

**FACTORS INFLUENCING PERFORMANCE OF
ENTREPRENEURSHIP VENTURES AMONGST PEOPLE
EXITING FORMAL EMPLOYMENT IN NAKURU TOWN,
NAKURU COUNTY, KENYA**

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DECLARATION

This research project report is my original work and has not been presented for a degree in any other University or any other award.

Signature

Date

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REG: L50/83030/2015

This research project report has been submitted for examination with my approval as the University Supervisor.

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DEDICATION

This work is dedicated to my dear children, Faith Wangari Njoroge, Mike Baraka Njoroge and Joypeace Zawadi Njoroge as well as my late Dad, J.N Karara

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ACRONYMS & ABBREVIATIONS

BBK	Barclays Bank of Kenya
CVI	Content Validity Index
I-CVI	Item-Content Validity Index
KCB	Kenya Commercial Bank
NACOSTI	National Commission for Science, Technology and Innovation
OLC	Organizational Life Cycle
S-CVI	Scale-Content Validity Index
SPSS	Statistical Packages for Social Sciences

ABSTRACT

Different factors in Kenya have led to people exiting formal employment and joining entrepreneurship ventures. These factors include pull factors such as strong desire for independence, desire to utilize skills gained in employment and capturing of emergent opportunities amongst other factors. On the other hand, the push factors include redundancy or retrenchment, inadequate salaries and job insecurity amongst other factors. In Nakuru, several companies have retrenched staff in the last five years. Additionally, many employees exit formal employment through retirement as well as resignations across many employers in Nakuru. Some of these people who have exited formal employment have established entrepreneurship ventures as means of economically sustaining their lives. However, initial entrepreneurship ventures phase of the business is characterized with time and energy demands on the entrepreneur, lack of formal systems, and critical challenges crucial to the firm's survival in form of customer acceptance, product capability, and decreasing levels of entrepreneurship ventures capital amongst other factors. This sometimes leads to high cases of poor performance of entrepreneurship ventures characterized by stagnation and entrepreneurship ventures failures. This study therefore sought to examine the influence of business skills, demographic characteristics, finances availability and regulatory framework on the entrepreneurship ventures performance amongst people exiting formal employment in Nakuru town in Kenya. The theoretical framework of this study was undertaken using the organizational lifecycle theory. This study used descriptive research design. The research design is suitable for this study in the context that the study sought to examine factors influencing success of entrepreneurship ventures performance amongst people exiting formal employment in Nakuru town in Kenya. The target population of the study includes people who met the following criteria; existing entrepreneurs in Nakuru and entrepreneurs' who have exited formal employment. A sample size of 100 respondents that was purposively derived was utilized. The questionnaires were used as the research instrument. There are several reasons informing the use of the questionnaire as the research instrument including ease of data collection, cost efficiency of data collection, and ease of data analysis using Statistical Packages for Social Sciences (SPSS) software. The multiple linear regression was used to explain the relationship between the dependent variable and the four independent variables. The regression coefficient indicated that for every unit increase in business skills the performance of entrepreneurship ventures of people exiting formal employment will increase by 0.269 ($B= 0.269$), when other factors are held constant. This also implies that for every unit increase in the demographic characteristics of the person exiting formal employment, the performance of the entrepreneurship venture will decrease by 0.169 ($B= -0.169$), when other factors are held constant. The regression coefficient of 1.083 ($B= 1.083$) corresponding to finances availability implies that for every point increase in finances availability, the performance of the entrepreneurship ventures of people exiting formal employment will increase by 1.083, when other factors are held constant. Finally, for every point increase in the regulatory framework, the performance of the entrepreneurship ventures of people exiting formal employment will decrease by 0.443 ($B= -0.433$), when other factors are held constant. In order of influence of the independent variables on the dependent variable, finances availability had greater influence on the performance of the entrepreneurship ventures of people exiting formal employment. This was followed by business skills, the regulatory framework and the demographic characteristics of the person exiting formal employment for an entrepreneurship venture.

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

Across the world, there are diverse factors that have led to people previously in formal employment to entrepreneurship through establishment of businesses. According to Chan & Quah (2012), these factors that be grouped into two broad categories; push and pull factors. The pull factors have been defined as the strong positive internal desire in an individual to start a business venture (Panahi, Preece, Rogers, & Moezzi, 2014). The motivation for People in this group include People who want independence, desire to act on emerging business opportunities, and seeking platform to utilize gained experience in formal employment amongst other factors (Akpomi, 2008). On the other hand, the push factors for engaging in business activities are based on external negative reasons, including redundancy, job insecurity, need for supplementary income, underpaid salaried work and discrimination in the labour market (Nunoo & Andoh, 2012)

One of these factors is the privatization of diverse government organizations leading to massive reduction of civil servants over the years. In this context, Tushabomwe-Kazooba (2016) noted that in Uganda, the privatization of government institutions led to the Government of Uganda ceasing from being the number one employer. Additional government restructuring programs had led to the civil service workforce reduction by 41% between 1990 and 2001. The results of these actions were the pushing of the retrenched civil servants into private sector through entrepreneurship ventures as means of economically sustaining their lives (Tushabomwe-Kazooba, 2016).

Similarly, within the corporate world, retrenchment is a major factor that acts to push former employees into business activity. In Kenya, the banking sector forms the typical corporate that have engaged in retrenchment in the recent years. Among the commercial banks that have undertaken the downsizing in the recent times include Kenya Commercial Bank (KCB), Barclays Bank of Kenya (BBK), Cooperative Bank, and National Bank (Abdullahi, 2013). For example, KCB shed 37.2% of its workforce from 1999 to 2004 that is from 4,300 employees to 2,700 employees. In 2013, KCB retrenched 120 employees while National Bank of Kenya retrenched 200 employees (Kaloki, 2014). Barclays Bank laid off 200 workers in 2010 while Cooperative Bank of Kenya laid off 160 employees in 2014 (Kaloki, 2014).

Diverse countries across the globe continue to face challenges of high unemployment rates, job retrenchments and exits due to increasing embracing of technology as well as shrinking profitability levels amongst many industries and business sectors (Chimucheka, 2016). In this context, venturing into businesses has been seen as an avenue for addressing challenges of high unemployment levels, enhancing sustainable economic growth, equitable distribution of income and overall stimulation of economic development.

According to Fatoki (2014), the early stage of business venturing consists of two phases known as the business entrepreneurship ventures phase. The first phase that could last up to three months includes the entrepreneur identifying products or services that their business will trade in as well as putting in place the necessary infrastructure for running the business (Damodaran, 2009). The second phase includes a period that lasts between 3-42 months in which the business participates in the

market place and is subjected to market place dynamics such as competition, regulatory aspects, customer service, cash flow management aspects amongst other factors. Therefore, according to Fatoki (2014), a business entrepreneurship ventures refers to a business in operations for less than 42 months and if it survives this phase it becomes an established business.

Entrepreneurship ventures across the world face performance challenges that are characterized by either business stagnation or business failures (Deya, 2016). Business failure has been examined from diverse perspectives by diverse scholars. Malush (2013) examines the business failure from three perspectives that is bankruptcy, discontinuance, and failure to meet personal goals of the entrepreneur. In this context, discontinuance of the business is the closure of the business with a view of preventing further losses while bankruptcy includes business discontinuance with outstanding debts to creditors (Malush, 2013).

On the other hand, Yoshino & Taghizadeh-Hesary, (2016) examines business failure using four criteria; earnings criterions, solvency criterion, bankruptcy criterion, and loss cutting criterion. In the context of earning criterion, the business is perceived to have failed if its return on capital is substantially and consistently lower than similar investments. The solvency criterion occurs when the business closes as a result of inability to meet its financial obligations which may also lead to bankruptcy if it closes with outstanding debts(Felts, 2014). Finally, the loss cutting criterion occurs when the business closes sometimes through disposal of assets at throw away prices with an aim of averting further losses (Yoshino & Taghizadeh-Hesary, 2016).

The entrepreneurship ventures are vulnerable to performance challenges due to liability of newness (Groenewegen & De Langen, 2012). The liability of newness includes both internal and external factors that hinder entrepreneurship ventures from growth and success. Internal factors consists of aspects that are within the business control such as management, customer service, cash flow management, product development, employment policies and staff training amongst other factors(Singh & Denoble, 2013). On the other hand, the external factors are not within the business control including competition, business environment, and regulatory atmosphere amongst other aspects(Mannes, 2013).

The challenges of entrepreneurship ventures business performance are prevalent in both developed and developing countries. Damodaran (2009) commenting on business survival rates in the United States and Australia made the following observations. Using a sample size of 5,196 entrepreneurship ventures in Australia, Damodaran (2009) observed that the annual business failure rate stood at 9%. On the other hand, using secondary data from United States Government for the period lasting between 1998 to 2005, Damodaran, (2009) found that only 44% of the businesses founded in 1998 survived beyond their fourth anniversary.

On the other hand, the United States Census Bureau., (2015) noted that while 400,000 new businesses were being started in the US, a total of 470,000 entrepreneurship ventures are failing annually. United States Census Bureau., (2015)notes that while the entrepreneurship ventures numbers used to outpace the business failure cases, the reverse happened from 2008. There is currently a higher

business entrepreneurship ventures failure in US compared to the entrepreneurship ventures.

In South Africa, Mbonyane (2006) notes that 50% of the entrepreneurship ventures in South Africa eventually fail with some regions in the country recording as high as 80% new entrepreneurship venture failure rates. On the other hand, Fatoki (2014) places the entrepreneurship ventures failure rates in South Africa to be between 70% to 80% noting that over 440,000 small businesses had closed between 2009-2014. Additionally, both Mbonyane (2006) and Fatoki (2014) indicate that there is also a huge number of businesses that don't grow beyond the survivalist stage and have thus stagnated. Ally (2015) indicates that in Tanzania, three out of five entrepreneurship ventures fail due to diverse issues including managerial and financial challenges. In Uganda, Tushabomwe-Kazooba (2016) noted that over 50% of the entrepreneurship ventures in Uganda fail usually within five years. Similarly in Kenya, Bowen, Morara, & Mureithi (2009) indicated that three out of five businesses failed within the first months of operations. Collaborating these statistics, Bunyasi, Bwisa, & Namusonge (2014) noted that three out of five entrepreneurship ventures in Kenya fail due to various factors including limited market access, limited access to information, finances and technology and unfavorable policy and regulatory environment among others.

1.2 Statement of the Problem

Different factors in Kenya have led to People exiting formal employment and joining business activities. These factors include pull factors such as strong desire for independence, desire to utilize skills gained in employment and capturing of emergent opportunities amongst other factors (Groenewegen & De Langen, 2012). On the other

hand, the pull factors include redundancy or retrenchment, inadequate salaries and job insecurity amongst other factors. In Nakuru, several companies have retrenched staff in the last five years. For example, Eveready retrenched all its 99 employees that were based at its Nakuru manufacturing plant when it closed in 2014. In 2016, Uchumi closed five of its branches including its Nakuru branch and in the process retrenched 253 staff some from Nakuru branch. Commercial banks have also continued to lose employees over the period. Additionally, many employees exit formal employment through retirement as well as resignations across many employers in Nakuru. Some of these People who have exited formal employment have established entrepreneurship ventures as means of economically sustaining their lives. However, initial entrepreneurship ventures phase of the business is characterized with time and energy demands on the entrepreneur, lack of formal systems, and critical challenges crucial to the firm's survival in form of customer acceptance, product capability, and decreasing levels of entrepreneurship ventures capital amongst other factors (Osoro, 2012). This sometimes leads to high cases of poor performance of entrepreneurship ventures characterized by stagnation and entrepreneurship ventures failures. In this context, Bowen et al., (2009) and Bunyasi et al., (2014) indicated that three out of five businesses entrepreneurship ventures in Kenya fail within the first months of operations. This study therefore seeks to examine factors influencing success of entrepreneurship ventures performance amongst People exiting formal employment in Nakuru town in Kenya. This study will also be undertaken in order to still the existent literature gap in the study. Amongst the studies that have examined the aspects of entrepreneurship ventures includes Akpomi (2008) study on Entrepreneurship among graduates-to-be of business/management faculties and economic development in Nigeria. Betty (2014) examined the factors affecting success of start up of Youth

Enterprises in Nairobi County, Kenya. On the other hand, Chea (2008) examined factors influencing the influencing the Survival of Women-Owned Small Entrepreneurship ventures in the City of Tema, Ghana. These studies didn't examine the factors influencing performance of entrepreneurship ventures amongst people existing formal employment which is the focus of this study.

1.3 Purpose of the Study

The purpose of this study is to examine the factors influencing performance of entrepreneurship ventures amongst people existing formal employment in Nakuru Town.

1.4 Objectives of the Study

The objectives of the study include;

1. To assess ways in which demographic characteristics influence performance of entrepreneurship ventures amongst people exiting formal employment in Nakuru town
2. To examine the influence of business skills on performance of entrepreneurship ventures amongst people exiting formal employment in Nakuru town
3. To establish the role of finances availability on performance of entrepreneurship ventures amongst people exiting formal employment in Nakuru town
4. To establish the influence of regulatory framework on performance of entrepreneurship ventures amongst people exiting formal employment in Nakuru town

1.5 Research Questions

The study was based on the following research questions;

1. In what ways do demographic characteristics influence performance of entrepreneurship ventures amongst people exiting formal employment in Nakuru town?
2. How do business skills influence the performance of entrepreneurship ventures amongst people exiting formal employment in Nakuru town?
3. How does finances availability influence performance of entrepreneurship ventures amongst people exiting formal employment in Nakuru town?
4. How does regulatory framework influence performance of entrepreneurship ventures amongst people exiting formal employment in Nakuru town?

1.6 Research Hypotheses

The study was based on the following research hypotheses;

1. H_{a1}: Demographic characteristics have significant influence on performance of entrepreneurship ventures amongst people exiting formal employment in Nakuru town
2. H_{a2}: Business Skills have significant influence on the performance of entrepreneurship ventures amongst people exiting formal employment in Nakuru town
3. H_{a3}: Finances availability has significant influence on the performance of entrepreneurship ventures amongst people exiting formal employment in Nakuru town
4. H_{a4}: Regulatory framework has significant influence on performance of entrepreneurship ventures amongst people exiting formal employment in Nakuru town

1.7 Significance of the Study

The study is of significance to a diverse range of stakeholders including researchers in the area of entrepreneurship and project management, entrepreneurs, People in formal employment, and the trade department of county government of Nakuru. The study

expanded the available information on performance of entrepreneurship ventures within Nakuru. This information was of importance to the researchers in the area of entrepreneurship and project management as it provides critical information for literature review. The research findings are critical for firms in business advisory roles. This is because the firms were able to better understand factors influencing entrepreneurship ventures performance and in what manner hence better addressing these factors in their products and services. The study results are also of significance to the entrepreneurs and People in formal employment seeking to entrepreneurship ventures business enterprises. This is due to the fact that the study exposed factors that influence entrepreneurship ventures performance that these entrepreneurs and potential entrepreneurs need consider in their planning. The trade department of the county government of Nakuru also gains valuable information from the study especially on the influence of the regulatory aspects and the manner in which it impacts on the performance of entrepreneurship ventures.

1.8 Assumptions of the Study

The assumptions that the study had included that the sample was derived from homogeneous population and as such was statistically representative of the population and the respondents were willing to provide the required information truthfully

1.9 Delimitations of the Study

The scope of the study was examined in terms of geographical scope, context scope, time scope and budget scope. The geographical scope of the study was the Nakuru town due to the number of entrepreneurship ventures in the region. Therefore, the region presented enough sample size to undertake the study. The context scope of the study only included the factors influencing performance of entrepreneurship ventures run by People exiting formal employment only. The time scope of the study was six

months from January 2017 to June 2017 to coincide with the academic calendar as the study is being undertaken for academic purposes. Finally, the study is self-sponsored and as such utilized a budget of 76,670.

1.10 Limitations of the Study

The study was limited in getting a list of entrepreneurs who had exited formal employment. This was due to the fact that the entrepreneurs are mixed between those who were formally employed and those that have never been employed. To mitigate these challenges, the researcher engaged three research assistants for the purposes of data collection. The three research assistant verbally interviewed the business owners to ascertain on whether they had earlier being formally employed and quit employment to undertake entrepreneurship ventures. It was only those business owners who had exited formal employment and were full time engaged in entrepreneurship ventures that were issued with the questionnaire. The first, second and third research assistants engaged entrepreneurs in sole occupied businesses, entrepreneurs in exhibition stalls and entrepreneurs in open air markets with a view of collecting data.

1.11 Definitions of Key Terms Used

Business Skills;	The competences required for entrepreneurship ventures to grow through market acquisition and profitability
Demographic Characteristics;	The characteristics of the entrepreneurs in relations to age, marital status, gender, and professional experience
Entrepreneurship Ventures;	Organizational entity involved in the provision of goods and services to consumers for profit

Finance Availability;	Availability of funds to run the new entrepreneurship started by people exiting formal employment
Formal Employment;	Engagement of persons to provide labour where the engaged people work to receive a regular wage and are assured certain rights e.g. paid holidays, sickness leave.
Entrepreneurship Ventures;	Organizational entity involved in the provision of goods and services to consumers for profit that are yet to be fully established and are below 42 months in operations.
People Exiting Formal Employment;	These are People who were previously employed in either public sector or private sector but exited these positions and consequently engaged in business.
Performance of Entrepreneurship Ventures;	The ability of entrepreneurship ventures to grow through market acquisition and profitability
Regulatory Framework;	The government policies that impact on performance of entrepreneurship ventures

1.12 Organization of the Study

The study was based on five chapters that is chapter one to five. Chapter one examined the introduction of the study. The chapter consisted of background of the study, statement of the problem, objectives of the study, research questions, research

hypotheses, significance of the study, assumptions of the study, limitations and delimitations of the study. Chapter two discussed the literature review of the study in which the theoretical review, empirical review and conceptual framework were examined. Chapter three examined the research methodology of the study in which the research design, target population, sampling procedure, research instruments, validity and reliability of the study, data analysis techniques , ethical considerations and operationalization of the variables were discussed. Chapter four presented the research findings, interpretation, and discussion of those findings. Finally, chapter five presented the summary of findings, conclusions and recommendations of the study.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter examines empirical literature, theoretical framework, conceptual framework and summary of reviewed literature. The theoretical framework was based on the organizational life cycle theory, Parker's theory of proactive, Knight theory of entrepreneurship and entrepreneur innovation theory. On the other hand, the empirical literature examined in detail the objectives of this study and concepts on these objectives.

2.2 Demographic Characteristics and Performance of Entrepreneurship ventures

The demographics characteristics of the People exiting formal employment have an impact on the performance of entrepreneurship ventures. In the context of gender, Tullock (2010) noted that women entrepreneurs face greater challenges than their male counterparts. Amongst the challenges include general business challenges that have a more severe impact on Women entrepreneurs in comparison to male entrepreneurs (Lahm & Little, 2005). These factors include poor infrastructure, challenges in accessing of capital, high cost of doing business, and need for multiple licenses to undertake businesses. On the other hand, the Women entrepreneurs further face challenges due to their gender in a highly patriarchal society such as limited access to resources such as land that often acts as collaterals for credit access(Chan & Quah, 2012). The Women entrepreneurs also face challenges such as entry to micro businesses with little barriers to entry leading to hyper competition. Commenting on gender aspects in relations to performance of entrepreneurship ventures, Osoro (2012) noted that men and women have different characteristics in relations to proactiveness, innovativeness and risk taking propensity. These factors affect the

success of the entrepreneurship ventures performance. Some of the businesses and tasks may be instrumental in nature thus favouring the male gender while some tasks such as customer service are expressive in nature thus favouring the female gender.

The education level of the entrepreneurs is critical to the performance of the entrepreneurship ventures. In this context Damodaran (2009) indicates that education levels affects the entrepreneurial skills and management know-how. The entrepreneurs with relatively higher education levels are seen to have better skills set to manage their entrepreneurship ventures such as customer service skills, cash management skills, and marketing aspects amongst other requisite skills. Higher education levels has also been associated with a high consciousness of factors that influence a entrepreneurship ventures operations including customers, competitors, stakeholders, suppliers, industry trends, regulations, other government activities, socio-economic factors and technological developments. Kimando (2015) further notes that there is a positive correlation between entrepreneur's level of education and involvement to the entrepreneurship ventures hence increasing growth potential of the firm.

The age of the entrepreneur affects the performance of the entrepreneurship ventures in diverse ways. The age of People exiting formal employment is often positively correlated with experiences and in house trainings that they have undertaken over the years (Åstebro & Bernhardt, 2003). People who are relatively older before they exited formal employment were exposed to established firms' corporate standards at diverse levels in their working lives. These People are likely to transfer these skills to their entrepreneurship ventures. Relatively older People have sometimes had experiences at

senior management levels as well as in diverse functional areas of an enterprise such as customer service, finance, and risk department which forms a critical skills pool for their utilization in their entrepreneurship ventures (Njoroge, 2014). In information technology jobs, the young generation is more favoured compared to older generation of people exiting formal employment. This is because the young generation is more exposed to the Information and Communication Technologies.

Marital status of the entrepreneurs has often been associated with the commitment levels of the entrepreneurs to the businesses hence impacting on the performance of the entrepreneurship ventures (Felts, 2014). People exiting formal employment who are married often have higher recurrent costs of living in terms of school fees, daily expenditure, higher rents and generally more financial responsibilities. To meet these financial responsibilities, these entrepreneurs often have higher commitment levels to their businesses hence boosting their chances of better performance. On the hand, people who are young don't have more financial responsibilities and have a higher chance of thriving in business because they can easily plough back their capital gain back to the business.

2.3 Business Skills Influence and Performance of Entrepreneurship ventures

The business skills are critical for the survival of entrepreneurship ventures. The entrepreneurial skills acts to stimulate performance of entrepreneurship activities through creation of new opportunities and possibilities as well as a consciousness to attempt and complete certain tasks in a different way (Åstebro & Bernhardt, 2003). In this context, Groenewegen & De Langen (2012) indicated that entrepreneurship training is a key necessity to development and growth of entrepreneurship ventures.

Entrepreneurship skills impact on diverse aspects of the business such as general management, financial management, and planning amongst other factors. The entrepreneurial skills have a major impact on the management aspects of the entrepreneurship ventures which is key to its survival and general performance aspects (Lahm & Little, 2005). This is because internal factors mostly associated with bad management are the major reasons for failure of entrepreneurship ventures (Bula, 2012).

Entrepreneurial skills enable the entrepreneurship ventures to undertake aspects of marketing, customer service, liquidity management, and financial control amongst other aspects in a meaningful way. Kimando (2015) on entrepreneurial orientation of Small and Medium Enterprises in Kenya identified three major usefulness of entrepreneurship skills; i) to acquire skills in the use of techniques, in the analysis of business atmospheres, and in the synthesis of action plans; ii) to develop empathy and support for all aspects of entrepreneurship; iii) to develop attitudes towards change and uncertainty.

The accounting skills are a critical component of entrepreneurship ventures performance in any region. The entrepreneurship ventures businesses therefore need to operate accounting systems that serve their particular needs (Damodaran, 2009). According to Groenewegen & De Langen (2012), the accounting systems processes data and transactions to provide users with information they need to plan, control and operate their business. In this context, Arpala (2016) indicates that accounting skills and information influences the decision making aspects within a entrepreneurship ventures and hence greatly influencing its ability to performance well. The accounting

skills present information relating to performance aspects in terms of profitability, liquidity, activity and leverage aspects (Deya, 2016). Most of the accounting information is made available through adequate and accurate keeping of records that enable accurate information to base decisions from.

The customer service skills are critical aspects of the performance of entrepreneurship ventures businesses. This is because the entrepreneurship ventures must satisfy customer needs for them to be successful. According to Mboniyane (2006), the satisfaction of the customer depends on the creation and maintaining of a base of loyal customers. Mboniyane (2006) indicated that the factors that influence customer relations include right to safety, right to know, right to be heard, right to education, and right to choice. The right to safety implies that the customers are provided with safe and quality services and products. The customer service skills are critical to the performance of the entrepreneurship ventures through ensuring higher sales to customers, higher purchases per individual customers, increased frequency of sales to individual customers, consistency of sales across diverse periods and increase in customer numbers through referrals (Kanyi, 2017).

The communication and technical skills are of significant importance to the performance of the entrepreneurship ventures (Mazzarol, Volery, Doss, & Thein, 1999). The entrepreneurship ventures businesses often try to avoid direct confrontation with competitors and as such try to look for gaps not served by the existing businesses (Damodaran, 2009). This is critical in ensuring that entrepreneurship ventures don't face extremely high competition that would ensure the young business is able to nurture and grow before facing high competition levels.

The ability of the entrepreneurs to have the technical skills to execute their businesses and fill in the gaps in the market is of importance to the survival of the business(Mannes, 2013). The entrepreneurs must also have technical skills to handle emergent issues and aspects in a running business. On the other hand, the communication skills are critical to the entrepreneurs being able to sell their services and products through clarity of expression of benefits of their services, persuasion skills, negotiation skills and customer service aspects (Kaburi, Mobegi, Kombo, Omari, & Sewe, 2012).

2.4 Finances Availability Influence and Performance of Entrepreneurship ventures

The availability of financial resources is a major factor that influences the performance of entrepreneurship ventures. In this context, Abera (2012) in a study Factors Affecting the Performance of Micro and Small Enterprises in Arada and Lideta Sub-Cities , Addis Ababa noted that finances was a major challenge for entrepreneurship ventures in the region. The study using a sample size of 261 respondents found the sources of finances for entrepreneurship ventures in the region to be; personal saving (36.8%), self-help groups (17.7%), family (16.0%), friends/relatives (14.3%) and micro finance institutions (10.1%). The study found that a majority of the business entrepreneurship ventures uses the informal sources of finances due to the challenges of obtaining guarantors and collaterals that are required by most commercial banks. In agreement with Abera (2012), Mwangi (2014) notes that the entrepreneurship ventures are perceived to be riskier to lend to as they lack credit history as well as adequate collaterals to enable them access credit from mainstream financial institutions. The access of finances from friends, microfinance institutions, and shy locks lead to high cost of credit through interests thus exposing

the entrepreneurship ventures to liquidity challenge (Lahm & Little, 2005). Therefore, in the context of the influence of finances on the performance of entrepreneurship ventures various factors may come into play including lack of adequate capital to run the business venture, high interest rates on available avenues for credit access, lengthy and vigorous procedures for loan applications and lack of collaterals as well as credit history to access cheap financing avenues (Malush, 2013). The availability of adequate finances for a entrepreneurship ventures is critical in ensuring improved income, business outputs, and cost efficiency of business operations leading to higher chances of entrepreneurship ventures survivals. Coffey (2016) indicated that greater financial capital not only allows for the undertaking of more ambitious strategies, potential changes in direction, and increased capability to deal with the demands of growth, but it also likely reflects better training and more robust and detailed planning.

According Bolek (2013) cash management is a critical component of good performance of entrepreneurship ventures. Cash management has been conceptualized as the planning and controlling cash flows into and out of the business, cash flows within the business, and cash balances held by a business at a point in time(Mannes, 2013). The purpose of cash management is to ensure that the entrepreneurship ventures has enough funds to meet its running expenses as well as ensuring that the firm is deriving adequate returns from the held cash though minimization of opportunity costs(Chan & Quah, 2012). Therefore, effective cash management ensures that there is little trading cost of holding too little cash levels and minimization of the opportunity costs of holding too much cash levels (Chea, 2008). The trading costs of holding too little cash occurs through inability to meet running

expenses of the business leading to seeking credit facilities to meet these needs. Mbonyane (2006) identifies reasons on why entrepreneurship ventures run into cash management or cash flow challenges. These factors include slow-moving or excessive stock (which gives rise to poor stock or inventory management); too generous credit terms; cash wasted on unprofitable products and services; and unnecessary expenditure (Chan & Quah, 2012).

The financial literacy plays a critical role in the performance of the entrepreneurship ventures businesses. According to Nunoo & Andoh (2012) as the knowledge of basic economic and financial concepts as well as the ability to use that knowledge and other financial skills to manage financial resources effectively for a lifetime of financial well-being. Specific demographics such as women, the elderly and those with low education levels have been established in some regions to have low financial literacy which impacts on the performance of their entrepreneurship ventures. This is because entrepreneurs with low financial literacy are prone to financial mistakes that cost them their entrepreneurship ventures businesses. On the other hand, entrepreneurs with high financial literacy display financial maturity that enable them engage in positive cash flow management practices, formulate products that are profitable, engage in positive financial management practices such as savings, better utilize credit history to access credit and better negotiate for credit facilities. These practices collectively impact positively on the growth and performance of entrepreneurship ventures businesses.

2.5 Regulatory Framework Influence on Performance of Entrepreneurship ventures

Entrepreneurship ventures should follow regulatory framework in order to legally operate within the country. Anthony & Mutalemwa (2014) indicate that the regulatory

framework is any administrative legislation that constitutes or constrains rights and allocates responsibility. The regulatory framework may place controls on aspects such as market entries, prices, wages, employment for certain people in certain industries, standards of production for certain goods and services.

The application and acquisition for business licences and permits is of fundamental to the performance of entrepreneurship ventures. This is because businesses permits and licences enables entrepreneurship ventures with time to access funding from commercial banks as well as certain protections by the law (Damodaran, 2009). Financial institutions lend money to businesses that are formally registered and compliant with both the national and county government business requirements as well as by laws in order to protect their interests (Groenewegen & De Langen, 2012). The ease of acquisition as well as renewal of business permits and licenses have been seen as an indicator of ease of doing businesses across the diverse regions. The issue of the business licences fees to be paid is of critical importance as it plays a role in hindrance of the entrepreneurship ventures from formally registering (Mannes, 2013). According to County Government of Nakuru (2016), the annual payment for registering a private institution with over 200 students were Ksh 100,000 in 2014. In the same year, an industrial plant with over 75 employees attracted an annual license fee of Ksh 110,000 with a hypermarket with over a thousand employees paid an annual fee of Ksh 120, 000. On the other hand, a kiosk in the same year paid Ksh 4,000. The ability of the fees to be affordable especially for the entrepreneurship ventures businesses is critical in fostering their growth especially in the early growth phase where they might have few customers as well as cash flow challenges.

The single business license has an effect of increasing the ease of acquisition of operating licenses as there is no need to visit multiple offices for diverse licenses. According to Chea (2008), the business registration and licensing process in diverse African countries is complicated, paper based and requires visiting to multiple offices which creates delays, and rises the costs hence ending in discouraging entrepreneurship ventures businesses from formalizing their businesses. The use of a single stop registration office as well as single business license is critical for the entrepreneurship ventures businesses to formally register their businesses (Lahm & Little, 2005). The tax deducted from the business reduces the profitability of the businesses. Established firms often have access to tax accountants that legally advise them on means of minimizing their tax liabilities to the government. The entrepreneurship ventures business often don't have the expertise in tax related aspects thus failing to claim tax reliefs when due and also don't have expertise to minimize tax liabilities.

2.6 Theoretical Framework

The theoretical framework of this study was undertaken using the organizational lifecycle theory. The organizational life cycle (OLC) theory is modeled along the biological science phenomena of birth, growth, maturity and death (Isaksen & Kolvereid, 2005). Several scholars have over the years contributed to the OLC theory including Adizes, Hanks, Miller & Friesen, and Kazanjian amongst others. There are five stages to the Organizational Life Cycle (OLC) theory including birth, growth, maturity, revival and decline (Jamil, N., Nasah, C. R. J., & Hassan, Jamil, Rosie, Nasah, & Hassan, 2014). A business enterprise begins at the birth stage that is characterized by putting in place logistics for market entry including finances, business plans, application of business permits, sourcing of business location and the

actual business operations. Performance at the birth stage of the firm is dependent on the ability of the founding entrepreneur to scan the business environment and appropriately respond to the environmental issues such as opportunities and threats (Kargwell & Inguva, 2012). This is because the firms often lack market experience and therefore need to develop skills and acquire resources leading to their competitiveness.

The growth stage of the organization is characterized by rapid sales growth, development of diverse competencies, development of more products, higher customization of products to market needs, higher confrontation levels with competitors, and higher investment in employees (Korn, 2013). On the other hand, the maturity stage of the business operations occurs through stabilization of sales and desire to protect the market share of the now established firm. In this context, the firm seeks maximization of profits through avoidance of costly changes and selling more in the traditional markets (Kyalo, 2013). In a bid to protect its market share, the firms becomes rigid and inflexible through establishment of policies and rules that slows decision making and is less reactive to environmental changes. The revival stage involves the injection of fresh ideas and reinventing of the company in order to rejuvenate the business. This stage is characterized through focusing of the customer needs, embracement of creativity and innovation aspects, and an increasing desire to enter new markets and experiment of new products (Njenga, 2014). Finally, the decline stage of the firm involves the decline in the businesses' products, decline in revenues and market share, unwillingness to proactively innovate new products and services, preoccupation with self-preserving efforts, and an increasingly vulnerability

to external changes due to inability to respond to environmental factors (Nunoo & Andoh, 2012).

This theory is applicable to this study in the context that the entrepreneurship ventures are in the birth phase of the business lifecycle which is characterized by putting in place logistics for market entry including finances, business plans, application of business permits, sourcing of business location and the actual business operations. The performance at this stage is largely influenced by the entrepreneur's business skills, finances availability, and entrepreneur's personal attributes.

2.7 Conceptual Framework

The conceptual framework gives the relationship between the independent variables and dependent variables as illustrated in figure 1.

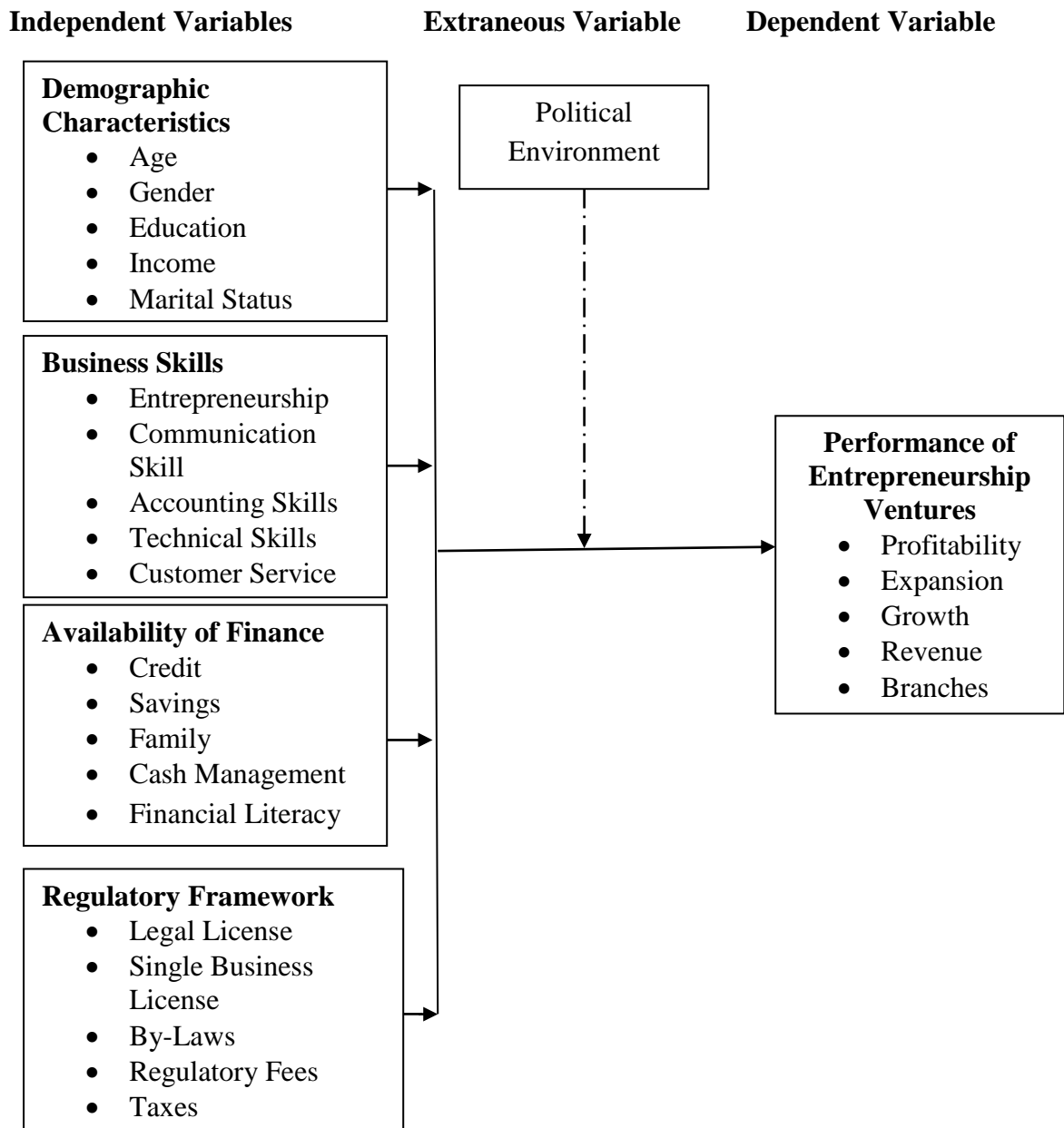


Figure 1; Conceptual Framework

The independent variables are business skills, demographic characteristics, finances availability, and regulatory framework while the dependent variable is performance of entrepreneurship ventures. The indicators for business skills include entrepreneurship skills, communication skills, accounting skills, technical skills, and customer service. The demographic characteristics include age, education, gender, income and marital

status while the availability of finances indicators included credit, savings, family, cash management, and financial literacy. Regulatory framework include legal license, single permit, by laws, regulatory fees, and taxes.

2.8 Summary of Reviewed Literature

There are several researchers who have examined the aspects of entrepreneurship ventures in diverse regions as illustrated through Table 2.1. However, these studies have not focused on People existing formal employment which forms a distinct subject of interest for this study.

Table 2.1; Summary of Reviewed Literature

	Study Topic	Author	Research Objectives	Key Findings	Knowledge Gaps	How Current Study addresses Knowledge Gap
1)	Factors That Influence the Survival of People-Owned Small Entrepreneurship ventures in the City of Tema, Ghana	Chea (2008)	(i)To find out if there were government policies, statutory or customary laws that make access to resources difficult for Women entrepreneurs inTema. (ii) To find out the factors that influence the survival of small businesses owned by People in Tema	Study found factors influencing survival of People owned businesses as; lack of access to entrepreneurship ventures and expansion finances, high taxation levels, corruption and bureaucracy in obtaining licences, and lack of centralized information centers for entrepreneurship ventures.	-Study based in Ghana and not Kenya -Study focuses only on the People as the study focus group - Study objectives not similar to current study	-Study based in Kenya and specifically Nakuru -Current study focuses on People exiting formal employment -Study examines entrepreneurship ventures in all sectors
2)	Indicators of Success in Cyber security Entrepreneurship ventures; Towards a Competitive Indicators and Warning Analytic Model	Coffey (2016)	(i)To analyze cyber security entrepreneurship ventures in order to determine factors that can be attributed to the success or failure of the companies through a comparative case study.	Study found that the success of the cyber security entrepreneurship ventures were affected by funding, firm, and founder attributes	-Study based in the United States of America -Study focuses on entrepreneurship ventures within cyber security arena	-Study based in Kenya and specifically Nakuru -Current study focuses on People exiting formal employment

						-Study examines entrepreneurship ventures in all sectors
3)	Critical Success Factors of the Survival of Entrepreneurship ventures with a Radical Innovation	Groenewegen & De Langen, (2012)	(i)To find the factors important for the success of an entrepreneurship ventures with a radical innovation in the first three years.	The study found the critical success factors of the survival of the entrepreneurship ventures to be; thorough business plan, clear growth strategies, competitor analysis, membership to formal network, presence of an advisory board, and active marketing	-Study based in the Netherlands -Study doesn't examine role of business skills, finances availability, regulatory framework on entrepreneurship ventures performance	-Study based in Kenya and specifically Nakuru -Current study focuses on People exiting formal employment -Study examines entrepreneurship ventures in all sectors
4)	Entrepreneurship venture Factors for Small and Medium-sized Accommodation Businesses in Sabah, Malaysia: Push and Pull Factors	Chan & Quah, (2012)	To find out primary motivational factors that motivate the operators to become involved in the Small and Medium sized accommodation businesses.	The study found critical factors leading to involvement in the Small and Medium sized accommodation businesses including market potential and opportunity for accommodation business, personal challenge of putting up a functional business, previous working environment in hospitality	-Study based in Malaysia -Study focuses on motivating factors to engage in accommodation industry -Study focuses on accommodation business	-Study based in Kenya and specifically Nakuru -Current study focuses on People exiting formal employment -Study

				business, personal interests, retirement, and market demand.		examines entrepreneurship ventures in all sectors
5)	Problems of Entrepreneurship ventures in Transition Economies; The Case of Kosovo	Malush (2013)	To examine the problems of entrepreneurship ventures in Kosovo	The study found that the challenges that are faced by entrepreneurship ventures in Kosovo include financing challenges, government bureaucracy, corruption levels in business environment, getting business licences, getting strategic business location, and finding business partners.	-Study based in Kosovo -Study focuses on problems of entrepreneurship ventures	-Study based in Kenya and specifically Nakuru -Current study focuses on People exiting formal employment -Study examines entrepreneurship ventures in all sectors

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

The research methodology is the organized and systematic inquiry or investigation in search of answers to specific questions. This chapter therefore examines research design, target population, sampling procedure, research instruments, validity and reliability of research instruments, data collection procedures, data analysis techniques, and ethical considerations.

3.2 Research Design

The research design has been defined as a roadmap one uses in answering the research questions. On the other hand, Sekaran & Bougie (2011) describes research design as a framework for the collection and analysis of data that is suited to the research question. This study used the descriptive research design. The descriptive study has been defined as the process of collecting data in order to answer research questions about the phenomenon under study (Orodho, 2003). The main aim of descriptive study is to describe the research phenomenon as it is on the ground without any manipulation of variables (Saunders, Lewis, & Thornhill, 2009). The research design is suitable for this study in the context that the study seeks to examine factors influencing success of entrepreneurship ventures performance amongst People exiting formal employment in Nakuru town in Kenya. In this context, there was no manipulation of variables but a description of the phenomenon as it is on the ground.

3.3 Target Population

The target population refers to the entire group of People or things of interest that the researcher wishes to investigate (Kombo & Tromp, 2009). On the other hand, Gall, Gall, & Borg (2007) describes the population as the universe of individuals, events or objects having a common observable characteristic that conforms to a given specification in the target or accessible population. The target population of the study includes People who meet the following criteria (i) existing entrepreneurs in Nakuru and (ii) entrepreneurs who have exited formal employment.

3.4 Sampling Procedure

The study used purposive sampling was used to arrive at a sample size of 100 respondents amongst the entrepreneurs who met the two inclusion criteria that is (i) existing entrepreneurs in Nakuru (ii) the entrepreneurs' exited formal employment. The sample size of 100 respondents was utilized due to the fact that similar sample sizes have been utilized by other researchers on similar studies. These similar studies include Akpomi (2008) and Astebro & Bernhardt (2003) studies on entrepreneurship.

3.5 Research Instruments

A research instrument refers to the instruments that were used for collecting data that were used in addressing the set research questions. The questionnaire were used as the research instrument. A questionnaire refers to a set of prewritten questions used to collect data to address specific research questions. The questionnaire was divided into six sections that is parts A, B, C, D, E, and F. Part A of the questionnaire consisted of background information of the respondents while the rest of the parts consisted of questions relating to the four independent variables and one dependent variable. The

questionnaire consisted of structured questions or close ended questions due to ease of data analysis. There are several reasons informing the use of the questionnaire as the research instrument including ease of data collection, cost efficiency of data collection, and ease of data analysis using Statistical Packages for Social Sciences (SPSS) software.

3.6 Validity and Reliability of Research Instruments

The validity and reliability of the research instruments was tested. The validity of the research instrument refers to the degree to which results obtained from analysis of the data actually represents the phenomenon under study. The validity of the questionnaire was examined using the Content Validity Index (CVI) at the Item-Content Validity Index (I-CVI) and the scale level that is Scale-Content Validity Index (S-CVI) were used. The CVI measures the content validity of the questions that is relevance of the questions to address the research objectives. Therefore five subject matter experts were used to rate the relevance of individual questions covering the independent and dependent variables using a four scale item as follows; 1= Not Relevant, 2 = Somewhat Relevant, 3= Quite Relevant, and 4= Highly Relevant. The I-CVI was calculated using the total number of experts who choose either a 3 or 4 divided by the total number of experts that is;

$$\mathbf{I-CVI} = \frac{\text{Number of Responses as "3 or 4"}}{\text{Total number of responses}} \text{ (I-CVI calculation formula)}$$

On the other hand, the S-CVI was calculated through getting the average of individual I-CVI for each sub section for the independent variables and dependent variables.

$$\mathbf{S-CVI} = \frac{\sum_i^n \mathbf{I-CVI}_i}{n}$$

The S-CVI for for business skills, demographic characteristics, finances availability, regulatory framework and performance of entrepreneurship ventures were 0.8, 0.8, 1, 1, and 1 respectively. This was indicative that the individual measures for I-CVI was met and thus the validity of the questionnaire was established.

The reliability of data collection instrument has been described as the extent to which a questionnaire tests observations or any measurement procedure produces the same results (Cooper et al., 2003).The reliability of the questionnaire was tested using the cronbach alpha coefficient of a threshold of above 0.7. The cronbach alpha coefficients for business skills, demographic characteristics, finances availability, regulatory framework and performance of entrepreneurship ventures were 0.743, 0.814, 0.789, 0.779, and 0.770 respectively. These cronbach alpha coefficients were above the threshold of 0.7 and therefore were deemed to be reliable as indicated by (Cooper et al., 2003).

3.7 Data Collection Procedures

The data collection procedures commenced from receipt of formal authorization of data collection process from the University of Nairobi. The researcher then obtained formal authorization to collect data from the National Commission for Science, Technology and Innovation (NACOSTI). The consent statement was presented to the individual respondents for the purposes of informing the respondents on the purpose of the study.

The researcher engaged three research assistants for the purposes of data collection. The three research assistant were to verbally interview the business owners to

ascertain on whether they had earlier being formally employed and quit employment to undertake entrepreneurship ventures. It was only those business owners who had exited formal employment and were full time engaged in entrepreneurship ventures that were issued with the questionnaire. The first, second and third research assistants engaged entrepreneurs in sole occupied businesses, entrepreneurs in exhibition stalls and entrepreneurs in open air markets with a view of collecting data.

3.8 Data Analysis Techniques

Data analysis refers to the process of bringing order, structure and meaning to the mass of information collected. The collected data was cleaned and coded into SPSS version 21 for the purposes of data analysis. Data was analyzed using both the descriptive and inferential statistics. Descriptive statistics were used to summarize the quantitative data with the results presented in tables. The descriptive statistics that were used include the means, standard deviations and frequency distributions. The inferential statistics was examined using correlations and multiple linear regressions. The following multiple linear regression model was used for the study;

$$y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \varepsilon$$

Where; y = Performance Of Performance Of Entrepreneurship Ventures

β_0 = constant

β_1, \dots, β_4 = Coefficients of estimates

X_1 = Business Skills

X_2 = Demographic Characteristics

X_3 = Finances Availability

X_4 = Regulatory Framework ,

And ε is the estimated error of the model.

3.9 Ethical Considerations

The ethical consideration is the examination of the acceptable behavior during the research especially in relations to the treatment of the respondents during data collection process. A consent statement was administered to the respondents before the administration of the questionnaire with a view informing the respondents on a few issues that touch on the research.

3.10 Operationalization of the Variables

Table 3.1; Operational Definition of Variables

Objectives of the Study	Variables	Indicators	Measurement Scales	Type of analysis	Tools of Analysis
To examine the influence of business skills on performance of entrepreneurship ventures amongst people exiting formal employment in Nakuru town	Business Skills	<ul style="list-style-type: none"> •Entrepreneurship •Communication Skill •Accounting Skills •Technical Skills •Customer Service 	Interval Measurement Scale	Descriptive Analysis	-Frequency Distribution -Means -Standard Deviations
				Inferential Statistics	-Simple Linear Regression
To assess ways in which demographic characteristics influence performance of entrepreneurship ventures amongst people exiting formal employment in Nakuru town	Demographic Characteristics	<ul style="list-style-type: none"> •Age •Education •Income •Marital Status 	Interval Measurement Scale	Descriptive Analysis	-Frequency Distribution -Means -Standard Deviations
				Inferential Statistics	-Simple Linear Regression
To find out the role of finances availability on performance of entrepreneurship ventures amongst people exiting formal employment in Nakuru town	Finances Availability	<ul style="list-style-type: none"> •Credit •Savings •Family •Cash Management •Financial Literacy 	Interval Measurement Scale	Descriptive Analysis	-Frequency Distribution -Means -Standard Deviations
				Inferential Statistics	-Simple Linear Regression

To establish the influence of regulatory framework on performance of entrepreneurship ventures amongst people exiting formal employment in Nakuru town	Regulatory Framework	<ul style="list-style-type: none"> •Legal License •Single Business License •By-Laws •Regulatory Fees •Taxes 	Interval Measurement Scale	Descriptive Analysis	<ul style="list-style-type: none"> -Frequency Distribution -Means -Standard Deviations -Correlation Analysis
				Inferential Statistics	Simple Linear Regression
	Performance of entrepreneurship ventures	<ul style="list-style-type: none"> •Profitability •Expansion •Growth •Revenue •Branches 	Interval Measurement Scale	Descriptive Analysis	<ul style="list-style-type: none"> -Frequency Distribution -Means -Standard Deviations
				Inferential Statistics	-Multiple Linear Regression

CHAPTER FOUR DATA ANALYSIS, PRESENTATION, INTERPRETATION AND DISCUSSION

4.1 Introduction

The purpose of the study was to examine the factors influencing success of entrepreneurship ventures performance amongst people exiting formal employment in Nakuru town in Kenya. The study was based on four objectives which were, the influence of business skills, influence of demographic characteristics, role of finances availability and the influence of regulatory framework on the success of entrepreneurship ventures amongst people exiting formal employment in Nakuru Town, Kenya.

4.2 Questionnaire Return Rate

The study utilized a sample size of 100 respondents. The respondents were existing entrepreneurs in Nakuru who had exited formal employment. In line with this, 100 questionnaires were dropped to the potential respondents and picked at a later preagreed time. The researcher picked back a total of 92 questionnaires of which a further six questionnaires were not analyzed as they were incompletely filled. This left 86 questionnaires which were used for purposes of data entry and analysis. The response rate therefore was 86.0% which was deemed sufficient for this study.

4.3 Background Characteristics of Respondents

The background characteristics of the person leaving formal employment for an entrepreneurship venture were examined to find out whether they influenced the performance of the entrepreneurship venture. The gender, age, education level, and length of period after exit from formal employment were examined. The distributions

of gender, age, education level, and length of period after exit from formal employment were used to examine these background characteristics.

4.3.1 Gender Distribution of Respondents

The male respondents formed the majority of respondents at 59.3%, while the female respondents made 40.7% of the sample population as illustrated in Table 4.1.

Table 4.1; Distribution by Gender

	Frequency	Percentage
Male	51	59.3%
Female	35	40.7%
Total	86	100.0%

The higher number of male respondents was due to an advantage in access to resources such as land that often acts as collateral for credit which is registered under the men. This is because the area of study was a highly patriarchal society.

4.3.2 Distribution of Respondents by Age

The age of people exiting formal employment has an effect on the success of entrepreneurship ventures performance. The results are presented in Table 4.2.

Table 4.2; Distribution by Age

	Frequency	Percentage
Below 25 Years	3	3.5%
26-35 Years	9	10.5%
36-45 Years	21	24.4%
46-55 Years	39	45.3%
Above 55 Years	14	16.3%
Total	86	100.0%

The majority of people exiting formal employment in Nakuru town to begin entrepreneurship ventures are middle aged, that is, between 36 to 55 years with a cumulative percentage of 69.7%. The results show 45.3% of the respondents were

between 46-55 years while those between 36-45 years made up 24.4% of the respondents. The higher success associated with middle aged respondents who exit formal employment is as a result of various factors. These factors include the transfer of skills gained during trainings in formal employment to their entrepreneurship ventures.

Additionally, relatively older people have sometimes had experiences in corporate standards as well as in diverse functional areas of an enterprise such as customer service, finance, and risk department which are utilized in their entrepreneurship ventures. On the other hand, 3.5% of the respondents were below 25 years as most of the respondents were under training in different institutions and were therefore not in formal employment.

The success of entrepreneurship ventures for respondents who exit formal employment aged between 26-35 years (10.5%) was influenced by limited capital access due to insufficient credit history, a preference to further gain experience in the formal sector, apprehension to risk losing a stable source of income as most had young families and inexperience in functional areas of an enterprise. The respondents with entrepreneurship ventures after exiting formal employment above 50 years were 16.3% due to resignation or retirement.

4.3.3 Education Level of Respondents

The study sought to examine the effect of education level on the success of entrepreneurship ventures for people exiting formal employment. Majority of the respondents who had entrepreneurship ventures after exiting formal employment were

at diploma level of education (52.3%), with 36% at graduate level and 11.7% at postgraduate level as illustrated in Table 4.3.

Table 4.3; Distribution by Level of Education

	Frequency	Percentage
Diploma	45	52.3%
Graduate	31	36.0%
Post Graduate	10	11.7%
Total	86	100.0%

4.3.4 Length of Period After Exit From Formal Employment

In the context of how long the entrepreneurs had stayed after exiting formal employment, majority of the respondents had stayed for between 3-5 years at 37.2%. Table 4.4 shows those who had stayed for between 5-10 years were 31.4%, which gave a cumulative majority of 68.6% for the respondents who had stayed for between 3-10 years after exiting formal employment.

Table 4.4; Distribution by Length Period after Exit from Formal Employment

	Frequency	Percentage
Less than 3 Years	11	12.8%
3-5 Years	32	37.2%
6-10 Years	27	31.4%
Above 10 Years	16	18.6%
Total	86	100.0%

Those who had had exited formal employment for entrepreneurship ventures for more than 10 years were 18.6% of the respondents. The least number of respondents, at 12.8%, had stayed for a period less than three years after exiting formal employment.

4.4 Demographic Characteristics

The demographics characteristics of the people exiting formal employment were examined to find out whether they have an impact on the performance of entrepreneurship ventures. This effect was measured by various metrics which included age, education, gender, income, and marital status.

4.4.1 Descriptive statistics of Demographic Characteristics

In relation to age, half of the respondents affirmed that it was instrumental while 31.4% were uncertain. Table 4.5 shows 14.0% of the respondents disagreed and 4.7% of the respondents strongly disagreed that age of the respondent exiting formal employment to start a business affected the success of entrepreneurship ventures. In the context of education, no extreme response was given that negated that education of the person exiting formal education to start a business was instrumental. However, 6% disagreed and 14.0% were uncertain. This was due to the success of some entrepreneurship ventures belonging to respondents with lower education levels and the nature of business model with no structure required. A majority of 73.3% of the respondents affirmed that education was instrumental in the performance of an entrepreneurship venture.

The gender of the person exiting formal employment for an entrepreneurship venture is instrumental in the success of entrepreneurship ventures as affirmed by 70.9% of the respondents. While no extreme response was given to the contrary, 17.4% and 11.6% were uncertain and disagreed that gender of the person exiting formal employment for an entrepreneurship venture is instrumental in the success of entrepreneurship ventures respectively.

Additionally, 52.3% of the respondents, above the half way mark strongly affirmed that their income influenced the performance of their entrepreneurship ventures after exiting formal employment, while 32.6% agreed with the same. Table 4.5 shows only 1.2% of the respondents disagreed while no response was given to the strongly disagreed prompt. In the context of marital status, a majority of 69.8% of the

respondents affirmed that it influenced the performance of their entrepreneurship venture. 8.1% of the respondents disagreed while 22.1% were uncertain.

The study examined the average influence of demographic characteristic through the mean scores of age, education, gender, income and marital status. The respondents on average tended to agree (mean scores between 3.5 and 4.49) that income (mean score=4.36) and marital status (mean score=4.02) of the person exiting formal employment for entrepreneurship ventures are instrumental in the success of entrepreneurship ventures.

In the context of gender, the respondents on average tended to agree that the gender of the person exiting formal employment influenced the success of the entrepreneurship venture (mean score=3.99). The findings were consistent with various studies including a study on women entrepreneurs in Kisasi Sub County, Kitui County, Kenya by Matheka (2015) who noted that women entrepreneurs face greater challenges than their male counterparts. Amongst the challenges include general business challenges that have a more severe impact on Women entrepreneurs in comparison to male entrepreneurs (Lahm& Little, 2005). These factors include poor infrastructure, challenges in accessing of capital, high cost of doing business, and need for multiple licenses to undertake businesses. On the other hand, the women entrepreneurs further face challenges due to their gender in a highly patriarchal society such as limited access to resources such as land that often acts as collaterals for credit access (Chan & Quah, 2012). The women entrepreneurs also face challenges such as entry to micro businesses with little barriers to entry leading to hyper competition.

Commenting on gender aspects in relations to performance of entrepreneurship ventures, Osoro (2012) noted that men and women have different characteristics in relations to proactiveness, innovativeness and risk taking propensity. These factors affect the success of the entrepreneurship ventures performance. Some of the businesses and tasks may be instrumental in nature thus favouring the male gender while some tasks such as customer service are expressive in nature thus favouring the female gender.

The education level of the entrepreneurs is critical to the performance of the entrepreneurship ventures as respondents tended to agree with on average (mean score=4.05). In this context, Muthini (2015) indicates that education levels affects the entrepreneurial skills and management know-how. The entrepreneurs with relatively higher education levels are seen to have better skills set to manage their entrepreneurship ventures such as customer service skills, cash management skills, and marketing aspects amongst other requisite skills. Higher education levels has also been associated with a high consciousness of factors that influence a entrepreneurship ventures operations including customers, competitors, stakeholders, suppliers, industry trends, regulations, other government activities, socio-economic factors and technological developments. Kimando (2015) further notes that there is a positive correlation between entrepreneur's level of education and involvement to the entrepreneurship ventures hence increasing growth potential of the firm.

The income of the person exiting formal employment for a entrepreneurship ventures has greater influence on the success of entrepreneurship ventures than the other demographic characteristics metrics as it had a mean score closest to 5 (strong

tendency to agree on average). There was no consensus on whether age and gender of the person exiting formal employment for a entrepreneurship ventures were instrumental in the success of entrepreneurship ventures with standard deviations greater than one (1.09, and 1.02 respectively).

Table 4.5; Descriptive Statistics of Demographic Characteristics

	SA	A	U	D	SD	Mean	Std. Dev.
	Freq.	Freq.	Freq.	Freq.	Freq.		
	(%)	(%)	(%)	(%)	(%)		
Age	16 (18.6%)	27 (31.4%)	27 (31.4%)	12 (14.0%)	4 (4.7%)	3.45	1.09
Education	33 (38.4%)	30 (34.9%)	17 (19.8%)	6 (7.0%)	0 (0.0%)	4.05	0.93
Gender	34 (39.5)	27 (31.4%)	15 (17.4%)	10 (11.6%)	0 (0.0%)	3.99	1.02
Income	45 (52.3%)	28 (32.6%)	12 (14.0%)	1 (1.2%)	0 (0.0%)	4.36	0.77
Marital Status	35 (40.7%)	25 (29.1)	19 (22.1)	7 (8.1%)	0 (0.0%)	4.02	0.98

On average, there was uncertainty whether age of the person exiting formal employment for entrepreneurship ventures was instrumental in the success of entrepreneurship ventures. This is because the mean score corresponding to age was between between 2.5 and 3.49 (mean score=3.45). The respondents had moderate consensus that education, income and the marital status of the person exiting formal employment for entrepreneurship ventures were instrumental in the success of entrepreneurship ventures with standard deviations between 0.50 and 0.99. The standard deviations were 0.93 for education, 0.77 for income, and 0.98 for marital status.

4.4.2 Influence of Demographic Characteristics on Performance

The simple linear regression was used to explain the relationship between the performance of entrepreneurship ventures (dependent variable) and the demographic characteristics (independent variable). There was positive correlation between the performance of entrepreneurship ventures and demographic characteristics as the

correlation coefficient was 0.518. The coefficient of determination gave a value of 0.269 which implies that 26.9% of the variance in performance of entrepreneurship ventures of people exiting formal employment was as a result of the demographic characteristics of the person exiting formal employment for the entrepreneurship venture.

Table 4.6; Model Summary of Demographic Characteristics

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.518 ^a	.269	.260	.51000

a. Predictors: (Constant), Demographic

The ANOVA was used to determine whether the simple linear regression with performance entrepreneurship ventures as the dependent variable and the demographic characteristics of the person exiting formal employment as the independent variable was reliable. The p-value was used to determine this with the minimum requirement for reliability of the model being a p-value less than 0.05 ($p < 0.05$). This simple linear regression gave a p-value of 0.000. This p-value was less than 0.05 ($p < 0.05$) thus the model was deemed reliable. Therefore, the null hypothesis (H_{02}) below was rejected.

H_{01} : Demographic characteristics have no significant influence on performance of entrepreneurship ventures amongst people exiting formal employment in Nakuru town

Table 4.7; ANOVA of Demographic Characteristics

Model	Sum of Squares	df	Mean Square	F	Sig.	
1	Regression	8.025	1	8.025	30.855	.000 ^b
	Residual	21.848	84	.260		
	Total	29.873	85			

a. Dependent Variable: performance

b. Predictors: (Constant), Demographic

The regression coefficient (beta coefficient expressed as B) was used to determine the expected increase (or decrease) in the dependent variable (performance of

entrepreneurship ventures) for every unit increase in the independent variable (demographic characteristics). The regression model with the regression coefficient was as below;

$$\text{Performance of Entrepreneurship Ventures} = 1.573 + 0.566 (\text{Demographic Characteristics})$$

This therefore implies that for every unit increase in demographic characteristics of the person exiting formal employment, the performance of the entrepreneurship venture will increase by 0.566 (B= 0.566), when other factors are held constant.

Table 4.8; Coefficient of Demographic Characteristics

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	1.573	.409		3.846	.000
Demographic	.566	.102	.518	5.555	.000

a. Dependent Variable: performance

4.5 Business Skills

The business skills are critical for the survival of entrepreneurship ventures. In this context, Njoroge & Gatungu (2012) in a study on effect of entrepreneurial education and training on entrepreneurship ventures indicated that entrepreneurship training is a key necessity to development and growth of entrepreneurship ventures. The Entrepreneur Innovation theory states that the entrepreneurs must possess certain traits for them to be successful in business (Mohutsiwa, 2012). These traits include innovation, creativity and foresight in their business environment.

The study examined the influence of business skills on the success of entrepreneurship ventures amongst people exiting formal employment in Nakuru Town, Kenya. In this context, the business skills that were under study included entrepreneurship, communication, skills, accounting skills, technical skills and customer service.

4.5.1 Descriptive Statistics of Business Skills

The study utilized the frequency distributions on the influence of business skills on the success of entrepreneurship ventures amongst people exiting formal employment in Nakuru Town, Kenya. In this context, the frequency distributions of entrepreneurship, communication, skills, accounting skills, technical skills and customer service were utilized.

In relation to entrepreneurship, 48.8% of the respondents strongly agreed that entrepreneurship was instrumental in the entrepreneurship venture performance. 33.7% agreed that entrepreneurship was instrumental in the entrepreneurship venture performance. While none of the respondents strongly disagreed with entrepreneurship being instrumental in the entrepreneurship venture performance, a cumulative of 17.4% of the respondents did not affirm that entrepreneurship was instrumental in the entrepreneurship venture performance, with 15.1% uncertain and 2.3% disagreeing.

In relation to communication skills being instrumental in the success of entrepreneurship ventures, there was no response on the strongly disagreed prompt. However, 7% of the respondents disagreed while 23.3% were uncertain as shown in Table 4.9. The strongly agreed prompt and the agreed prompt scored 41.9% and 27.9% respectively. Accounting skills were instrumental in the performance of a

entrepreneurship ventures as affirmed by a cumulative of 69.8% of the respondents with those who agreed being 44.2% and those who strongly agreed being 25.6%, as shown in Table 4.9. While there was no extreme response negating that accounting skills were instrumental in performance of entrepreneurship ventures, the responses to the uncertain prompt were 19.8% while those who disagreed were 10.5%.

Most respondents affirmed that technical skills were instrumental in the performance of entrepreneurship ventures with 22.1% and 45.3% responding with strongly agreed and agreed response respectively. An equal number of respondents, 12.8 % gave an uncertain and disagreed response while 7% of the respondents gave the strongly disagreed response. Half of the respondents at 50% agreed that customer service was instrumental in the success of an entrepreneurship venture, while 24.4% strongly agreed with the same. This further affirmed that customer service played a critical role in the success of the entrepreneurship ventures. 14% of the respondents were uncertain while 8% disagree. No respondent gave a strongly disagree response because customer service is an important functional role in the success of any entrepreneurship venture.

The study examined the average influence of business skills on the success of entrepreneurship ventures amongst people exiting formal employment in Nakuru Town, Kenya. In this context, the mean scores for the different metrics of business skills were generated, that is, entrepreneurship, communication, skills, accounting skills, technical skills and customer service. The distribution of the responses around the mean was also examined with the standard deviations showing the level of consensus on a given metric.

The mean scores were interpreted as strong tendency to agree for mean scores of between 4.5 and 5, tendency to agree on average for mean scores between 3.5 and 4.49, uncertainty on average for mean scores between 2.5 and 3.49, tendency to disagree on average for mean scores between 1.5 and 2.49, and strong tendency to disagree for mean scores between 1.00 and 1.49. The standard deviations were interpreted as no consensus for standard deviations of 1 and above, moderate consensus for standard deviations between 0.50 and 0.99, and high consensus for standard deviations between 0 and 0.49.

The customer service skills of the person leaving formal employment are critical to the success of entrepreneurship ventures businesses. This is because the entrepreneurship ventures must satisfy customer needs for them to be successful. The respondents tended to agree with this as the mean score for customer service was 3.90 which was between 3.5 and 4.49. According to Mbonyane (2006), the satisfaction of the customer depends on the creation and maintaining of a base of loyal customers. Mbonyane (2006) indicated that the factors that influence customer relations include right to safety, right to know, right to be heard, right to education, and right to choice. The right to safety implies that the customers are provided with safe and quality services and products. The customer service skills are critical to the performance of the entrepreneurship ventures through ensuring higher sales to customers, higher purchases per individual customers, increased frequency of sales to individual customers, consistency of sales across diverse periods and increase in customer numbers through referrals (Kanyi, 2017).

On average, the respondents tended to agree that all the metrics on business skills were influential in the success of new entrepreneurship venture performance amongst people exiting formal employment in Nakuru Town, Kenya. This was because all the metrics had mean scores between 3.5 and 4.49. The mean score for accounting skills was 3.85 which implied that the respondents on average tended to agree that they were instrumental in the success of the ventures. According to Kamau (2013), the accounting systems processes data and transactions to provide users with information they need to plan, control and operate their business. In this context, Matovu (2005) indicates that accounting skills and information influences the decision making aspects within a entrepreneurship ventures and hence greatly influencing its ability to performance well. The accounting skills present information relating to performance aspects in terms of profitability, liquidity, activity and leverage aspects (Deya, 2016). Most of the accounting information is made available through adequate and accurate keeping of records that enable accurate information to base decisions from.

The communication skills are of significant importance to the performance of the entrepreneurship ventures businesses (Kinyua, 2014) as the mean score was 4.05 (tendency to agree on average). The entrepreneurship ventures businesses often try to avoid direct confrontation with competitors and as such try to look for gaps not served by the existing businesses (Damodaran, 2009). The communication skills are critical to the entrepreneurs being able to sell their services and products through clarity of expression of benefits of their services, persuasion skills, negotiation skills and customer service aspects (Kaburi et al., 2012).

The respondents on average tended to agree that the technical skills of the entrepreneur are critical to the success of the venture. Mannes (2013), noted that the ability of the entrepreneurs to have the technical skills to execute their businesses and fill in the gaps in the market is of importance to the survival of the business. The entrepreneurs must also have technical skills to handle emergent issues and aspects in a running business.

The standard deviations on all the metrics were between 0.50 and 0.99 except for technical skills. This implied that there was moderate consensus that entrepreneurship, communication, skills, accounting skills, and customer service have an influence entrepreneurship, communication, skills, accounting skills, technical skills and customer service have an influence in the success of entrepreneurship ventures amongst people exiting formal employment in Nakuru Town, Kenya.

The mean scores when ranked from the highest scored mean to the lowest indicated that on average, entrepreneurship had greater influence than the other metrics on business skills as it had the highest mean score (mean=4.29, std. deviation=0.81). The entrepreneurial skills acts to stimulate performance of entrepreneurship activities through creation of new opportunities and possibilities as well as a consciousness to attempt and complete certain tasks in a different way (Åstebro & Bernhardt, 2003). The entrepreneurship skills impact on diverse aspects of the business such as general management, financial management, and planning amongst other factors. The entrepreneurial skills have a major impact on the management aspects of the entrepreneurship ventures which is key to its survival and general performance aspects (Lahm & Little, 2005). This is because internal factors mostly associated with

bad management are the major reasons for failure of entrepreneurship ventures (Bula, 2012). Entrepreneurial skills enable the entrepreneurship ventures to undertake aspects of marketing, customer service, liquidity management, and financial control amongst other aspects in a meaningful way. Kimando (2015) on entrepreneurial orientation of Small and Medium Enterprises in Kenya acquiring skills in the use of techniques, analysis of business atmospheres, and synthesis of action identified as the major usefulness of entrepreneurship skills.

Table 4.9; Descriptive Statistics of Business Skills

	SA	A	U	D	SD	Mean	Std. Dev.
	Freq.	Freq.	Freq.	Freq.	Freq.		
	(%)	(%)	(%)	(%)	(%)		
Entrepreneurship	42 (48.8%)	29 (33.7%)	13 (15.1%)	2 (2.3%)	0 (0.0%)	4.29	0.81
Communication Skills	36 (41.9%)	24 (27.9%)	20 (23.3%)	6 (7.0%)	0 (0.0%)	4.05	0.97
Accounting Skills	22 (25.6%)	38 (44.2%)	17 (19.8%)	9 (10.5%)	0 (0.0%)	3.85	0.93
Technical Skills	19 (22.1%)	39 (45.3%)	11 (12.8%)	11 (12.8%)	6 (7.0%)	3.63	1.17
Customer Service	21 (24.4%)	43 (50.0%)	14 (16.3%)	8 (9.3%)	0 (0.0%)	3.90	0.88

Communication skills was ranked second, (mean=4.05, std. deviation=0.97), customer service third (mean=3.90, std. deviation=0.88), accounting skills fourth (mean=3.85, std. deviation=0.93), and technical skills last (mean=3.63). The responses were widely distributed for technical skills which had a standard deviation of 1.17, which implied that there was no consensus (standard deviation greater than one) on whether technical skills influence the success of entrepreneurship ventures amongst people exiting formal employment in Nakuru Town, Kenya.

4.5.2 Influence of Business Skills on Performance

The simple linear regression was used to explain the relationship between the performance of entrepreneurship ventures (dependent variable) and business skills (independent variable). There was positive correlation between the performance of entrepreneurship ventures and business skills as the correlation coefficient, expressed as R, was 0.531. The coefficient of determination gave the amount of explained variance in the dependent variable (expressed as R²) as a result of the independent variables. This gave a value of 0.282 which implies that 28.2% of the variance in performance of entrepreneurship ventures of people exiting formal employment was as a result of the business skills of the person exiting formal employment for the entrepreneurship venture.

Table 4.10; Model Summary of Business Skills on Performance

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.531 ^a	.282	.273	.50536
a. Predictors: (Constant), Business Skills				

The ANOVA was used to determine whether the simple linear regression with performance entrepreneurship ventures as the dependent variable and the business skills of the person exiting formal employment as the independent variable was reliable. The p-value was used to determine this with the minimum requirement for reliability of the model being a p-value less than 0.05 ($p < 0.05$). This simple linear regression gave a p-value of 0.000. This p-value was less than 0.05 ($p < 0.05$) thus the model was deemed reliable. Therefore, the null hypothesis (H_{01}) below was rejected.

H₀₂: Business Skills have no significant influence on the performance of entrepreneurship ventures amongst people exiting formal employment in Nakuru town.

Table 4.11; ANOVA of Business Skills

	Model	Sum of Squares	df	Mean Square	F	Sig.
	Regression	8.421	1	8.421	32.974	.000 ^b
1	Residual	21.452	84	.255		
	Total	29.873	85			

a. Dependent Variable: performance

b. Predictors: (Constant), Business Skills

The simple linear regression analysis also helped to understand how much the dependent variable would change when there is change in the independent variable.

The regression coefficient was used to determine the expected increase (or decrease) in the dependent variable (performance of entrepreneurship ventures) for unit increase in the independent variable (business skills). The regression model with the regression coefficient was as below;

$$\text{Performance of Entrepreneurship Ventures} = 1.667 + 0.547 (\text{Business Skills})$$

This therefore implies that for every unit increase in business skills of the person exiting formal employment, the performance of the entrepreneurship venture will increase by 0.547 (B= 0.547), when other factors are held constant.

Table 4.12; Coefficients of Business Skills

	Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
	(Constant)	1.667	.379		4.394	.000
1	Business Skills	.547	.095	.531	5.742	.000

a. Dependent Variable: performance

4.6 Availability of Finance

The study sought to know whether the availability of financial resources is a major factor that influencing the performance of entrepreneurship ventures. The finances

availability metrics that were used to examine this were savings sources of finances, family sources of finances, credit sources of finance, cash management aspects, and financial literacy.

4.6.1 Descriptive Statistics of Availability of Finance

In relation to the metric on credit sources of finances, a majority of 36% of the respondents agreed that finances availability was instrumental in entrepreneurship venture performance. Table 4.13 shows 14.0%, 24.4%, and 14.0% of the respondents chose the strongly agreed, uncertain and disagreed prompts respectively.

Table 4.13; Descriptive Statistics of Availability of Finance

	SA	A	U	D	SD	Mean	Std.
	Freq.	Freq.	Freq.	Freq.	Freq.		Dev.
	(%)	(%)	(%)	(%)	(%)		
Credit Sources of Finances	12 (14.0%)	31 (36.0%)	21 (24.4%)	12 (14.0%)	10 (11.6%)	3.26	1.21
Savings sources of finances	41 (47.7%)	22 (25.6%)	14 (16.3%)	9 (10.5%)	0 (0.0%)	4.10	1.03
Family Sources of finances	20 (23.3%)	40 (46.5%)	14 (16.3%)	8 (9.3%)	4 (4.7%)	3.74	1.06
Cash Management Aspects	37 (43.0%)	31 (36.0%)	17 (19.8%)	1 (1.2%)	0 (0.0%)	4.20	0.80
Financial Literacy	52 (60.5%)	24 (27.9%)	10 (11.6%)	0 (0.0%)	0 (0.0%)	4.48	0.70

A total of 11.6% of the respondents strongly disagreed with the metric. This was due to the inability to meet running expenses of the business leading to seeking credit facilities to meet these needs. Savings sources of finances was instrumental in entrepreneurship venture performance as affirmed by the 47.7% of the respondents who strongly agreed and 25.6% who agreed to this metric.

No respondent strongly disagreed but 10.5% disagreed and 16.3% were uncertain. In the context of family sources of finances, 23.3%, 46.5%, 16.3%, 9.3% and 4.7% of the respondents strongly agreed, agreed, were uncertain and disagreed with the metric. A cumulative 76.3% affirmed that family sources of finances were instrumental in entrepreneurship venture performance.

Cash management aspects were instrumental in entrepreneurship venture performance as affirmed by 79% of the respondents as shown in Table 4.13. This is a result of spending cash on profitable products and services, and avoiding unnecessary expenditure. 19.8% and 1.2% responded with uncertain and disagreed prompts respectively which was due to purchase of slow-moving or excessive stock which gave rise to poor stock or inventory management.

In response to the financial literacy metric, a majority of 60.5% strongly agreed that the metric was very instrumental in entrepreneurship venture performance. This was further supported by 27.9% of the respondents who agreed with the metric. No respondent gave the disagreed or strongly disagreed response with only 11.6% uncertain. Entrepreneurs with low financial literacy are prone to financial mistakes that cost them their entrepreneurship venture businesses. On the other hand, entrepreneurs with high financial literacy display financial maturity that enable them engage in positive cash flow management practices, formulate products that are profitable, engage in positive financial management practices such as savings, better utilize credit history to access credit and better negotiate for credit facilities. These practices collectively impact positively on the growth and performance of entrepreneurship venture businesses.

The study examined which finances availability metrics were, on average, instrumental in entrepreneurship venture performance. The mean score for savings sources of finances, family sources of finances, cash management aspects, and financial literacy were used to determine this. There was uncertainty, on average (mean score between 2.5 and 3.49), whether credit sources of finances are instrumental to the success of an entrepreneurship venture with a mean score of 3.26. This was also noted by Mwangi (2014), that the entrepreneurship ventures are perceived to be riskier to lend to as they lack credit history as well as adequate collaterals to enable them access credit from mainstream financial institutions.

The access of finances from friends, microfinance institutions, and shy locks lead to high cost of credit through interests thus exposing the entrepreneurship ventures to liquidity challenges (Lahm & Little, 2005). Therefore, in the context of the influence of finances on the performance of entrepreneurship ventures various factors may come into play including lack of adequate capital to run the business venture, high interest rates on available avenues for credit access, lengthy and vigorous procedures for loan applications and lack of collaterals as well as credit history to access cheap financing avenues (Malush, 2013).

On the other hand, the respondents on average tended to agree that family sources of finances and savings sources of finances are instrumental to the success of an entrepreneurship venture. In this context, Abera (2012) also noted in a study on Factors Affecting the Performance of Micro and Small Enterprises in Arada and Lideta Sub-Cities , Addis Ababa that finances was a major challenge for entrepreneurship ventures in the region. The study found that a majority of the

business entrepreneurship ventures uses the informal sources of finances due to the challenges of obtaining guarantors and collaterals that are required by most commercial banks. The availability of adequate finances for a entrepreneurship ventures is critical in ensuring improved income, business outputs, and cost efficiency of business operations leading to higher chances of entrepreneurship ventures survivals. Coffey (2016) indicated that greater financial capital not only allows for the undertaking of more ambitious strategies, potential changes in direction, and increased capability to deal with the demands of growth, but it also likely reflects better training and more robust and detailed planning.

The mean score for cash management aspects was 4.20 which implied that the respondents on average tended to agree mean score between (3.5 and 4.49) that they had an impact on the performance of entrepreneurship ventures. This was consistent with Gitonga (2015), who noted that cash management is a critical component of good performance of entrepreneurship ventures. Cash management has been conceptualized as the planning and controlling cash flows into and out of the business, cash flows within the business, and cash balances held by a business at a point in time (Mannes, 2013).

The purpose of cash management is to ensure that the entrepreneurship ventures has enough funds to meet its running expenses as well as ensuring that the firm is deriving adequate returns from the held cash though minimization of opportunity costs (Chan & Quah, 2012). Therefore, effective cash management ensures that there is little trading cost of holding too little cash levels and minimization of the opportunity costs of holding too much cash levels (Chea, 2008). The trading costs of holding too little

cash occurs through inability to meet running expenses of the business leading to seeking credit facilities to meet these needs. Mboniyane (2006) identifies reasons on why entrepreneurship ventures run into cash management or cash flow challenges. These factors include slow-moving or excessive stock (which gives rise to poor stock or inventory management); too generous credit terms; cash wasted on unprofitable products and services; and unnecessary expenditure (Chan & Quah, 2012).

The standard deviations for savings sources of finances, family sources of finances, cash management aspects, and financial literacy were used to determine the behaviour of the responses around the mean. Responses were widely distributed around the mean for credit sources of finances (std. deviation=1.21), savings sources of finances (std. deviation=1.03), and family sources of finances (std. deviation=1.06). This implied that there was no consensus that sources of finances (credit, family and savings) influence the success of entrepreneurship ventures as they had standard deviations greater than one.

There was moderate consensus and respondents tended on average to agree that cash management (mean score=4.20, std. deviation=0.80) and the financial literacy of the person exiting formal employment for entrepreneurship ventures (mean score=4.48, std. deviation=0.70) were instrumental in the entrepreneurship venture's performance. In order of average influence from the highest to the lowest metrics, financial literacy of the person exiting formal employment for a entrepreneurship ventures was perceived to be more instrumental in the performance of the entrepreneurship venture (highest mean score).

The financial literacy plays a critical role in the performance of the entrepreneurship ventures businesses. According to Nunoo & Andoh (2012) as the knowledge of basic economic and financial concepts as well as the ability to use that knowledge and other financial skills to manage financial resources effectively for a lifetime of financial well-being. Specific demographics such as women, the elderly and those with low education levels have been established in some regions to have low financial literacy which impacts on the performance of their entrepreneurship ventures. This is because entrepreneurs with low financial literacy are prone to financial mistakes that cost them their entrepreneurship ventures businesses.

On the other hand, entrepreneurs with high financial literacy display financial maturity that enable them engage in positive cash flow management practices, formulate products that are profitable, engage in positive financial management practices such as savings, better utilize credit history to access credit and better negotiate for credit facilities. These practices collectively impact positively on the growth and performance of entrepreneurship ventures businesses.

4.6.2 Influence of Availability of Finances on Performance

The simple linear regression was used to explain the relationship between the performance of entrepreneurship ventures (dependent variable) and finances availability (independent variable). There was positive correlation between the performance of entrepreneurship ventures and finances availability as the correlation coefficient was 0.843. The coefficient of determination gave a value of 0.711 which implies that 71.1% of the variance in performance of entrepreneurship ventures of

people exiting formal employment was as a result of finances availability to the person exiting formal employment for the entrepreneurship venture.

Table 4.14; Model Summary of Finances Availability

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.843 ^a	.711	.707	.32078

a. Predictors: (Constant), Finances

The ANOVA was used to determine whether the simple linear regression with performance entrepreneurship ventures as the dependent variable and finances availability to the person exiting formal employment as the independent variable was reliable. The p-value was used to determine this with the minimum requirement for reliability of the model being a p-value less than 0.05 ($p < 0.05$). The p-value of this simple linear regression was 0.000. This p-value was less than 0.05 ($p < 0.05$) thus the model was deemed reliable. Therefore, the null hypothesis (H_{03}) below was rejected.

H_{03} : Finances availability has no significant influence on the performance of entrepreneurship ventures amongst people exiting formal employment in Nakuru town

Table 4.15; ANOVA of Finances Availability

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	21.230	1	21.230	206.318	.000 ^b
1 Residual	8.644	84	.103		
Total	29.873	85			

a. Dependent Variable: performance

b. Predictors: (Constant), Finances

The regression coefficient (beta coefficient expressed as B) was used to determine the expected increase (or decrease) in the dependent variable (performance of entrepreneurship ventures) for every unit increase in the independent variable (finances availability). The regression model with the regression coefficient was as below;

Performance of Entrepreneurship Ventures= 0.697 + 0.789 (Finances Availability)

This therefore implies that for every unit increase in finances availability to the person exiting formal employment, the performance of the entrepreneurship venture will increase by 0.789 (B= 0.789), when other factors are held constant.

Table 4.16; Coefficients of Finances Availability

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	.697	.220		3.165	.002
Finances	.789	.055	.843	14.364	.000

a. Dependent Variable: performance

4.7 Regulatory Framework

Entrepreneurship ventures in Kenya should follow regulatory framework in order to legally operate within the country. According to Kimando (2015) indicate that the regulatory framework is any administrative legislation that constitutes or constrains rights and allocates responsibility. The regulatory framework may place controls on aspects such as market entries, prices, wages, employment for certain people in certain industries, standards of production for certain goods and services.

The study sought to examine the influence of the regulatory framework on the performance of entrepreneurship ventures of people exiting formal employment. In this context, the metrics used to examine whether regulatory framework was instrumental in entrepreneurship ventures performance were legal license, single business license, by-laws, regulatory fees, and taxes.

4.7.1 Descriptive Statistics of Regulatory Framework

In response to the question on whether legal license influenced was instrumental in entrepreneurship ventures performance, a majority of 53.5% of the respondents strongly agreed that it did. Further affirming the instrumentality of legal license in entrepreneurship ventures performance, 27.9% of the respondents were in agreement. Those who disagreed were 3% while no respondent strongly disagreed. 15.1% were not certain whether legal license influenced was instrumental in entrepreneurship ventures performance.

In interrogating whether single business license was instrumental in entrepreneurship ventures performance, a cumulative majority of 69.8% of the respondents affirmed that it was, with 41.9% and 27.9% giving a strongly agreed and agreed response respectively, to the prompt on the metric. 7% of the respondents disagreed while 23.3% were uncertain. By-laws are instrumental in entrepreneurship ventures performance as a majority of 45.3% of the respondents agreed and 23.3% strongly agreed with the prompt on the metric. While 16.3% of the respondents were uncertain and 15.1% disagreed, none of the respondents were an extreme contrary opinion as there was no strongly disagreed response.

Regulatory fees are instrumental in entrepreneurship ventures performance there was no strongly disagreed or disagreed response. 29.1% were uncertain and a majority of 71% affirmed that regulatory fees are instrumental in entrepreneurship ventures performance with 29.1% of respondents choosing the strongly agreed and 41.9% agreed prompts to the question on the metric. While the respondents ignored the strongly disagreed prompt, 10.5% responded with disagreed and 16.3% were

uncertain. A majority of respondents at 48.8% agreed while 24.4% strongly agreed that taxes were instrumental in entrepreneurship ventures performance.

The study sought to examine the average influence of the regulatory framework on the performance of entrepreneurship ventures of people exiting formal employment. In this context, the mean scores of legal license, single business license, by-laws, regulatory fees, and taxes were used. The respondents on average tended to agree (mean scores between 3.5 and 4.49) that a legal license and by laws are important to the performance of entrepreneurship ventures with mean scores of 4.31 and 3.77. The application and acquisition for business licences and permits is of fundamental to the performance of entrepreneurship ventures. This is because businesses permits and licences enables entrepreneurship ventures with time to access funding from commercial banks as well as certain protections by the law (Damodaran, 2009). Financial institutions led money to businesses that are formally registered and compliant with both the national and county government business requirements as well as by laws in order to protect their interests (Groenewegen& De Langen, 2012).

The respondents on average tended to agree that a single business license is important to the performance of entrepreneurship ventures with a mean score of 4.07. The single business license has an effect of increasing the ease of acquisition of operating licenses as there is no need to visit multiple offices for diverse licenses. According to Chea (2008), the business registration and licensing process in diverse African countries is complicated, paper based and requires visiting to multiple offices which creates delays, and raises the costs hence ending in discouraging entrepreneurship ventures businesses from formalizing their businesses. The use of a single stop

registration office as well as single business license is critical for the entrepreneurship ventures businesses to formally register their businesses (Lahm& Little, 2005).

Additionally, the respondents on average tended to agree that taxes influence the performance of entrepreneurship ventures with a mean score of 3.87. The tax deducted from the business reduces the profitability of the businesses. Established firms often have access to tax accountants that legally advise them on means of minimizing their tax liabilities to the government. The entrepreneurship ventures often don't have the expertise in tax related aspects thus failing to claim tax reliefs when due and also don't have expertise to minimize tax reliabilities.

Table 4.17; Descriptive Statistics of Regulatory Framework

	SA	A	U	D	SD	Mean	Std. Dev
	Freq.	Freq.	Freq.	Freq.	Freq.		
	(%)	(%)	(%)	(%)	(%)		
Legal License	46 (53.5%)	24 (27.9%)	13 (15.1%)	3 (3.5%)	0 (0.0%)	4.31	0.86
Single Business License	36 (41.9%)	24 (27.9%)	20 (23.3%)	6 (7.0%)	0 (0.0%)	4.07	0.97
By-Laws	20 (23.3%)	39 (45.3%)	14 (16.3%)	13 (15.1%)	0 (0.0%)	3.77	0.98
Regulatory Fees	25 (29.1%)	36 (41.9%)	25 (29.1%)	0 (0.0%)	0 (0.0%)	4.00	0.77
Taxes	21 (24.4%)	42 (48.8%)	14 (16.3%)	9 (10.5%)	0 (0.0%)	3.87	0.90

The respondents on average tended to agree that the regulatory fees paid for a new entrepreneurship venture are critical to the success of the venture. Mannes (2013), noted that the issue of the business licences fees to be paid is of critical importance as it plays a role in hindrance of the entrepreneurship ventures from formally registering (Mannes, 2013). The ability of the fees to be affordable especially for the entrepreneurship ventures businesses is critical in fostering their growth especially in

the early growth phase where they might have few customers as well as cash flow challenges.

The standard deviations of legal license, single business license, by-laws, regulatory fees, and taxes were used to determine the consensus levels. The respondents tended to agree (mean scores between 3.5 and 4.49) that each of metrics on the regulatory framework was instrumental in the performance of entrepreneurship ventures of people exiting formal employment. Additionally, there was moderate consensus on each of the metrics implying there was moderate consensus that the regulatory framework was instrumental in the performance of entrepreneurship ventures of people exiting formal employment. The order of the metrics from the metric that scored the highest mean to the lowest was legal license (mean score=4.31, std. deviation=0.86), single business license (mean score=4.07, std. deviation=0.97), by-laws (mean score=4.00, std. deviation=0.98), regulatory fees (mean score=3.87, std. deviation=0.90), and taxes (mean score=3.77, std. deviation=0.98).

4.7.2 Influence of Regulatory Framework on Performance

The simple linear regression was used to explain the relationship between the performance of entrepreneurship ventures (dependent variable) and the regulatory framework (independent variable). There was positive correlation between the performance of entrepreneurship ventures and the regulatory framework as the correlation coefficient was 0.606. The coefficient of determination gave a value of 0.367 which implies that 36.7% of the variance in performance of entrepreneurship ventures of people exiting formal employment was as a result of the regulatory framework.

Table 4.18; Model Summary of Regulatory Framework

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.606 ^a	.367	.359	.47452

a. Predictors: (Constant), Regulatory

The ANOVA was used to determine whether the simple linear regression with performance entrepreneurship ventures as the dependent variable and the regulatory framework as the independent variable was reliable. The p-value was used to determine this with the minimum requirement for reliability of the model being a p-value less than 0.05 ($p < 0.05$). The p-value of this simple linear regression was 0.000. This p-value was less than 0.05 ($p < 0.05$) thus the model was deemed reliable. Therefore, the null hypothesis (H_{04}) below was rejected.

H_{04} : Regulatory framework has no significant influence on performance of entrepreneurship ventures amongst people exiting formal employment in Nakuru town

Table 4.19; ANOVA of Regulatory Framework

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	10.959	1	10.959	48.671	.000 ^b
Residual	18.914	84	.225		
Total	29.873	85			

a. Dependent Variable: performance

a. Predictors: (Constant), Regulatory

The regression coefficient (beta coefficient expressed as B) was used to determine the expected increase (or decrease) in the dependent variable (performance of entrepreneurship ventures) for every unit increase in the independent variable (regulatory framework).

The regression model with the regression coefficient was as below;

$$\text{Performance of Entrepreneurship Ventures} = 0.697 + 0.789 (\text{Regulatory Framework})$$

This therefore implies that for every unit increase in regulatory framework, the performance of entrepreneurship ventures of people exiting formal employment will increase by 0.789 (B= 0.789), when other factors are held constant.

Table 4.20; Coefficients of Regulatory Framework

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	1.477	.340		4.340	.000
Regulatory	.587	.084	.606	6.976	.000

a. Dependent Variable: performance

4.8 Entrepreneurship Venture Performance

The impact of business skills, finances availability, demographic characteristics, and regulatory framework have on entrepreneurship venture performance was examined using various metrics. These included profitability, expansion of the entrepreneurship venture, growth, revenues, and number of branches.

4.8.1 Descriptive Statistics of New Entrepreneurship Venture Performance

Profitability of an entrepreneurship venture is impacted by business skills, finances availability, demographic characteristics, and regulatory framework as affirmed by 38.4% of the respondents who agreed with the prompt and 15.1% who strongly agreed. Additionally, this was further supported by no response on the strongly

disagreed prompt and only 12.8% disagreeing. 19.8% of the respondents were uncertain as shown in Table 4.21.

The impact on expansion of the entrepreneurship venture by business skills, finances availability, demographic characteristics, and regulatory framework is critical as a majority 71% were inclined to agree and strongly agree as seen in Table 4.21. 16.3% and 12.8% were uncertain and disagreed respectively. The strongly disagreed prompt was ignored. The average impact that business skills, finances availability, demographic characteristics, and regulatory framework have on entrepreneurship venture performance was examined using the mean scores of various metrics. These included profitability, expansion of the entrepreneurship venture, growth, revenues, and number of branches. All the metrics except the number of branches, on average, had an impact on entrepreneurship venture performance as the respondents tended to agree that they did (mean scores between 3.5 and 4.49).

The respondents tended to agree that the business skills, finances availability, demographic characteristics, and regulatory framework impact profitability of entrepreneurship ventures (mean score=4.03). The business skills, specifically accounting skills present information relating to performance aspects in terms of profitability, liquidity, activity and leverage aspects (Deya, 2016). The regulatory framework (taxes) impacts on profitability as tax deducted from the business reduces the profitability of the businesses. This is because entrepreneurship ventures have limited access to tax accountants that legally advise them on means of minimizing their tax liabilities to the government and lack expertise to claim tax reliefs when due.

The respondents tended to agree that the business skills, finances availability, demographic characteristics, and regulatory framework impact on the growth of the entrepreneurship ventures. The demographic characteristics including entrepreneur's level of education and involvement to the entrepreneurship ventures increases growth potential of the firm (Kimando, 2015). The availability of adequate finances for a new entrepreneurship venture is critical in ensuring improved income, business outputs, and cost efficiency of business operations leading to higher chances of entrepreneurship ventures survivals. Greater financial capital allows for the undertaking of more ambitious strategies, potential changes in direction, and increased capability to deal with the demands of growth (Coffey, 2016). The ability of the fees to be affordable especially for the entrepreneurship ventures businesses is critical in fostering their growth especially in the early growth phase where they might have few customers as well as cash flow challenges.

Table 4.21; Descriptive Statistics of Entrepreneurship venture performance

	SA	A	U	D	SD	Mean	Std. Dev
	Freq.	Freq.	Freq.	Freq.	Freq.		
	(%)	(%)	(%)	(%)	(%)		
Profitability	13 (15.1%)	33 (38.4%)	17 (19.8%)	23 (26.7%)	0 (0.0%)	4.03	0.77
Expansion of the entrepreneurship venture	28 (32.6%)	33 (38.4%)	14 (16.3%)	11 (12.8%)	0 (0.0%)	3.49	1.02
Growth	16 (18.6%)	28 (32.6%)	24 (27.9%)	18 (20.9%)	0 (0.0%)	3.91	1.00
Revenues	42 (48.8%)	28 (32.6%)	13 (15.1%)	3 (3.5%)	0 (0.0%)	4.27	0.85
Number of Branches	22 (25.6%)	50 (58.1%)	9 (10.5%)	5 (5.8%)	0 (0.0%)	3.42	1.05

There was moderate consensus (standard deviations between 0.5 and 1) that profitability (mean score=4.03, std. deviation=0.77) and revenues (mean score=4.27, std. deviation=0.85) impacted entrepreneurship venture performance. There was however no consensus (standard deviations of 1 and above) whether entrepreneurship

venture performance was impacted on by expansion of the entrepreneurship venture (std. deviation=1.02). There was uncertainty on average (mean score between 2.5 and 3.49) whether number of branches (mean score=3.42) and expansion of the entrepreneurship venture (mean score=3.49) had an impact on entrepreneurship venture performance.

4.8.2 Multiple Linear Regression

The multiple linear regression was used to explain the relationship between the dependent variable and the four independent variables. That is, the relationship between performance of entrepreneurship ventures (dependent variable) and regulatory framework, demographic characteristics, business skills, and finances availability (independent variables). There was positive correlation between the dependent and independent variables as the multiple correlation coefficient, expressed as R, was 0.871. The coefficient of determination gave the amount of explained variance in the dependent variable (expressed as R²) as a result of the independent variables. This gave a value of 0.758 which implies that 75.8% of the variance in performance entrepreneurship ventures of people exiting formal employment was as a result of the regulatory framework, demographic characteristics, business skills, and finances availability.

Table 4.22; Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.871 ^a	.758	.746	.29881

a. Predictors: (Constant), Regulatory, Demographic, Business Skills, Finances

The ANOVA was used to determine whether the multiple linear regression with performance entrepreneurship ventures as the dependent variable and the regulatory

framework, demographic characteristics, business skills, and finances availability as the independent variables was reliable. The p-value was used to determine this with the minimum requirement for reliability of the model being a p-value less than 0.05 ($p < 0.05$). The p-value of the multiple linear regression in this study gave a p-value of 0.000. This p-value was less than 0.05 ($p < 0.05$) thus the model was deemed reliable.

Table 4.23; ANOVA

	Model	Sum of Squares	df	Mean Square	F	Sig.
1	Regression	22.641	4	5.660	63.392	.000 ^b
	Residual	7.232	81	.089		
	Total	29.873	85			

a. Dependent Variable: performance

b. Predictors: (Constant), Regulatory, Demographic, Business Skills, Finances

The multiple linear regression analysis also helped to understand how much the dependent variable would change when we change the independent variables. The regression coefficients (were used to determine the expected increase (or decrease) in the dependent variable (performance of entrepreneurship ventures) for every unit increase in the independent variable (regulatory framework, demographic characteristics, business skills, and finances availability). The regression model with the regression coefficients was as below;

$$\text{Performance of Entrepreneurship Ventures} = 0.911 + 0.269 (\text{Business Skills}) - 0.169 (\text{Demographic Characteristics}) + 1.083 (\text{Finances Availability}) - 0.443 (\text{Regulatory Framework})$$

This therefore implies that for every unit increase in business skills the performance of entrepreneurship ventures of people exiting formal employment will increase by 0.269 ($B = 0.269$), when other factors are held constant. This also implies that for

every unit increase in the demographic characteristics of the person exiting formal employment, the performance of the entrepreneurship venture will decrease by 0.169 (B= -0.169), when other factors are held constant. The regression coefficient of 1.083 (B= 1.083) corresponding to finances availability implies that for every point increase in finances availability, the performance of the entrepreneurship ventures of people exiting formal employment will increase by 1.083, when other factors are held constant. Finally, for every point increase in the regulatory framework, the performance of the entrepreneurship ventures of people exiting formal employment will decrease by 0.443 (B= -0.433), when other factors are held constant. In order of influence of the independent variables on the dependent variable, finances availability had greater influence on the performance of the entrepreneurship ventures of people exiting formal employment. This was followed by business skills, the regulatory framework and the demographic characteristics of the person exiting formal employment for an entrepreneurship venture.

Table 4.24; Coefficients

	Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
	(Constant)	.911	.270		3.377	.001
	BusinessSkills	.269	.104	.261	2.596	.011
1	Demographic	-.169	.085	-.155	-1.997	.049
	Finances	1.083	.100	1.158	10.802	.000
	Regulatory	-.443	.129	-.457	-3.434	.001

a. Dependent Variable: performance

CHAPTER FIVE

SUMMARY OF FINDINGS, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This study sought to examine the factors influencing performance of entrepreneurship ventures amongst people exiting formal employment in Nakuru town. This was investigated with the objective of finding the influence of business, skills, demographic characteristics, finances availability and the regulatory framework on the performance of entrepreneurship ventures amongst people exiting formal employment in Nakuru town. This chapter contains the summary of the findings, the conclusions from the findings, and the recommendations.

5.2 Summary of Findings

Demographic Characteristics

The study examined the average influence of demographic characteristic through the mean scores of the influence of age, education, gender, income and marital status. The respondents on average tended to agree (mean scores between 3.5 and 4.49) that income, gender, education level, and marital status of the person exiting formal employment for entrepreneurship ventures are instrumental in the success of entrepreneurship ventures. The income of the person exiting formal employment for a entrepreneurship ventures has greater influence on the success of entrepreneurship ventures than the other demographic characteristics metrics as it had a mean score closest to 5 (mean score=4.36) implying strong tendency to agree on average.

There was no consensus on whether age and gender of the person exiting formal employment for entrepreneurship ventures were instrumental in the success of

entrepreneurship ventures with standard deviations greater than one. On average, there was uncertainty whether age of the person exiting formal employment for entrepreneurship ventures was instrumental in the success of entrepreneurship ventures. This is because the mean score corresponding to age was between 2.5 and 3.49. The respondents had moderate consensus that education, income and the marital status of the person exiting formal employment for entrepreneurship ventures were instrumental in the success of entrepreneurship ventures with standard deviations between 0.50 and 0.99.

Business Skills

The study examined the average influence of business skills on the success of entrepreneurship ventures amongst people exiting formal employment in Nakuru Town, Kenya. In this context, the mean scores for the different metrics of business skills were generated, that is, entrepreneurship, communication, skills, accounting skills, technical skills and customer service. The distribution of the responses around the mean was also examined with the standard deviations showing the level of consensus on a given metric.

On average, the respondents tended to agree that all the metrics on business skills were influential in the success of new entrepreneurship venture performance amongst people exiting formal employment in Nakuru Town, Kenya. This was because all the metrics had mean scores between 3.5 and 4.49. The standard deviations on all the metrics were between 0.50 and 0.99 except for technical skills. This implied that there was moderate consensus that entrepreneurship, communication, skills, accounting skills, and customer service have an influence entrepreneurship, communication,

skills, accounting skills, technical skills and customer service have an influence in the success of entrepreneurship ventures amongst people exiting formal employment in Nakuru Town, Kenya.

The mean scores when ranked from the highest scored mean to the lowest indicated that on average, entrepreneurship had greater influence than the other metrics on business skills as it had the highest mean score followed by communication skills, , customer service, accounting skills, and technical skills. The responses were widely distributed for technical skills, which implied that there was no consensus (standard deviation greater than one) on whether technical skills influence the success of entrepreneurship ventures amongst people exiting formal employment in Nakuru Town, Kenya.

Finances Availability

The study examined which finances availability metrics were, on average, instrumental in entrepreneurship venture performance. The mean score for savings sources of finances, family sources of finances, cash management aspects, and financial literacy were used to determine this. The standard deviations for savings sources of finances, family sources of finances, cash management aspects, and financial literacy were used to determine the behaviour of the responses around the mean.

Responses were widely distributed around the mean for sources of finances, savings sources of finances and family sources of finances. This implied that there was no consensus that sources of finances (credit, family and savings) influence the success

of entrepreneurship ventures as they had standard deviations greater than one. There was moderate consensus and respondents tended on average to agree that cash management and the financial literacy of the person exiting formal employment for a entrepreneurship ventures were instrumental in the entrepreneurship venture's performance. In order of average influence from the highest to the lowest metrics, financial literacy of the person exiting formal employment for a entrepreneurship ventures was perceived to be more instrumental in the performance of the entrepreneurship venture (highest mean score).

Regulatory Framework

The study sought to examine the average influence of the regulatory framework on the performance of entrepreneurship ventures of people exiting formal employment. In this context, the mean scores of legal license, single business license, by-laws, regulatory fees, and taxes were used. The standard deviations of legal license, single business license, by-laws, regulatory fees, and taxes were used to determine the consensus levels.

The respondents tended to agree (mean scores between 3.5 and 4.49) that each of metrics on the regulatory framework was instrumental in the performance of entrepreneurship ventures of people exiting formal employment. Additionally, there was moderate consensus on each of the metrics implying there was moderate consensus that the regulatory framework was instrumental in the performance of entrepreneurship ventures of people exiting formal employment. The order of the metrics from the metric that scored the highest mean to the lowest was legal license, single business license, by-laws, regulatory fees, and taxes.

The average impact that business skills, finances availability, demographic characteristics, and regulatory framework have on entrepreneurship venture performance was examined using the mean scores of various metrics. These included profitability, expansion of the entrepreneurship venture, growth, revenues, and number of branches. All the metrics except the number of branches, on average, had an impact on entrepreneurship venture performance as the respondents tended to agree that they did (mean scores between 3.5 and 4.49).

There was moderate consensus (standard deviations greater than one) that profitability and revenues impacted entrepreneurship venture performance. There was however no consensus (standard deviations of 1 and above) whether entrepreneurship venture performance was impacted on by expansion of the entrepreneurship venture. There was uncertainty on average (mean score between 2.5 and 3.49) whether number of branches and expansion of the entrepreneurship venture had an impact on entrepreneurship venture performance.

5.3 Conclusion

The study in the examination of the influence of demographic characteristics concluded that the demographic characteristics have an influence on the performance of entrepreneurship amongst people exiting formal employment. Amongst the demographic characteristic with a high influence on the performance of entrepreneurship ventures is the income level of people exiting formal employment.

The study in the examination of the influence of business skills concluded that the business skills have an influence on the performance of entrepreneurship amongst

people exiting formal employment. Amongst the business skills with high influence on performance of new entrepreneurship ventures include entrepreneurship and communication skills.

The study in the examination of the influence of availability of finance concluded that availability of finance have an influence on the performance of entrepreneurship amongst people exiting formal employment. Amongst the finances availability aspects with high influence on performance of new entrepreneurship ventures include cash management aspects.

The study in the examination of the influence of regulatory framework concluded that regulatory framework have an influence on the performance of entrepreneurship amongst people exiting formal employment. Amongst regulatory framework aspects with high influence on performance of new entrepreneurship ventures include issuance of single business licence.

5.4 Recommendations

The study recommended that the business skills and finances availability are the two key things that the people exiting should emphasize on in order for their entrepreneurship ventures to succeed. This was due to the fact that they had positive regression coefficients in the multiple linear regression analysis. Within the context of business skills, the research recommends that the people exiting formal employment should particularly emphasize on entrepreneurship skills and customer service skills due to high level of consensus that they impacted on performance of new entrepreneurship. On the other hand, in respect to financial aspects, the people should

emphasize on financial literacy and cash management aspects in order to enhance the performance of the entrepreneurship ventures.

5.5 Suggestions for Further Studies

The study recommended for further studies for the following aspects of the independent variables to be further examined due to their high standard deviations. The study suggested for further studies an examination on the influence of the technical skills on the performance of entrepreneurship ventures that have been started by people exiting formal employment. The also suggested an examination of the role of finances sources (credit sources, saving sources, and family sources) on the performance of entrepreneurship ventures that have been started by people exiting formal employment. Finally, the study suggested for further studies an examination of demographic characteristics (in terms of gender and age) on the performance of entrepreneurship ventures that have been started by people exiting formal employment.

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APPENDIX A
LETTER OF INTRODUCTION

Dear respondent,

I am a Master's of Art in Project Management at University of Nairobi, Nakuru Campus. I am currently carrying out a research study whose title is: **“Factors Influencing Performance of Entrepreneurship Ventures Amongst People Exiting Formal Employment in Nakuru Town”**.

You are kindly requested to provide the required information to the best of your knowledge. Kindly fill in the questionnaire that is attached to this letter. The questionnaire is intended to be used to collect data exclusively for academic purposes. The data collected will, therefore, be treated with utmost confidentiality. Thank you for your cooperation.

Yours faithfully,

Grace Wanjiru

APPENDIX B
FACTORS INFLUENCING PERFORMANCE OF
ENTREPRENEURSHIP VENTURES AMONGST PEOPLE EXITING
FORMAL EMPLOYMENT IN NAKURU TOWN

Kindly fill in the questionnaire below. The questionnaire is intended to be used to collect data exclusively for a research study which is a partial fulfillment for the award of Masters' of Art in Project Management at University of Nairobi, Nakuru Campus.

QUESTIONNAIRE

Instructions: Please complete the following questionnaire appropriately.

: The responses you provide are strictly confidential. No reference will be made to any individual(s) in the report of the study.

Please tick or answer appropriately for each of the Question provided.

PART A: BACKGROUND INFORMATION OF RESPONDENTS

- | | | |
|---|-------------------|-----|
| 1) Kindly do state your gender? | Male | () |
| | Female | () |
| 2) Kindly state your age bracket? | Below 25 Years | () |
| | 26-35 Years | () |
| | 36-45 Years | () |
| | 46-55 Years | () |
| | Above 55 Years | () |
| 3) What is your highest level of education? | Diploma | () |
| | First Degree | () |
| | Post Graduate | () |
| 4) How long did you exit formal employment? | Less than 3 Years | () |
| | 3-5 Years | () |
| | 5-10 Years | () |
| | Above 10 Years | () |

PART B: BUSINESS SKILLS

The following are items in relation to the Business Skills. In a scale of 1-5; where 5= Strongly Agree (SA); 4=Agree (A); 3= Uncertain; 2=Disagree (D) and 1=Strongly Disagree (SD), please tick (✓) where appropriate, the level that best explains your situation.

	The following business skills have been instrumental in entrepreneurship ventures performance	SA	A	U	D	SD
5)	Entrepreneurship					
6)	Communication Skill					
7)	Accounting Skills					
8)	Technical Skills					
9)	Customer Service					

PART C: DEMOGRAPHIC CHARACTERISTICS

The following are items in relation to the demographic characteristics. In a scale of 1-5; where 5= Strongly Agree (SA); 4=Agree (A); 3= Uncertain; 2=Disagree (D) and 1=Strongly Disagree (SD), please tick (✓) where appropriate, the level that best explains your situation.

	The following demographic characteristics have been instrumental in entrepreneurship ventures performance	SA	A	U	D	SD
10)	Age					
11)	Education					
12)	Gender					
13)	Income					
14)	Marital Status					

PART D: AVAILABILITY OF FINANCE

The following are items in relation to the finances availability. In a scale of 1-5; where 5= Strongly Agree (SA); 4=Agree (A); 3= Uncertain; 2=Disagree (D) and 1=Strongly Disagree (SD), please tick (✓) where appropriate, the level that best explains your situation.

	The following finances availability metrics have been instrumental in entrepreneurship ventures performance	SA	A	U	D	SD
15)	Credit Sources of Finances					
16)	Savings sources of finances					
17)	Family Sources of finances					
18)	Cash Management Aspects					
19)	Financial Literacy					

PART E: REGULATORY FRAMEWORK

The following are items in relation to regulatory framework. In a scale of 1-5; where 5= Strongly Agree (SA); 4=Agree (A); 3= Uncertain; 2=Disagree (D) and 1=Strongly Disagree (SD), please tick (√) where appropriate, the level that best explains your situation.

	The following regulatory framework metrics have been instrumental in entrepreneurship ventures performance	SA	A	U	D	SD
20)	Legal License					
21)	Single Business License					
22)	By-Laws					
23)	Regulatory Fees					
24)	Taxes					

PART F: ENTREPRENEURSHIP VENTURES PERFORMANCE

The following are items in relation to the entrepreneurship ventures performance. In a scale of 1-5; where 5= Strongly Agree (SA); 4=Agree (A); 3= Uncertain; 2=Disagree (D) and 1=Strongly Disagree (SD), please tick (√) where appropriate, the level that best explains your situation.

	The business skills, finances availability, demographic characteristics, and regulatory framework have impacted on the following entrepreneurship ventures performance metrics;	SA	A	U	D	SD
25)	Profitability					
26)	Expansion of the entrepreneurship venture					
27)	Growth					
28)	Revenues					
29)	Number of Branches					

THANK YOU

APPENDIC C

PLAGIARISM REPORT PAGE 1

Factors Influencing Performance of Entrepreneurship Ventures Amongst People Exiting Formal Employment in Nakuru Town, Nakuru County, Kenya

ORIGINALITY REPORT

13%	11%	3%	8%
SIMILARITY INDEX	INTERNET SOURCES	PUBLICATIONS	STUDENT PAPERS

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APPENDIX D

PLAGIARISM REPORT PAGE 2

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**APPENDIX E
NACOSTI AUTHORIZATION**



**NATIONAL COMMISSION FOR SCIENCE,
TECHNOLOGY AND INNOVATION**

Telephone: +254-20-2213471,
2241349, 3310571, 2219420
Fax: +254-20-318245, 318249
Email: dg@nacosti.go.ke
Website: www.nacosti.go.ke
When replying please quote

9th Floor, Utalii House
Uhuru Highway
P.O. Box 30623-00100
NAIROBI-KENYA

Ref. No. **NACOSTI/P/17/94611/17840**

Date: **4th July, 2017**

Grace Wanjiru Njoroge
University of Nairobi
P.O. Box 30197-00100
NAIROBI.

RE: RESEARCH AUTHORIZATION

Following your application for authority to carry out research on *“Factors influencing performance of entrepreneurship ventures amongst people exiting formal employment in Nakuru Town,”* I am pleased to inform you that you have been authorized to undertake research in **Nakuru County** for the period ending **4th July, 2018.**

You are advised to report to **the County Commissioner and the County Director of Education, Nakuru County** before embarking on the research project.

On completion of the research, you are expected to submit **two hard copies and one soft copy in pdf** of the research report/thesis to our office.

**GODFREY P. KALERWA MSc., MBA, MKIM
FOR: DIRECTOR-GENERAL/CEO**

Copy to:

The County Commissioner
Nakuru County.

The County Directors of Education
Nakuru County.

CONDITIONS

- 1. The License is valid for the proposed research, research site specified period.**
- 2. Both the Licence and any rights thereunder are non-transferable.**
- 3. Upon request of the Commission, the Licensee shall submit a progress report.**
- 4. The Licensee shall report to the County Director of Education and County Governor in the area of research before commencement of the research.**
- 5. Excavation, filming and collection of specimens are subject to further permissions from relevant Government agencies.**
- 6. This Licence does not give authority to transfer research materials.**
- 7. The Licensee shall submit two (2) hard copies and upload a soft copy of their final report.**
- 8. The Commission reserves the right to modify the conditions of this Licence including its cancellation without prior notice.**



REPUBLIC OF KENYA



National Commission for Science, Technology and Innovation

RESEARCH CLEARANCE PERMIT

Serial No.A 14669

CONDITIONS: see back page

THIS IS TO CERTIFY THAT: MS. GRACE WANJIRU NJOROGE of UNIVERSITY OF NAIROBI, 0-100 NAIROBI, has been permitted to conduct research in Nakuru County

Permit No : NACOSTI/P/17/94611/17840 Date Of Issue : 4th July, 2017 Fee Received :Ksh 1000

on the topic: FACTORS INFLUENCING PERFORMANCE OF ENTREPREURSHIP VENTURES AMONGST PEOPLE EXITING FORMAL EMPLOYMENT IN NAKURU TOWN for the period ending: 4th July, 2018



Grace Wanjiru Njoroge
Applicant's Signature

Patricia Kilonzi
Director General
National Commission for Science, Technology & Innovation