by Elder and Sparreboom (2013), the long term impact of youth unemployment could be felt for decades. The report projects that 73.4 (12.6%) million young people are expected to be out of work in 2015 an increase of 3.5 million between 2007 and 2013. While youth unemployment is a widespread phenomenon in the world, the case is much worse in Kenya. Today, Kenya's youth unemployment rate, according to Youth Employment Marshall Plan (2012) is at 67 percent, among the highest in the world.

It is widely acknowledged that Small and Medium Enterprises (SMEs) generate employment opportunities, economic growth and produce commercial innovations of high quality. Consequently, there is a growing appreciation within Government, Development Community and Civil Society that an important aspect of holistic and all inclusive development is the active participation and involvement of the youth in SMEs (Youth Employment Marshall Plan, 2012). The population growth rate of the youth has outstripped both the growth of the economy and employment opportunities. This means in essence fresh employment opportunities must be created including by the youth themselves. The best way the youth can create opportunities is through entrepreneurship (Sagwe, Gicharu & Mahea, 2011).

The Youth Enterprise Development Fund (YEDF) was introduced on 8th December, 2006 and later formed into a State Corporation on 11th May, 2007. The Fund has engaged in partnership with 32 Financial Intermediaries (FIs) to enable the youth access funds directly either as individuals or as organized entities. Apart from the on-lending component of the fund through financial intermediaries, there is the Constituency Youth Enterprise Scheme (C-YES) which funds enterprises of youth groups in all constituencies (Gudda & Ngoze, 2009). YEDF focuses

on enterprise development as a key strategy for increasing economic opportunities for, and participation of Kenyan youth in nation building (Youth Employment Marshall Plan, 2012).

Statement of the Problem

In Kenya, the level of unemployment is very high with the most affected being the youth who are graduating from universities and other institutions of learning, who fail to secure formal employment opportunities and hence fail to gainfully contribute to economic development of the country despite their enthusiasm, energy and drive (Sagwe, Gicharu and Mahea, 2011). The need to come up with strategies to deal with the situation is highly regarded. One of the strategies put in place by the government is the Youth Employment Development Fund. The overall objective of the YEDF is to support youth oriented small and medium enterprises, in various capacities.

However, even with strategies for accelerated youth development in Kenya in place, it is apparent that the YEDF economic development of the youth has been slower than expected, leading to prolonged gross socio-economic disparities between the youth and the rest of the population (Gudda & Ngoze, 2009). YEDF has not made significant impact on growth of SMEs. According to Maina (2013) YEDF has made little impact in youth enterprises' growth. YEDF needs to do a lot more in order to attain its set objectives and spur the growth of youth enterprises.

There is a body of literature that seeks to bring to the fore the challenges the YEDF faces and why majority of the youth are increasingly turning to the Fund to finance their entrepreneurial activities. Ameya, Onsongo, Guyo and Omwong'a (2011) studied on the challenges facing YEDF in Nyaribari Chache Constituency, the variables addressed were; accesses to YEDF, availability of collateral and low interest rate. Sogwe, Gicharu & Mahea (2011) studied on youth and women entrepreneurs' preparedness YEDF. The variables addressed were knowledge and skills, market and technology and entrepreneurial spirit. Kanyari and Namusonge (2013) studied on various interventions influencing youth entrepreneurs towards YEDF.

Objective of the study

The main objective of this study was to investigate the entrepreneurial factors influencing the performance of youth enterprise development funded youth enterprises in Kirinyaga County. The specific objectives were; to determine the influence of entrepreneurial experience and entrepreneurial networking on performance of YEDF funded youth enterprises.

Research Questions

The study was guided by the following questions:

- a) What is the influence of entrepreneurial experience on the performance of YEDF funded youth enterprises?
- b) What is the influence of entrepreneurial networking on the performance of YEDF funded youth enterprises?

Scope of the Study

The scope of this study was in Kirinyaga County and focused on youth entrepreneurs who had been funded by YEDF either individually or through their youth groups between 2007 and 2014 and were registered with the ministry of devolution. The researchers work experience and conversance with the area dynamics was an added advantage. Makori, Wachira and Mwenda (2014) in a study on development of youth led micro and small enterprises in Kirinyaga County, stated that efforts should be made to sensitize the youths on the issues influencing the uptake of youths in the County.

LITERATURE REVIEW

Theoretical Framework

A theory represents the coherent set of hypothetical, conceptual and pragmatic principles forming the general frame for reference for the field of enquiry. There are several theories that have been advanced for entrepreneurship (Kanyari & Namusonge, 2013). Two theories will form the foundation of this study: Penrose and Churchill and Lewis firm growth theory and the Resource Based Theory.

Penrose Theory of Growth of the Firm

Penrose's theory on the Growth of the Firm is reviewed to support the study. Penrose (1959) has

suggested that enterprises are a bundle of internal and external resources, which helps an enterprise to achieve competitive advantage. She further adds that in the long run, there can be a limit to the growth of an enterprise, but not to the size. Growth of an enterprise is determined by the rate at which experienced managerial staff can plan and implement this plan. She has further explained that the external environment of an enterprise is an image in the mind of the entrepreneur.

Enterprise activities are governed by productive opportunities which are actually a dynamic interaction between the internal and the external environments. This interaction includes all the productive possibilities that the entrepreneur can see and take advantage of. The author also mentioned that growth often is natural and normal, a process that will occur whenever conditions are favourable. The size of the enterprise is incidental to the growth process, and 'an enterprise is a coherent administrative unit that provides administration coordination and authoritative communication' (Penrose, 1959). She has proposed that the growth of the enterprise is limited by the scope of managerial resources, specially the ability to coordinate capabilities and introduce new people into the enterprise.

Churchill and Lewis Firm Growth Theory

The development and performance of any enterprise, large or small, tends to follow a predictable pattern that is usually characterized by sequential progressive phases. Churchill and Lewis as presented in Perenyi (2007) examined the problems and challenges of the firm as it grows, the owner-manager needs to display different managerial talents like networking and managerial skills when dealing with challenges. In order for a small business to grow and perform successfully, the owner-manager must develop the requisite competencies to enable the business to progress to the next phase.

The model developed by Churchill and Lewis has five performance stages existence, survival, success, and take-off and resource maturity. In the existence

stage, a key focus is obtaining customers and as such, the extent of formal systems is minimal and in some cases, non-existent (Churchill & Lewis, 1983). In addition, the organizational structure is flat and therefore, the owner-manager adopts a management style where there is direct supervision of employees. As a business progresses to the survival stage, it begins to employ formal systems as the organizational structure develops more levels; hence the owner-manager begins to delegate some responsibilities to employees. The success stage is characterized by the owner-manager deciding to either keep the business at its current performance and operational level or to launch into some form of growth. The decision will be driven by the owner-manager's motivation, opportunity recognition and resources (Churchill & Lewis, 1983).

The business begins to employ basic systems such as finance, marketing and operations. In the fourth stage, the take-off stage, key management issues confronting the owner-manager include determining the rate of growth, performance and financing of the desired growth. The owner-manager has allowed for even greater delegation to improve organizational effectiveness. In the final stage, resource maturity, the main concern for the owner-manager includes managing the financial gains resulting from growth and maintaining the benefits associated with small business such as responsiveness to changing customer needs and entrepreneurial behaviour (Churchill & Lewis, 1983). The business would typically have well established organizational systems. The model is ideal for this study since it addresses needs for the youth entrepreneurs to develop requisite capacity and skills to enable their enterprises to perform and progress to the next phase.

Conceptual Framework

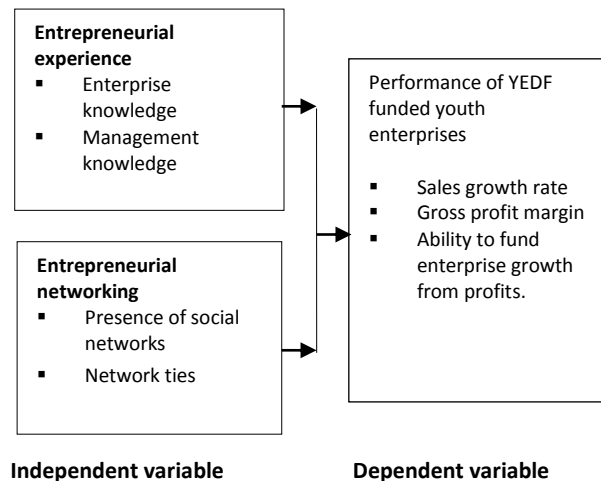


Figure 1 conceptual framework

Review of study variables

a) Influence of entrepreneurial experience on the performance of YEDF funded youth enterprises

Within the micro-enterprise sector, financial institutions prefer financing business expansion as compared to start-ups. This may be occasioned by the fact that business expansion implies that the entrepreneur has acquired a certain amount of experience in the business and thus has better chance of business success compared to start-ups. These, coupled with other factors like negative stereotyping, discrimination and lack of marketable skills prevent many young people from gaining access to economic opportunities (Kisunza & Theuri, 2014). In a study on the current practices and opportunities for microfinance with youth in conflict-affected areas, James-Wilson and Hall (2006) found that business start-ups whether by adults or youth are usually only financed if the applicant has prior experience in the type of business, since persons with no real experience in the business are viewed as having no chance of success.

A similar challenge was raised by more than 200 young entrepreneurs who gathered in Toronto in June 2010 for the G20 Young Entrepreneur Summit who noted that they had had great difficulty accessing finance because they tended to have little

experience and few assets (Ernst & Young, 2013). In another study to evaluate the challenges associated with providing micro-credit to the poor in Jamaica, French reveals that in an attempt to deal with a myriad of problems, the Micro Investment Development Agency (MIDA) had to adopt more stringent screening processes. The Community Development Funds (CDFs) managers interviewed during the study admitted that they had had to cater more to persons with business experience and a track record of success in small business in order to maintain repayment levels. The aforementioned studies therefore clearly indicate that entrepreneurial experience plays a crucial role in contributing to an entrepreneur's ability to access credit (Elder & Sparreboom, 2013).

The positive impact that work experience has on the success of entrepreneurs is also highlighted in many more studies. Sagwe, Gicharu and Mahea (2011) highlight work experience as one of the factors that positively contributes to business readiness among the youth and women entrepreneurs in Kenya. Work experience is also linked to business success in a survey by Ernst and Young (2013) in which 685 entrepreneurs and winners of Entrepreneur of the Year Award were interviewed many of whom cited experience in the corporate environment as an employee as having had the greatest impact in contributing to the success of their ventures.

The International Labour Organization's Integrated Framework Assessment Guide (2013) on the growth of enterprises concludes that youths bring low levels of management experience to their business since they resort to self-employment only after they have failed to access employment experience at the management level. Experience in business has also been shown to have a marked influence in the level of loan repayment within financial schemes. In their analysis to determine loan default of smallholders under SEALS in Nigeria, United Nations Industrial Development Programme; Youth Employment Network (2011) discovered that repayment was higher among beneficiaries with greater farming experience compared to those with limited farming experience and concluded that there is a positive

relationship between farming as a major occupation, years of farming experience and loan repayment. Similarly, Musyoki (2010) in their study to assess the extent of empowerment of low income at household levels found that youth micro-entrepreneurs with previous experiences had been able to honour their loan commitments and had attained great strides in the process of poverty alleviation.

The YEDF has attempted to address the youth experience problem through introducing various loan schemes, each targeted to specific entrepreneurial characteristics in a bid to increase its credit advancement to the youth population in Kenya. There is the Constituency Youth Enterprise Scheme (C-YES) which is aimed for youth groups at the lowest levels who have no experience in business and in dealing with financial institutions (Mugira, 2012). Through this scheme, it is hoped that youth will be able to acquire experience and skills from running group enterprises and therefore be able to develop self-owned enterprises (Mugira, 2012). Youth who are able to successfully repay the C-YES loan can then graduate to the Easy Youth Enterprise Scheme (E-YES) which is targeted to individual enterprises belonging to a group and who want to start and/or expand their own business (Kisunza & Theuri 2014).

b) Influence of entrepreneurial networking on the performance of YEDF funded youth enterprises

Siwadi (2010) defines entrepreneurial networking as any upstream or downstream, formal or informal relationship that takes place between an enterprise and its local partners. He argues further that these networks can be on local or international scale. Entrepreneurial networking between local and international firms and local enterprises are particularly important to the economies of developing countries because they provide a means of bringing much needed capital and diffusing knowledge to the networked enterprises. Entrepreneurial networking are in twofold: horizontal networks and vertical networks.

Vertical networks refer to linkages and partnerships between enterprises and large corporations along the value chain perspective (Maina, 2013). The underlying economic rationale is that through this strategic partnership, success in the target markets can be enhanced. This arises through economies of scale and the reduction of costs in the value chain and/or quality improvement. Horizontal networks, on the other hand, are cooperative type of activities between enterprises of the same step in the value chain (LEA, 2013).

The network ties can be strong or weak in nature (Eisingerich & Bell, 2008). In the strong ties the small business owners can count on the other actors while in the weak ties the relationship is superficial or causal, in which people have little emotional investment. Strong ties are typically found amongst concentrated groups of entrepreneurs with behaviour being underpinned by trust and a sense of obligation between individuals (Leek & Canning, 2011). A youth entrepreneur with a strong network ties can easily identify and acquire resources needed for better performance. The recognition that networks can be a sustainable basis for small business growth has been brought about by examination of ethnic businesses. Enterprise networks can assist in mobilizing resources, getting support and help, creating legitimacy during start-up and growth, and establishing viable business relations. The Taiwan family enterprise relies extensively on networks of kin and friends for strategic resources such as labour, capital and information (Tripp, 2009).

The performance of youth enterprises in their first years have been found to be influenced by both the size of entrepreneurs' networks and the interconnection and frequency of relationship of its members. Accordingly, many business owners tend to take the advice of business colleagues and friends very seriously (Leek & Canning, 2011). Similarly, in examining the success rate of start-up entrepreneurial companies in terms of survival and growth, the more successful entrepreneurs were found to be those who participated in a network with other entrepreneurs, and received help or

emotional support from their social and personal networks (Barlow & Thomas, 2010).

Siwadi (2010) further add that networking provide tremendous opportunities for SMEs to improve their technology and thus products. He continues to say that networks can bring with it marketing assistance in the form of new markets and marketing capabilities for SMEs. They build the capacity of local enterprises by making them more competitive and ready for future challenges. Badal (2013) also argues that when small enterprises interact with large corporations, they make changes that improve their organizational structures, management practices and operations. These changes lead to SMEs to upgrade their technologies, increase their efficiency and most importantly, become financially stable. Having large corporations as a customer also opens door to easier credit and other business opportunities. The biggest upside is the spill over of new knowledge, innovation and business models. When a few small businesses improve their systems or business models, other small businesses learn from that and raise their game to stay competitive, boosting the quality of the entire SME sector (Mugira, 2012). There is strong evidence that forming alliances, clustering and networking helps small enterprises to compete with large firms. By working together, firms can gain the benefits of collective efficiency, enabling them to link with large producers and break into national and global markets. Youth enterprises can forge horizontal networks between themselves and vertical networks with larger manufacturing and service industries for increased market access, enhanced investment flow, skills development and technological advancements. Such networks help overcome the constraints that currently plague the youth enterprises in African countries (Hussain, 2000).

Youths have fewer business contacts, less knowledge of how to deal with the governmental bureaucracy and less bargaining power, all of which further limit the performance of their enterprises. Since most youth entrepreneurs operate on a small scale level, and are generally not members of professional organizations or part of other networks,

they often find it difficult to access information (Wube, 2010). Most existing networks are dominated by established entrepreneurs and sometimes not particularly welcoming to youthful entrepreneurs. Even when a youthful entrepreneur does venture into these networks, their task is often difficult because most network activities take place in exclusive membership clubs (Amenya, Onsongo and Guyo, 2006). Lack of networks also deprives YEDF youths funded enterprises of awareness and exposure to good role models. Few youths are invited to join trade missions or delegations, due to the combined invisibility of youth-dominated sectors or sub sectors within any given sector (Wube, 2010). The YEDF management should strive to reverse this phenomenon to equip the youth entrepreneurs with the much needed enterprise networking.

c) Performance of YEDF funded youth enterprises

According to Makau (2010), entrepreneurs are the kind of individuals who are motivated and talented in a special way such that they are able to see potentially profitable opportunities and go ahead to exploit them. This idea is developed from the view of entrepreneurship as awareness, or alertness, to profit opportunities. According to this view the performance of a business can be explained by successful opportunity exploitation which produces highly positive results Kruger (2004). Confirming this view Makau (2010) view the entrepreneur as responding to opportunities rather than creating them; as capturing profit opportunities rather than generating them.

Different perspectives have been put forward to critique the common economics rooted conceptualisation of entrepreneurship performance in relation to the youth. One of the issues put forward is that youth entrepreneurship is a heterogeneous phenomenon such that there are those who are pulled into entrepreneurship by seizing a business opportunity Llisterri, Kantis, Angelelli and Tejerina (2006). Others are pushed into it by necessity due to factors beyond their power, like difficulty in finding formal employment or continue their education. Recognition of this

heterogeneity leads to better understanding of youth entrepreneurship accordingly (ibid).

Performance of youth enterprises is mired by a number of factors such as lack of entrepreneurship and managerial skills, social capital, business knowledge and experience which have led to poor overall performance of youth enterprises (Chigunta, Schnurr & Torres, 2005). From this it can be inferred that the youth are certainly highly vulnerable to business failure Entwistle (2008). This has seen many youth find themselves in the street-type activities such as hawking and other petty businesses.

It has also been established that the youth have their own performance needs and experiences different from other social and demographic categories of the society. This is an aspect that influences their entrepreneurship and needs to be put into consideration. Compared with more mature adults the youth are influenced in their entrepreneurial ventures by family Llisterri, et al. (2006). This is because the family plays an important role in effecting other entrepreneurial skills such as risk tolerance, problem solving among others. In the same vein Haftendorn and Salzano (2003) cultural context is important in determining entrepreneurship among the youth.

In its attempt to boost youth entrepreneurial performance in Kenya, the YEDF has categorised the youth as those falling within a certain age group. This lumps them together as if they were one solid entity without considering the dynamics that embodies them (Makau, 2010). YEDF assumption is that any youth who doesn't have a job will definitely go for the credit to enable them earn an income and actively participate in the country's economy (Makau, 2010). Such an assumption risks falling into the "unitary youth" trap, which is highly contested as it has been ascertained that youth have different choices and taste and providing only one option for them may not lead to positive entrepreneurship performance. As Ansell (2005) posits the youth are increasingly making their own choices in many societies therefore, they have to be considered to have their own preferences which need to be reflected in policies that are focused on them.

The group strategy adopted by the YEDF also seemed to be a limiting factor for some of the youth enterprise performance. This is because some of them do not belong to any group and cannot find groups that they could join. In addition others claim that the funds are using the group as security which is too risky since the members have different personalities (Maina, 2013). Hence it is difficult to count on every member's commitment to the successful performance of the enterprises. Another related factor cited as an impediment responsible for failure and non-performance of the youth enterprises is the inability to write a business proposal. This is because the funds require the youth to write business proposals as a way to get the loans. This automatically disqualified those who are unable to write the proposals which lead to non-performance of related enterprises (Kemboi, 2015).

The type of enterprise activity that the youth engaged in are petty and most of them are generally similar to others in the area such as tapestry, weaving, welding, vegetable and grocery shades, fee-toilets, general shops, selling second hand clothes, clothes making. Basing on these characteristics, the ventures can hardly be described as entrepreneurial if it were to be explained in line with Schumpeter's idea of innovation. According to Schumpeter innovation may be in form of introducing new methods of production, goods or markets (Maina, 2013).

Alam and Hossan (2003) argue that individuals who are entrepreneurial are motivated to explore potentially profitable opportunities. It is perceptible that the kinds of business ventures taken up by the youth are not driven by optimizing the use of unexploited resources to generate profits rather their concerns are in earning an income that will help them survive each day. This can be attributed to the fact that the youth aspirations are mired by many limitations in terms of entrepreneurial skills, experience and networks.

Critique of Existing Literature

Kanyari and Namusonge (2013) in a study in Gatundu South District, Kenya, aimed to determine

the various interventions that influence youth entrepreneurs towards YEDF and their role towards attracting the youth toward YEDF. The study also concluded that provision of continuous and relevant Business Development Services to youth entrepreneurs is key to the success of enterprise development initiatives in creating long term employment. They recommended that the Fund should invest in more public sensitization and education on its operations and progress since its inception. Sogwe, Gicharu & Mahea (2011), in a study titled 'A study on youth and women entrepreneurs preparedness in Kenya: a case of YEDF and Kenya Women Enterprise Fund' found that majority of the entrepreneurs indicated that they need both advice and money. The study concluded that entrepreneurial preparedness is low among the entrepreneurs who benefitted from both youth and women Fund. They recommended that it is crucial for enterprise funders need to assess the entrepreneurs on business readiness gaps.

Oduol et al. (2013) researched on effect of the YEDF on youth enterprises in Kenya. The study in Siaya County, Kenya, focused on the activities of the Ministry of Culture and Social Services in registration of youth groups, YEDF officers and Financial Institutions (FIs) in the management and disbursement of the Fund to the youth entrepreneurs. The study found out that the youth need to be sensitized on youth group formation and registration in order to benefit from the Fund. The study recommended that, to improve on the viability of the youth enterprises, there is need for the government to market the youth products, before and after accessing the loan.

Research Gaps

Most of the studies on YEDF concentrates on the general challenges of YEDF, structure of the fund that makes it a preferred source of finance, and government policy programmes geared towards the support and funding of youth enterprises through YEDF. Ameya, Onsongo, Guyo and Omwong'a (2011) studied on the challenges facing YEDF in Nyaribari Chache Constituency, the variables addressed were; accesses to YEDF, availability of collateral and low

interest rate. Sogwe, Gicharu & Mahea (2011) studied on youth and women entrepreneurs' preparedness YEDF. The variables addressed were market and technology and entrepreneurial spirit.

Osinde, Iravo and Munene studied the effect of business development services on the performance of Small Scale enterprises in Kisii Town. The variables studied were, finance availability, management skills, Technology adoption and laws and regulations affect the development of the youth. Only a few studies like Kanyari and Namusonge (2013) have attempted to focus on entrepreneurship skills as interventions influencing towards YEDF success. This study will be different since it will focus on the entrepreneurial factors of achieving the objectives of YEDF. This is because the studies dealing with the entrepreneurial factors of youth enterprises funded by YEDF are limited and hence this study aims at enriching this gap.

RESEARCH METHODOLOGY

Research Design

The research design adopted in this research was descriptive design. Descriptive design was used to calculate basic statistics such as the mean, standard deviation and mode.

Target Population

The target population was composed of the YEDF funded youth enterprises in Kirinyaga County as per the records in the County Youth and Gender Development Office in Kirinyaga County (2014). The enterprises for the study were those which had been in business for at least the last two years with focus on owners and managers of these enterprises. As per the county registrations office, the total population of YEDF youth funded enterprises in Kirinyaga County were 481.

Sample and Sampling Techniques

The sampling technique used was stratified sampling. According to Cooper and Schindler (2008) stratified sampling is a technique used where the population is not homogeneous. The enterprises were first stratified according to the nature of businesses (agribusiness, service provision,

commercial and manufacturing) then samples were selected from each stratum using simple random sampling.

Data Collection Methods

Two classifications of data (based on the source) were used for this study; primary and secondary data.

Data Collection Procedure

Primary data was collected and used in the study. The researcher personally administered the questionnaires and collected the filled-in questionnaire before leaving each of the selected youth respondents and this took a period of one week.

Data Analysis and Presentation

The raw data was properly inspected for completeness. Data analysis was both qualitative and quantitative. The qualitative data was analyzed by content analysis in which main themes that emerged was identified from responses to questions and summarizes that were made. The qualitative data was analyzed through descriptive and inferential statistics using statistical packages for social science (SPSS) version 22. The analyzed data was presented by use of tables, percentages, and charts among others. Various methods of data presentation were applied for qualitative data. They included frequency counts, percentages, graphs to describe distributions, pie charts to show differences in frequencies and bar charts to display nominal or ordinal data. Quantitative data was presented using percentages, means, standard deviation (SD), and correlation coefficients.

RESULTS AND DISCUSSIONS

Questionnaires Return Rate

A total of 68 out of 96 self-administered questionnaires were filled and returned yielding a response rate of 70.83%.

Reliability and Validity Test

The results in the table below show Cronbach's alpha of well above 0.7 implying that the

instruments were sufficiently reliable for measurement.

Table 1: Reliability test

| Construct | Cronbach's Alpha | Comments |
|----------------------------|------------------|----------|
| Entrepreneurial experience | 0.763 | Accepted |
| Entrepreneurial networking | 0.787 | Accepted |
| Enterprise Performance | 0.835 | Accepted |

The study found that overall cronbach's alpha for entrepreneurial experience (0.763), entrepreneurial networking (0.787), and enterprise performance was 0.835.

Validity test was computed by the use of discriminant validity. Average Variance Extracted (AVE) is commonly used to assess discriminant validity and it was found to be more than 0.7, implying that there was high validity.

Based on the findings square root of AVE of each construct was found to be higher than the correlation among any pair of latent construct. Thus, each construct had a different measure of the main factor of analysis.

Demographic Information

To establish the gender of the youth, the respondents were asked to indicate their gender. According to the study findings, 41 (60%) of the respondents were male while 27 (40%) were female.

The main activity of the youth enterprise development funded enterprises were requested. According to the study findings, out of the 68 respondents, 30 (44.1%) were in agribusiness followed by 25 (36.8%) who were in service provision. 8 (11.7%) were in manufacturing and 5 (7.4%) were in commercial. This shows that majority of the respondents were in agribusiness. This implies that majority of the youth enterprise development funded enterprises in Kirinyaga County are engaged in agribusiness based enterprises which is the current focus for this study.

The study further sought to find out the duration of time the youth entrepreneurs had been in operation. According to the study findings, 22 (37%) of the respondents had their business operation for

between 1.5-2 years, 17(28%) had their business operating for between 1-1.5 years. 14 (23%) of the respondents had their business operating for between 6-12 months and 7(12%) for less than 6 months. The findings contrasts Okoth et al. (2013) on a study of the effects of the YEDF on youth Enterprises in Kenya established that three out of five YEDF supported youth start-ups in Kenya fail within the first few months. This shows that more of the youth enterprise development funded enterprises in Kirinyaga County are surviving the formative years.

The respondents were requested to state if they had any other business prior to the current one. According to the study findings, 39(65%) of the respondents had prior business while 21(35%) had no business before the current one. This shows that most of the youth had no previous experience of running a business and this may be the reason why they are mostly particular with the agro based sector due to prior knowledge and experience. The findings contrast Kinga and McGrath (2002) argument that previous enterprise experience is generally considered to be an important asset as it provides an entrepreneur with useful knowledge and skills. Experience is the best predictor of business success especially when the new business is related with vast experiences.

The study sought to find out the legal status of enterprises run by the youth entrepreneurs. According to the study findings, majority of the respondents 52 (76.5%) had registered their business while 16 (23.5%) had not registered their business. The findings contrasts Kemboi (2015) indication that majority of the youth entrepreneurs have little or no formal schooling and that they lack

any experience in business registration procedures. This implies that majority of the youth entrepreneurs have registered their enterprises to conform to the county by-laws.

Study Variables

Correlation

This section outlines the correlation of the independent and dependent variables.

Table 2: Correlation matrix of variables

| | | Networking | Experience |
|-------------|---------------------|------------|------------|
| Performance | Pearson Correlation | .600** | .440** |
| | Sig. (2-tailed) | .000 | .003 |
| | N | 68 | 68 |

Table 2 indicates the correlation coefficient between performances of youth enterprise development funded enterprises and entrepreneurial experience and entrepreneurial networking. The findings revealed that there is statistically significant positive relationship between, performance of youth enterprise development funded enterprises and entrepreneurial experience (r=0.440, p<0.01). Entrepreneurial networking had the best correlation of 0.600 with performance of YEDF youth enterprises, which is a strong positive correlation. The implication is that entrepreneurial networking among youthful entrepreneurs in Kirinyaga County is vital in cultivating network ties that can bring with it marketing assistance in the form of new markets and marketing capabilities for youth SMEs. These network ties will build the capacity of youth enterprises by making them more competitive and ready for future challenges. Networking is central to success of any enterprise since it exposes the youth entrepreneurs to potential customers. A youth entrepreneur with a strong network ties can easily identify and acquire resources needed for better performance. Networking of youth entrepreneurs in Kirinyaga County will assist in mobilizing resources, getting support and help, creating legitimacy during start-up and growth, and establishing viable business relations. The size of entrepreneurs' networks and the interconnection and frequency of

Correlation analysis of the entrepreneurial factors influencing the performance of youth enterprise development funded enterprises

Correlation outlining the relationship between the independent variables and dependent variables is indicated in this section.

relationship of its members greatly influence performances of youth enterprises.

Entrepreneurship experience was the second best predictor of performance of youth enterprise development funded enterprises, with a significant positive correlation (r=0.440). This implies that entrepreneurial experience among youthful entrepreneurs is paramount to the overall performance of the enterprise. Entrepreneurial experience positively contributes to business readiness among the youth entrepreneurs since it equips them with enterprise knowledge and management competencies to successfully operate the business. Youth entrepreneurs with entrepreneurial experience have a high chances of success in management of the enterprises, negotiating for loans, payment of loans and accessing markets. Entrepreneurial experience enables the youth entrepreneurs to possess the necessary attributes to pursue their dreams and acquire high levels of performance.

Descriptive and Qualitative Analysis of the Study Variables

a) Influence of Entrepreneurial Experience on the Performance of YEDF Funded Youth Enterprises

The relationship between entrepreneurial experience and performance of youth enterprise development funded enterprises is highlighted in this section.

Prior entrepreneurial experience

The respondents were requested to state whether they had prior entrepreneurial experience before then current enterprise. From the findings, most (52%) of the respondents had no prior entrepreneurial experience as opposed to 48% who possessed prior entrepreneurial experience.

If prior experience was in the same field as the current business

On being asked to state whether the prior entrepreneurial experience was in the same field as

Table 2: Rating aspects of entrepreneurial experience

| Aspects of entrepreneurial experience | Strongly agree | Agree | Neither | Disagree | Strongly disagree |
|---|----------------|---------|---------|----------|-------------------|
| Negative stereotyping, discrimination and lack of marketable skills prevent many young people from gaining access to economic opportunities | 14(23%) | 21(35%) | 1(2%) | 22(37%) | 2(3%) |
| Business start-ups whether by adults or youth are usually only financed if the applicant has prior experience in the type of business, | 11(18%) | 13(22%) | 7(12%) | 24(40%) | 5(8%) |
| Youths have difficulty accessing finance because they tend to have little experience and few assets | 19(32%) | 15(25%) | 1(2%) | 16(27%) | 9(15%) |
| Entrepreneurial experience plays a crucial role in contributing to a young entrepreneur's ability to access credit | 25(42%) | 21(35%) | 3(5%) | 11(18%) | 0(0%) |
| Entrepreneurial experience usually leads to business success | 36(60%) | 17(28%) | 0(0%) | 7(12%) | 0(0%) |

From the findings, majority of the respondents (37%) disagreed that negative stereotyping,

the current enterprise, Majority of the respondents (58%) agreed that they possessed entrepreneurial experience related to the current line of enterprise while the other 42% disagreed. The findings complements Patrick and Ngoze (2012) that YEDF managers interviewed during the study admitted that they had had to cater more to youths with business experience and a track record of success in a similar line of business in order to maintain repayment levels. This therefore clearly indicate that entrepreneurial experience plays a crucial role in contributing to an entrepreneur's ability to access credit.

Agreement aspects of entrepreneurial experience

The study sought to examine the respondent's level of agreement with the variable that relates to aspects of entrepreneurial experience.

discrimination and lack of marketable skills prevent many young people from gaining access to economic opportunities. 40% of the respondents disagreed

that business start-ups whether by adults or youth are usually only financed if the applicant has prior experience in the type of business. 32 % of the respondents strongly agreed that youths have difficulty accessing finance because they tend to have little experience and few assets. 42% of the respondents strongly agreed that entrepreneurial experience plays a crucial role in contributing to a young entrepreneur's ability to access credit. 60% of the respondents also strongly agreed that entrepreneurial experience usually leads to business success. The findings agreed with International Labour Organization's Integrated Framework Assessment Guide (2013) on the growth of

enterprises which concluded that business experience is crucial to success of enterprises. The implication is that experience in business has also been shown to have a marked influence in the level of loan repayment within financial schemes.

Indicating the attempts made by YEDF to address the lack of entrepreneurial experience problem among the youth

The respondents were asked to indicate the attempts made by YEDF to address the lack of entrepreneurial experience as presented in Table 4.10.

Table 3: Attempts by YEDF to address lack of entrepreneurial experience

| Actions | Frequency | Percentage |
|---|------------------|-------------------|
| Introduction of various loans schemes | 42 | 61.8 |
| Each loan targets specific entrepreneurial characteristics | 6 | 8.8 |
| Introduction of constituency youth-enterprise schemes (C-YES) | 7 | 10.3 |
| Introduction of (E-YES) | 13 | 19.1 |

The findings indicate that majority (61.8%) of the respondents gave the views that introduction of the various loan schemes as an attempts by YEDF to address the lack of entrepreneurial experience problems among youth. The findings agreed with Mugira (2012) assertion that YEDF has attempted to address the youth experience problem through introducing various loan schemes, each targeted to specific entrepreneurial characteristics in a bid to increase its credit advancement to the youth population in Kenya. This shows that more sensitization should be made on the Constituency Youth Enterprise Scheme (C-YES) which is aimed for youth groups at the lowest levels who have no experience in business and in dealing with financial institutions.

b) Influence of Entrepreneurial Networking on the Performance of YEDF Funded Youth Enterprises

The entrepreneurial networking and its relationship to performance of youth enterprise development funded enterprises are discussed in this section.

Linkage of enterprise to large enterprises by YEDF

The respondents were requested to state whether YEDF had linked their enterprises to large ones. The findings indicates that majority (54%) of the respondents stated that YEDF had not linked their enterprise to other large ones. The other 46% pointed that YEDF had made attempts of linking their enterprises to other large enterprises. The results concur with an assessment by Youth Enterprise Development Fund (2012) that majority of the youth enterprises in Kenya, have not been linked to large enterprises by YEDF. The findings clearly establishes that networking of youth enterprises is central to success of any enterprise and there is need for YEDF to help in exposing the enterprises to potential customers.

Benefits of enterprise linkages to the youth entrepreneur

On being requested to indicate the benefits of the linkages to the youth enterprises, From the findings, majority of the respondents (58%) stated that they were able to expand the enterprise in terms of performance. The other 42% of the respondents

stated that they acquired more exposure as a result of the linkages. The findings supports Maina (2013) view that the underlying economic rationale of linkages of youth enterprises is that through this strategic partnership, success in the target markets can be enhanced. This arises through economies of scale and the reduction of costs in the value chain and/or quality improvement. This shows that to achieve maximum performance in Kirinyaga County, linkages of youth enterprises is paramount.

Number of markets the youth enterprise are linked to

The respondents were requested to state the number of markets they have been linked to as a result of the effort from YEDF. The findings shows that most (48.5%) of the youth entrepreneurs are linked to only one market with 25% stating that they are not linked to any particular market. The findings is in line with Youth Enterprise Development Fund (2012) assertion that majority of the youth enterprises in Kenya, have not been linked to large enterprises by YEDF. Similarly, the implication is that networking of youth enterprises is central to success of any enterprise and there is need for YEDF to help in exposing the enterprises to potential customers.

Area of coverage of your business operations

The respondents were asked to state the coverage area of their enterprises in their area of operations. The findings indicate that most of the respondents have a coverage of county level in the operations of their enterprises with 25% and 22.1% operating within the constituency and location level respectively. The findings supports Wube (2010) who found that youths have fewer business contacts, less knowledge of how to deal with the

bureaucracy and less bargaining power, all of which further limit the expansion and performance of their enterprises. This shows that vertical and horizontal linkages of youth enterprises is necessary to spur growth and performance in both local and national markets.

Participation in any market fair/exhibition organized by YEDF

The respondents were asked to state whether they have participated in market fairs organized by YEDF. The results shows that overwhelming majority of the respondents (84%), had not participated in market fairs organized by YEDF. Only 16% of the respondents had ever participated in such fairs. The results supports Wube (2010) views that most youth entrepreneurs operate on a small scale level, and are generally not members of professional organizations or part of other networks, they often find it difficult to access information on trade and marketing fairs. This implies that youth entrepreneur’s lack of participation in trade fairs is hampering the growth of their enterprises. There is need therefore to expose the youth into local and national trade exhibitions for them to gain enterprise exposure.

Indicate your agreement or disagreement with the various aspects of entrepreneurial networking.

The study sought to examine the respondent’s level of agreement with the variable that relates to aspects of entrepreneurial networking as presented in Table 4.

Table 4. Agreements with aspects of entrepreneurial networking

| Entrepreneurial aspects | networking | Strongly agree | Agree | Neither | Disagree | Strongly disagree |
|--|-------------------|-----------------------|--------------|----------------|-----------------|--------------------------|
| As a result of networking, my business is currently realizing more profits | | 15(25%) | 38(63%) | 1(2%) | 4(7%) | 2(3%) |
| Sales have increased as a result of networking with large enterprises | | 13(22%) | 37(62%) | 2(3%) | 8(13%) | 0(0%) |

| | | | | | |
|---|---------|---------|---------|---------|-------|
| My enterprise employs more workers due to networking with large enterprises | 14(23%) | 24(40%) | 10(17%) | 12(20%) | 0(0%) |
| If linked by YEDF to a large enterprise, my enterprise will learn from it | 20(33%) | 38(63%) | 2(3%) | 0(0%) | 0(0%) |
| My business will continuously grow as a result of networking through YEDF | 26(43%) | 32(53%) | 0(0%) | 2(3%) | 0(0%) |

From the findings, majority of the respondents (63%) agreed that as a result of networking my business is currently realizing more profits. 62% of the respondents agreed that sales have increased as a result of networking with large enterprises while 40 % of the respondents agreed that their enterprise employs more workers due to networking with large enterprises. 63% of the respondents agreed that if linked with YEDF to a large enterprise their enterprise will learn from it while 53% of the respondents also agreed that their business will continuously grow as a result of networking through YEDF. The findings complements Hussain (2000) argument that there is strong evidence that forming alliances, clustering and networking helps small enterprises to compete with large firms. This clearly indicate that by working together, youth enterprises can gain the benefits of collective efficiency, enabling them to link with large producers and break into national and global markets.

c) Performance of YEDF Funded Youth Enterprises

Items related to performance of youth enterprise development funded enterprises is discussed in this section.

Growth margins of business before accessing finance from YEDF

The respondents were asked to indicate the performance their enterprises before the funding from YEDF in terms of the sales margins over the last one year.

The findings indicate that 37% the respondents stated that their enterprise performance was good with 23% stating it was fair and 22% stating the performance was good. The findings add weight to

Sogwe, Gicharu and Mahea (2011) who found that majority of youth entrepreneurs indicated that they need both advice and financing. The implication is that most youth entrepreneurs face the challenge of lack of finances in enterprise formation and growth hence the intervention of YEDF is timely.

Performance of youth enterprises after accessing finance from YEDF financing

The respondents were asked to state the performance of their enterprises after accessing YEDF funding. The results indicate that 36% of the enterprises performance was very good, 34% was good while the other 31% was excellent. The findings complements Gudda and Ngoze (2009) study which found that YEDF has made tremendous progress in enhancing performance of youth enterprises through various interventions such as disbursement of funds through C-Yes, Youth Enterprise Scheme, through intermediaries, market linkages support among others. This implies that since YEDF is impacting positively on performance of youth enterprises, it should continue to fund youth enterprises through better mechanisms for monitoring performance in order to have a wide impact on enterprise creation for the youth throughout the country.

Increased in employees after accessing YEDF funding the enterprise

The respondents were asked to state whether they had increased the number of employees after accessing YEDF. From the findings of the study, majority (70.6%) of the respondents stated that they had not increased the number of employees in the business even after accessing YEDF funding. A few (29.4%) stated they had increased the employee's

numbers. The findings agree with Karongo (2009) who found that growth of youth business is impacted by many attributes beyond finances. The implication is that continuous nurturing of youth entrepreneurs is vital to ensure steady and continuous growth and performance of their enterprises.

Expansion of enterprise after accessing YEDF

The respondents were asked to state whether they had expanded their business into other centres/towns after accessing YEDF funding. Majority (66.2%) of the respondents stated that they had not expanded their enterprises into other towns. A few (32.8%) had expanded their business. The findings further support Karongo (2009) who found that growth of youth business is impacted by many attributes beyond finances. The implication is that continuous nurturing of youth enterprises is vital to ensure that they gradually move from the inception to growth and expansion stages of their performance.

Ways of improving youth entrepreneurship to gain acceptance in society

The respondent's statements on how youth entrepreneurship could be improved to gain more acceptances in the society. The other 32.4% and 11.8% pointed at financial assistance and availing space for business expansion respectively as the other ways of ensuring performance of youth enterprises.

Major problems faced by youth entrepreneurs

The respondents were requested to outline the major problems youth owned face in running their enterprise. From the findings of the study, majority (66.2%) of the respondents lacked sufficient funds to operate their enterprises. The other (22.1%) of the

Regression analysis

The regression model equation - $E(Y) = \alpha + \beta_1 L + \beta_2 S$ where;

$E(Y)$ = (Dependent variable) Performance, α = A constant, β_1 , β_2 = Regression coefficients,

L = (independent variable) Net-working, S = (independent variable) Experience

Table 4: Summary of overall model

respondents had insufficient business experience to operate their enterprises. The findings supports Odeng' (2007) assertion that lack of funding and business experience are among the key factors contributing to failure of youth enterprises. This implies that the challenges faced by youth entrepreneurs in Kenya are also experienced in Kirinyaga County. Therefore, mitigation measures that have given solutions to the challenges in other areas should be used in Kirinyaga County to enhance performance of youth enterprises.

The overall effect of YEDF on performance of youth enterprises

The respondents were requested to comment on the overall effect of YEDF funding on the performance of youth enterprises. Majority of the respondents (51.5%) felt that YEDF had the effect of increasing their knowledge and skills to run the enterprises. Another 30.9% indicated that YEDF had assisted them in picking up and expanding their enterprises. The findings complements Gudda and Ngoze (2009) study which found that YEDF has made tremendous progress in enhancing performance of youth enterprises through various interventions such as disbursement of funds through C-Yes, Youth Enterprise Scheme, through intermediaries, market linkages support among others. The implication is that the government should expand the funding of YEDF to enable it support more youth enterprises.

Ways of improving the impact of YEDF on youth enterprises

The respondents were requested to express their feelings on ways of improving the impact of YEDF on youth enterprises.

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate |
|-------|-------------------|----------|-------------------|----------------------------|
| 1 | .810 ^a | .656 | .632 | .37503 |

a) Predictor variables: (Constant), experience, networking

b) Dependent variable: performance of YEDF funded youth enterprises

The model analysis of regression is shown in the table above. Regression indicates the strength of the relationship between the independent variables (experience, networking) and the dependent variable (performance). The R square value in this case is 0.656 which clearly suggests that there is a strong relationship between performance and experience, networking. This indicates that the

experience and networking share a variation of 65.6 % of performance of YEDF youth enterprises in Kirinyaga County.

This indicates that the two independent variables (experience, networking) share a variation of 65.6 % of performance of YEDF enterprise.

Analysis of Variance (ANOVA)

Table 5: Analysis of variance (ANOVA)

| Model | | Sum of Squares | Df | Mean Square | F | Sig. |
|-------|--------------|----------------|-----------|-------------|--------|-------------------|
| 1 | Regression | 44.972 | 2 | 2.991 | 64.056 | .000 ^b |
| | Residual | 10.426 | 57 | .213 | | |
| | Total | 55.398 | 59 | | | |

a) Predictor variables: (Constant), experience, networking

b) Dependent variable: performance of YEDF funded youth enterprises

With a sig= .000 as indicated in table, a significance level of over 99% is provided. These model significance implies that the model is acceptable. The total deviation in the dependent variable in the model is 55.398. The model was able to explain 44.972 of the total sum of squares while 10.426 of the total sum of squares were not explained. The F-test value result was 64.056 with a p-value of 0.000 < 0.05 level of significance. Therefore a significant

relationship was present between the independent variables (experience, networking) and the dependent variable (performance). In other words the entire model was a good fit. In other words the entire model was a good fit since F calculated (64.056) is greater than the F critical (55.398), this shows that the overall model is significant.

Coefficients of the study variables

Table 6: Coefficients of study variables

| Model | | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. |
|-------|------------|-----------------------------|------------|---------------------------|-------|------|
| | | B | Std. Error | Beta | | |
| 1 | (Constant) | .077 | .037 | | 2.081 | .042 |
| | Networking | .951 | .156 | .643 | 6.083 | .000 |
| | Experience | .255 | .089 | .329 | 2.135 | .038 |

- a) Predictor variables: (Constant), experience, networking
- b) Dependent variable: performance of YEDF funded youth enterprises

For the constant, if all the independent variables are held constant then the performance will be 0.077. The coefficient of the constant is significant since $t\text{-value}=2.081$ ($p\text{-value}=0.042 < 0.05$ level of significance). The regression coefficient of networking is 0.951 with a $t\text{-value} = 6.083$ ($p\text{-value}=0.000 < 0.05$ level of significance). This shows that one unit change in networking results in 0.951 unit increase in performance. The regression coefficient of experience is 0.255 with a $t\text{-value} = 2.135$ ($p\text{-value}=0.038 < 0.05$ level of significance). This shows that one unit change in experience results in 0.255 unit increase in performance.

Major Findings of the Study

The major findings of the study were presented in this section:

a) Findings based on influence of entrepreneurial experience on the performance of YEDF funded youth enterprises

From the findings, most (52%) of the respondents had no prior entrepreneurial experience as opposed to 48% who possessed prior entrepreneurial experience. Majority of the respondents (58%) agreed that they possessed entrepreneurial experience related to the current line of enterprise while the other 42% disagreed. In addition, 42% of the respondents strongly agreed that entrepreneurial experience plays a crucial role in contributing to a young entrepreneur's ability to access credit. 60% of the respondents also strongly agreed that entrepreneurial experience usually leads to business success. The findings further indicated that majority (61.8%) of the respondents gave the views that introduction of the various loan schemes as an attempts by YEDF to address the lack of entrepreneurial experience problems among youth.

b) Findings based on influence of entrepreneurial networking on the performance of YEDF funded youth enterprises

The findings indicates that majority (54%) of the respondents stated that YEDF had not linked their enterprise to other large ones. Majority of the respondents (58%) stated that they were able to expand the enterprise in terms of performance after funding from YEDF. The other 42% of the respondents stated that they acquired more exposure as a result of the linkages. The findings shows that most (48.5%) of the youth entrepreneurs are linked to only one market with 25% stating that they are not linked to any particular market. Most of the respondents have a coverage of county level in the operations of their enterprises with 25% and 22.1% operating within the constituency and location level respectively. Overwhelming majority of the respondents (84%), had not participated in market fairs organized by YEDF. Only 16% of the respondents had ever participated in such fairs.

SUMMARY OF THE STUDY

From the data analysis, the three independent variables (experience, networking) explained 65.6 % of performance of YEDF enterprise in Kirinyaga County. Entrepreneurial networking had the best correlation of 0.600 with performance of YEDF youth enterprises, which is a strong positive correlation. The implication is that entrepreneurial networking among youthful entrepreneurs in Kirinyaga County is vital in cultivating network ties that can bring with it marketing assistance in the form of new markets and marketing capabilities for youth SMEs. Entrepreneurship experience was the second best predictor of performance of youth enterprise development funded enterprises, with a significant positive correlation ($r=0.440$). This implies that entrepreneurial experience among youthful entrepreneurs is paramount to the overall performance of the enterprise.

Most important independent variable in measuring performance of YEDF funded youth enterprises in the regression model was networking with the

highest Beta value of (0.643), followed by entrepreneurial experience (beta=0.329).

The study concluded that entrepreneurial networking is the best measure of performance of YEDF funded enterprises since it had the best correlation of 0.600 and highest Beta value of (0.643). Entrepreneurship experience was the second best predictor of performance of youth enterprise development funded enterprises, with a positive correlation ($r=0.440$) and a beta of 0.329.

The study recommends that that the youth entrepreneurs should be introduced to business development and incubation centres to acquire the necessary experience that they lack in order for them to run their enterprises successfully.

Networking of youth enterprises is central to success of any enterprise and there is need for YEDF to help in exposing the enterprises to potential customers through vertical and horizontal networking.

An area for further research is to investigate the other factors (34.4%) that influence performance of youth enterprise development funded enterprises in Kirinyaga County since the three predictor variables, (experience, networking) share a variation of 65.6 % of performance of YEDF enterprise. A study on entrepreneurial factors influencing the performance of YEDF funded women enterprises in Kirinyaga County should also be conducted.

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