

**INFLUENCE OF ENTREPRENEURIAL TRAINING ON PERFORMANCE OF YOUTH
ENTERPRISES: A CASE OF STRYDE PROJECT IN NYERI COUNTY, KENYA.**

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DECLARATION

This is my original work and has not been submitted for the award of any degree in the University of Nairobi or any other University.

Signed

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DEDICATION

This project is dedicated to my children, Michael and Marie, whom I greatly love and who have spurred me on. I would also like to dedicate it to my parents, Mr. and Mrs. Murigi and to my siblings Murigi and Njoroge, your support and motivation has been invaluable and is always highly appreciated.

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ABBREVIATIONS AND ACRONYMS

ILO	International Labour Organization
KNBS	Kenya National Bureau of Statistics
MOYA	Ministry of Youth Affairs and sports
MSE's	Micro and Small Enterprises
NGO	Non Governmental Organization
NYDA	National Youth Development Agency
OECD	Organization for Economic Co-operation and Development
SPSS	Statistical Package for Social Sciences
STRYDE	Strengthening Rural Youth Development through Enterprise
UNDP	United Nations Development Program
UNESCO	United Nations Educational, Scientific and Cultural Organization
WEDF	Women Enterprise Development Fund
YEDF	Youth Enterprise Development Fund

ABSTRACT

The Growth of youth entrepreneurship is in line with the National Development Agenda by the government. The Agenda seeks to instill rapid and sustained economic growth, and reduce the high incidence of poverty through creation of employment opportunities. The study assessed the influence of entrepreneurial training on the performance of youth enterprises in Nyeri County. It has six administrative divisions namely Tetu, Kieni, Mathira, Othaya, Mukurwe-ini and Nyeri Municipality. The problem investigated in this study arose from a gap that has been created from past research, in that no research has concentrated on the area of the influence of entrepreneurial training on the performance of youth enterprises in Nyeri County. This is further affected by the proliferation of institutions offering the youth entrepreneurial training, without really assessing if at all this training makes a difference afterwards. Such training is ideally aimed at improving the livelihoods of the trainees as it opens up new fronts for making a living. However, whether it does or does not is rarely ever sought. The few studies that have been done have mostly focused on the Youth Enterprise Development Fund (YEDF). The objective of this study was to assess the influence of financial management skills, innovation, access to credit facilities and access to market on the performance of youth enterprises, which are owned by youths who have been trained by Technoserve under the STRYDE project. Performance of the said enterprises was assessed by looking at their growth rates as well as profitability. Scholarly articles were reviewed, focusing on the objectives of the study and as well as on the dependent variable. The global outlook was first considered, funneling down to the country and further down to this specific county. The research used descriptive survey design method, to help assess the situation as it is. Questionnaires were used to collect data. The population of 812 was purposively sampled from the three beneficiary constituencies of the county, stratified into male and female, then further selected using the simple random sampling. The Krejcie and Morgan table was used to arrive at the final sample size. The data collected was analyzed by the use of descriptive analysis method and presented in tables. Pearson Moment Correlation Coefficient revealed that there was weak negative relationship (-0.142) between innovation and performance of youth enterprises. The findings of the study indicate that the majority of the youth start their own businesses due to lack of formal employment opportunities as opposed to innovation. Pearson Correlation on access to credit revealed that there was weak positive relationship (0.215) between access to credit and performance of youth enterprises. The findings revealed that majority of the youth face challenges when accessing finances from financial institutions which hinders performance. Pearson Correlation on financial management skills also revealed that there was weak positive relationship (0.231) between training of financial management skills and performance of youth enterprises. Based on the findings, the study conclude that entrepreneurial training be conducted to enhance the performance of youth enterprises since good financial management is critical to the success of any business and without it, a business can be set for failure from the start. Based on the findings, the study recommended that commercials banks should reconsider the youth credit requirements and policy in order to reduce credit access barriers.

CHAPTER ONE

INTRODUCTION

1.1 Background to the Study

Entrepreneurs, in general, make significant contributions to the development process of the third world (Echtner, 1994). Many small businesses are started which in turn create wealth and jobs for many others. The Consortium for Entrepreneurship Education (C.E.E) in a survey done in 2004 found evidence that fostering a strong entrepreneurial culture will maximize individual and collective economic and social success on a local, national, and global scale.

While there have been arguments whether entrepreneurs are made or born, the impact of such training through the different levels of education can be positively felt, thus concluding that it is a lifelong learning process (C.E.E, 2004). Entrepreneurial training is aimed at unleashing the potential of the masses of young people and plays an essential role in shaping their attitudes, skills and culture.

According to a study conducted by the International Labour Office (ILO, 2004), prospects for youth employment in the coming years remain grim compared to that of adults, but acknowledging the tremendous potential of the newer generations, many countries are looking at promoting youth entrepreneurship as an important component of wider youth employment policies. The end goal is to unleash the underutilized productive potential of youth by enabling them to channel their energy, talent, creativity and skills through entrepreneurship.

Youth projects have been a source of empowerment for this group in the developing world. Kenya is no exception to this global trend, with the government establishing a ministry to specifically address the needs of the youth in 2005. One of the cardinal mandates of this ministry is to provide the youth with funding for projects under the Youth Enterprise Development Fund.

Non-governmental organizations have also come up to support the community in this endeavor. Kenya boasts of over 500 NGOs registered in the country and working in diverse fields of development, which includes enterprise assistance through development of income generating activities (Tubey, 2012). These interventions have been geared towards assisting the MSEs to

achieve enterprise growth goals in terms of changes in sales volumes, profits, number of employees, and accumulation of assets and maintenance of records.

When the UNDP-funded Jua Kali project in Kenya offered short training programmes to owner managers in the textile industry, it was found that they lacked management skills. It therefore started offering training in business management, accounts and bookkeeping and taught them how to prepare good business plans (Tubey, 2012).

Technoserve, which has operated in Kenya since 1973, is an NGO whose mission is to develop business solutions to poverty, by linking people to information, capital and markets. Among their many projects is one that solely focuses on youth entrepreneurial training, STRYDE, that is, Strengthening Rural Youth Development through Enterprise. However, little is known about the extent to which this training affects youth enterprises, especially in Nyeri County.

1.2 Statement of the problem

With the rising number of un-employment and hence rising crime rates, more and more countries around the world have introduced or are working towards introducing policy measures to support the growth of an “enterprise culture” and entrepreneurship

Within the framework of potential efforts and strategies to boost employment and job creation for young people, entrepreneurship is increasingly accepted as an important means and a valuable additional strategy to create jobs and improve livelihoods and economic independence of young people. It is an innovative approach to integrating youth into today’s changing labour markets.

However, more in-depth research and concrete data on youth entrepreneurial training is necessary, especially as it relates to different entrepreneurial framework conditions and to the creation of new firms. The study attempted to provide a clearer and more comprehensive picture of youth entrepreneurship in general and specifically the role of training to performance and sustainability of the youth projects. The study sought to find out the influence of entrepreneurial training on performance of youth enterprises that are run by STRYDE in Nyeri County.

1.3 Purpose of the study

The purpose of this study was to assess the influence of entrepreneurial training on the performance of youth enterprises in Nyeri County.

1.4 Objectives of the study

The study was guided by the following objectives:

- (i) To investigate how financial management skills influences the performance of youth enterprises in Nyeri County.
- (ii) To establish how access to credit facilities influences the performance of youth enterprises in Nyeri County.
- (iii) To determine how innovation influences the performance of youth enterprises in Nyeri County.
- (iv) To examine how access to market influences the performance of youth enterprises in Nyeri County.

1.5 Research Questions

This research aimed to answer the following questions:

- (i) To what extent do financial management skills influence the performance of youth enterprises?
- (ii) To what extent does access to credit facilities influence the performance of youth enterprises?
- (iii) In what ways does innovation influence the performance of youth enterprises?
- (iv) How does access to market influence the performance of youth enterprises?

1.6 Significance of the study

It is hoped that the research findings will stimulate policy debate on the factors that foster or impede youth entrepreneurship and the policy measures that can facilitate the youth in starting their own businesses. Moreover, this project aims to contribute to the existing work on youth projects and their operations, and therefore serve as a directory of initiatives, programmes and

instruments, being of particular benefit to practitioners and policymakers in the field of youth employment, youth entrepreneurship, entrepreneurial education and SME development.

Although it is focused on one project, the study could serve as a first step towards better understanding of the various challenges and benefits of promoting entrepreneurial education and helping maintain the interest and the attention in this field.

It is hoped that scholars and policy makers will benefit from the research findings presented by this study as a source of secondary data. Notwithstanding, the study will also contribute to pool of knowledge in the existing literature.

1.7 Delimitations of the study

This study focused on youth enterprises by entrepreneurs trained by the STRYDE project. Also, while entrepreneurship may be carried out anywhere in Kenya, this study focused only on Nyeri County, for effectiveness and efficiency of data collection, as the researcher is domiciled in this County.

1.8 Limitations of the study

Time and financial resources constraints would not allow for a country wide study. The study was therefore confined to Nyeri County as outlined in the area of scope, as a mitigation of time management. Research assistants were also used to distribute the questionnaires, thus helping to save time. Similarly the research tried to minimize costs without compromising the quality of the research. Another limitation was the holding back of some information considered by respondents as confidential. This was mitigated by the researcher's assurance that the information would be treated as confidential and used only for the purpose of the study.

1.9 Assumptions of the study

This study had assumed that the respondents would answer the questions correctly and honestly and that the sample would represent the population. It also assumed that the respondents would return their questionnaires in good time to ensure that the study was completed within the timeline set for it. The other assumption was that the sample size and the choice of respondents chosen would be adequate to come up with the critical inferences, and that the instruments used were valid and would measure the required constructs. All the assumptions were met.

1.10 Definition of significant terms

Financial Management skills	Ability to keep records of accounting, inventory control and operation of a bank account.
Credit Facilities	Access to start up capital or expansion capital from commercial institutions.
Innovation	Change of business model or adapting to changes in the environment to deliver better products or services.
Market	The purchaser or consumer of a given service or good.
Enterprise	Entrepreneurial activity especially when accompanied by initiative and resourcefulness.
Entrepreneurship	Stevenson (1989) defines entrepreneurship as the process whereby individuals become aware of business ownership as an option or viable alternative, develop ideas for business, learn the process of becoming an entrepreneur and undertake the initiation and development of a business.
Entrepreneurial training	This is training carried out by the STRYDE project to pass on the necessary entrepreneurship skills for business startups
Youth	is anyone between the ages of 18 to 30
Youth enterprises	Business that have been started by youths trained by the STRYDE project

1.11 Organization of the study

The research project is organized in five chapters .Chapter one focuses on the background of study, statement of problem, objectives, research questions, justification of study, significance of study, basic assumptions, limitations and delimitations of the study, definition of significant terms and organization of the study.

Chapter two focuses on literature review of the study and gives a detailed account of youth enterprises. It also focuses on the effects of entrepreneurial training on youth enterprises which include financial management skills, access to credit facilities, innovation and access to market.

Chapter three focuses on the research design, sampling procedure and sample size, target population, research instruments their reliability and validity. Data collection procedure and analysis method was done qualitatively using descriptive method and quantitatively using statistical methods. Ethical considerations have been captured and Operationalisation of variables has been focused on.

Chapter four focuses on data analysis, presentation and interpretation; while chapter five gives a summary of the findings, discussions, conclusions and recommendations.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter will seek to review the concept of performance of youth enterprises and entrepreneurial training in the globe funneling down to Kenya as written or researched on by others. This will cover an overview of financial management skills, access to credit facilities, innovation and access to market.

2.2 Performance of Youth Enterprises

Chapter seventeen of the constitution of Kenya (2010) defines youths as all individuals in the republic who a) have attained the age of eighteen years but b) have not attained the age of thirty-five years.

Chapter four, Part 3 section 55 of the constitution indicates that the state shall take affirmative action programmes in order to ensure that this group of individuals has access to the relevant education and training, can participate in all spheres of life, have access to employment and are protected from harmful cultural practices and exploitation.

The Kenya population and housing census carried out in 2009 indicated that the total population in Kenya is 38,610,097 millions of which the youth (age between 18 – 35 years) account for more than 30 % of the total population. In terms of gender, 51.7% are female and 48.3 % are male. Of these, 58.7 % live in the rural while 12.5% live in urban areas. A total 41% are employed of which 53% are male and 47% are female. A total of 12, 824,624 are economically inactive and of which 44% are male and 56% are female (KNBS, 2010).

In the last few years, the youth employment agenda has gained a marked prominence by the government, with several policies, programmes and initiatives launched to address this issue (Ombagi, 2011). This is because, according to the census, the largest chunk of the human capital lies within this bracket, with the majority of them being un-employed. (Census, 2009).

Ombangi (2011) also states that the rate of unemployment for youth is higher than of other age groups in Kenya, not because they don't have the motivation, the ambition or the energy, but the

real barriers facing unemployed young people are inexperience and a lack of specific employment skills.

There are various reasons why young people decide to start a business, including issues concerned with their living circumstances, their personal attitudes, preferences and objectives and their particular interests and individual strengths. The Global Entrepreneurship Monitor (GEM) shows that, necessity-driven entrepreneurship levels in a country is associated with factors like low tax revenue as a percentage of GDP, lower levels of participation in both secondary and tertiary education and high levels of income disparity and low levels of social security. That is why especially the youth in developing and low-income countries tend to engage in business out of economic necessity (e.g. lack of employment opportunities, need to supplement household income and poverty) (GEM, 2002).

This can be remedied, through among others, creating an entrepreneurial culture which fosters individuals' creativity and innovation, and creates opportunities for the youth to be self reliant. The inability of the formal sector to produce enough jobs for the growing youth population makes self employment an important option for the youth. This will in turn reduce risk factors that are associated with unemployment like crime. Ombangi (2011) also cites literature on conflict which has shown that increasing the time youths spend at work significantly decreases levels of criminal activity and increasing employment is likely to decrease incentives for engagement in violent behavior, as well as decrease the current disillusionment amongst youth in Kenya.

To stamp its commitment to this cause, the government in 2005 developed a sessional paper (No. 2) on development of micro and small enterprises for wealth creation and poverty reduction. It also encouraged universities, polytechnics, technical institutions and other MSE support organizations to develop certified demand driven courses on entrepreneurship and business management in order to improve and promote the acquisition of entrepreneurial development programmes, in order to develop a widespread enterprise culture (Nteere, 2012)

In the current trends of youth enterprises, focus has shifted from just the enterprise itself, that is, the provision of training and technical assistance, to a more holistic approach, which includes strengthening the entrepreneurs' network to help in forging mentorship, employment linkages and linkage to financial institutions. They are important because the concept is based on the premise that micro, small, and medium enterprise development initiatives are likely to have the biggest impact on job creation. Young people who constitute the largest segment of our society, is the future of any economy and a key driver of employment growth and economic activities.

With many young women and men unable to secure formal employment opportunities, encouraging entrepreneurship is an ever more important way of harnessing their enthusiasm, energy and ambition to contribute to economic development. The majority of the world's young people are in developing economies, where formal jobs are scarce and even informal jobs may be hard to find.

It's important to note the status of youth entrepreneurship and self employment elsewhere in the world .According to the Organization for Economic Co-operation and Development (OECD, 2001) in the USA, about 40% of young people finishing secondary school express high interest in forming their own business. The same goes for the United Kingdom, which according to the OECD (2001) is Europe's second most entrepreneurial large economy.

2.3 Entrepreneurial training for the youth

Kurriloff (1999), defined entrepreneurship as the characteristics of seeking opportunities, taking risks beyond security and having the tenacity to push an idea through to reality. This study will however, draw upon a definition of entrepreneurship, suggested by the authors of a scoping paper on youth entrepreneurship in Australia:

“Entrepreneurship is the recognition of an opportunity to create value, and the process of acting on this opportunity, whether or not it involves the formation of a new entity. While concepts such as “innovation” and “risk taking” in particular are usually associated with entrepreneurship, they are not necessary to define the term.”

This rather broad definition embraces the potential wider benefits of entrepreneurship as it includes various types of entrepreneurship and does not limit the concept to the process of starting a new venture or creating a new entity.

According to Entwistle (2008) two types of entrepreneurship can be recognized to exist. The economics focused entrepreneurship that involves creation of enterprise for the private sector characterized by creation of wealth and the profit generation. The second is social entrepreneurship which also involves profit creation but is made distinct by its focus to contribute directly to a social cause thereby using the profits as a means to an end. It is however the economics focused entrepreneurship that tends to form the basis of most youth entrepreneurship programs, the STRYDE project included.

Hisrich and Peters (2002) suggested that entrepreneurs are continually supplementing their education through various means like books, trade journals, and seminars or taking courses in weak areas. They were of the opinion that when forming new ventures, most individuals are concerned their ability to not only form the new venture, but to also manage it and make it grow.

Studies have also shown that during the growth of a new venture, management skills and strategies in such areas as record keeping, financial control, inventory control, human resources, marketing and planning are critical to achieving long term success. (Hisrich et al 2002)

Alberti, Sciascia and Poli (2004) defined entrepreneurial training as the structured formal conveyance of entrepreneurial competencies, which in turn refers to the concepts, skills and mental awareness used by individuals during the process of starting and developing their growth oriented ventures. According to this definition, entrepreneurship is the recognition of an opportunity to create value, and the process of acting on this opportunity.

Effective youth entrepreneurship education prepares young people to be responsible, enterprising individuals who become entrepreneurs or entrepreneurial thinkers and contribute to economic development and sustainable communities (Consortium for Entrepreneurship Education).

Entrepreneurial education refers to programs that promote entrepreneurship awareness for career purposes and provide skill training for business creation and development (Vesper, 1990; Bechard & Toulouse, 1998). It is different from other forms of business education when its purpose is developing a new product or service that results in higher economic value (Hanesmark, 1998).

A major assumption in entrepreneurial education is that entrepreneurship characteristics and skills can be developed. Research suggests that the propensity towards entrepreneurship has been associated with several personal characteristics that can be influenced by a formal program of education (Gorman, Hanlon, & King, 1997; Bechard & Toulouse, 1998). Education can prepare for innovation by transferring knowledge and developing relevant skills that improve the self-efficacy and effectiveness of the potential entrepreneur (Gorman et al., 1997). However, a consensus on when educational intervention is most effective in developing entrepreneurial potential has not been clearly established.

Across the world, different governments and organizations have taken initiative to help the youth in entrepreneurship. The Prince's Trust Enterprise Programme in Britain, for example, was set up for young people who have a business idea they want help to explore, are aged 18-30 and are unemployed or working less than 16 hours per week. Services provided by this program include; Advice on employment options, business skills training, business planning support, start-up loan funding, ongoing support from a volunteer business mentor, access to specialist support, including free legal services and, if one wants to start a business, access to a wide range of free and discounted products and services (The Princes Trust, 2012)

In South Africa, the National Youth Development Agency (NYDA), 2011, outlines its mandate which include; advancing youth development through guidance and support to initiatives across sectors of society and spheres of government, embarking on initiatives that seek to advance the economic development of young people and developing and coordinating the implementation of the Integrated Youth Development Plan and Strategy for the country

In Kenya, the Youth Enterprise Development Fund (YEDF), the Constituency Youth Enterprise Scheme (C-YES) and The Divisional Youth Enterprise Development Fund Committees (Divisional YEDFC) have all been formed to address the issue of youth unemployment and enable them to start and sustain viable businesses, and attain financial independence and stability.

However, the stringent regulations and requirements sometimes lock out some of the individuals who would have otherwise greatly benefited from such schemes. The need to have a bank account from the outset, being in a registered group for not less than three months are but some of these requirements which would lock out the youth, especially in rural areas.

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

STRYDE is an entrepreneurship education program designed and developed by Technoserve, with the ultimate beneficiaries being the young men and women enrolled in the program. Through its modules and participatory teaching methods, the STRYDE project aims to furnish its beneficiaries with various skills like financial management and other business management strategies; opportunities like access to credit facilities through training on how to write Business Plans; open them up to be more innovative and aware of opportunities around them; as well as train them on how to package and brand themselves and their businesses in order to succeed. This training raises their awareness about the opportunities and challenges of entrepreneurship and self-employment, and increases their understanding of the role they play in shaping their future by being entrepreneurial in their lives and careers.

2.4 Influence of Financial Management skills on performance of Youth Enterprises

While the performance levels of small businesses have traditionally been attributed to general managerial factors, such as manufacturing, marketing and operations, accounting systems may have a strong impact on small business survival and growth. A large number of business failures have been attributed to inability of financial managers to plan and control properly the current assets and the current liabilities of their respective firms (Ooghe, 1998).

Good financial management is critical to the success of any business. Without it, a business can be set for failure from the start. This is especially true as concerns the youth. This is the reason for the high failure rates of small enterprises, with up to 80 percent of new business collapsing within their first three years of operation (Sessional Paper No.2 of 1992).

Most young entrepreneurs often launch their businesses without carefully estimating the amount of capital (start-up and working capital) they will need to actually get started. Many insist that passion and enthusiasm will be enough to get them through the rough periods, and this is due to lack of proper knowledge.

Those entrepreneurs with larger stocks of human capital, in terms of education and (or) vocational training, are better placed to adapt their enterprises to constantly changing business environments (King and McGrath, 1998). Lussiers and Pfeifer (2001) noted that entrepreneurs with higher levels of education and experiences have greater chances of succeeding than those without.

Record keeping, inventory control, operation of a bank account are some of the key things that if taught, the youth enterprises will stand a higher chance of survival. Financial literacy prepares the youth for tough financial times, through strategies that mitigate risk such as accumulating savings and diversifying assets. It facilitates the decision making processes such as payment of bills on time, proper debt management which improves the credit worthiness of potential borrowers. It also provides greater control of one's financial future. (Siekei, Wagoki and Kalio, 2013). Hilgert *et al.*, (2003) asserts that financial knowledge appears to be directly correlated

with self-beneficial financial behavior. This also affects the self esteem of the youth, and spurs them to forge on.

The goals of financial management is to keep track of income and expenses, which improves chances of making a profit, and to collect the financial information necessary for filing various tax returns. There is no requirement that records be kept in any particular way, as long as your records accurately reflect the business's income and expenses (Siekei et al, 2013).

Since they are so important to the economy, their creation is very important as it is a positive move towards economic growth. However there is a need to keep these enterprises in operation and avoid failure. Lack of skills has been a major challenge to the SMEs and skills acquisition through training can provide a long lasting solution to the survival battle of the SMEs. (Smith and Perks, 2006)

2.5 Influence of Access to Credit Facilities on Performance of Youth Enterprises

Accessing credit facilities has been identified as a key element for small and medium enterprises to succeed in their drive to build productive capacity, to compete, to create jobs and to contribute to poverty alleviation in developing countries. (Idowu, 2010)

Youth entrepreneurs, especially, face a lot of challenges in accessing finances for their business both as start up, seed capital and finance expansion of the businesses. This is because of many factors which make their businesses less attractive and risky in terms of lending, like lack of self-sustaining resources, the absence of a substantive credit history, sufficient collateral or guarantees to secure loans or lines of credit (Schoof, 2006). In addition, the institutions that offer targeted finances specifically for the youth are very few. (Chigunta, 2002)

Tucker and Lean (2003) noted that one of the problems faced by the MSEs when attempting to raise finance is information asymmetry in that, they cannot prove the quality of investments to the provider of the finance.

According to Naidu and Chand, (2012) and Wanjohi (2010), there is limited access to financial resources available to smaller enterprises compared to larger organizations and the consequences for their growth and development. Another crucial financial problem faced by MSEs is managing sales and debtors (Mboniyane and Ladzani, 2011). According to Ejembi and Ogiji (2007, p. 7), it can become problematic to run a business if the finances are not available or not managed and the owners cannot make projections. Mboniyane and Ladzani, (2011) confirmed that MSEs struggled to obtain loans from financial institutions which previous finding established that are playing insignificant role in funding group MSEs (Wawire and Nafukho, 2010)

The youth entrepreneurs are also easily put off by the documentation procedures and information required by many commercial lenders of credit. They are often not aware of all available types of finance, funding forms and special support programmes, and often do not understand the concept, the benefits, the possibilities and the drawbacks of the numerous forms of debt and equity financing (De, 2001).

According to Chigunta (2002), effective programs to reduce access barriers and meet the needs of potential youth entrepreneurs need to, among others, strengthen the financial systems management, take innovative steps towards new types of collateral, such as business plans, level of education, and residence status and depending on the context and need, offer other financing mechanisms such as grants and soft loans.

2.6 Influence of Innovation on Performance of Youth Enterprises

Innovation generally refers to renewing, changing or creating more effective processes, products or ways of doing things. For businesses, this could mean implementing new ideas, creating dynamic products or improving your existing services.

Being innovative does not mean inventing; innovation can mean changing your business model and adapting to changes in your environment to deliver better products or services. Successful innovation should be an in-built part of the business strategy and the strategic vision, where you create an environment and lead in innovative thinking and creative problem solving.

Based on Kunt et al. (2007) idea of innovation an entrepreneur or entrepreneurship should be characterized by the ability to innovate. As Alam and Hossan (2003) argue the innovation may include undertaking new combination of factors of production, this may take various forms or have characteristic traits. It may occur in the form of: introduction of a new method of production, goods, market, reorganization of the existing industry as well as taking over a new source of supply of factors of production. As Kruger (2004) puts it innovation may be of technological, services and managerial nature.

Creativity has been cited as a characteristic complimenting and closely linked to innovation. According to Alam and Hossan (2003) individuals and enterprises that are creative should be able to use their talents and intelligence to generate new ideas that are major to the success of a business. Further they should be able to come up with systems that will enable such ideas to work.

Everett Rogers, in his book *Diffusion of Innovation* (1962), seeks to explain how, why, and at what rate new ideas and technology spread through cultures. The book says that diffusion is the process by which an innovation is communicated through certain channels over time among the members of a social system.

According to Rogers, the spread of an idea is influenced by four main elements, including the idea or innovation itself, communication systems, time and the social system. This is also further affected by the category of the adopters involved. These are categorized into innovators, early adopters, early majority, late majority and laggards. He stipulates that the spread of any innovation is highly reliant on the type of the adopters. For an innovation to be self sustaining, a critical mass has to be attained. Critics of the theory have come up to dispute the fact that the adopters are viewed as passive in the communication channel, that they just receive the innovation with little or no back and forth, while in reality, the process should be participatory. This theory also assumes that innovation is static, that the adopters will be waiting to adopt every new innovation that comes. The reverse is however true, in the sense that with every innovation, there is some changes made to suit different audiences, who would then adopt it.

Youth Entrepreneurship promotes innovation and resilience as it encourages young people to find new solutions and ideas and ways of doing things, through experience based learning (OECD, 2001).

Innovation can be categorized into four distinct categories which any business may undertake, namely product innovation, process innovation, marketing innovation and organizational innovation. Product innovation is the introduction of a good or service that is new or significantly improved with respect to significant improvements in technical specifications, components and materials, incorporated software, user friendliness or other functional characteristics.

Process innovation is the implementation of a new or significantly improved production or delivery method. This includes significant changes in techniques, equipment and/or software. Marketing innovation is the implementation of a new marketing method involving significant changes in product design or packaging, product placement, product promotion or pricing. Lastly, Organisational innovation is the implementation of a new organisational method in the firm's business practices, workplace organisation or external relations. Impacts of innovations on firm performance range from effects on sales and market share to changes in productivity and efficiency. These changes can be incremental, breakthrough or radical, depending on the size of the business, resources as well as need.

In certain circumstances, young entrepreneurs may be particularly responsive to new economic opportunities and trends. This is especially important given the on-going globalization process (Chigunta, 2001). It is increasingly accepted that youth entrepreneurs can present alternatives to the organization of work, the transfer of technology, and a new perspective to the market (White and Kenyon, 2000). According to the Theory of innovation diffusion, there are consequences associated with the adoption of any innovation. These include desirable vs. undesirable, direct vs. indirect, anticipated vs. unanticipated.

A study conducted by PWC in 2011 found that 80% of CEO's believe that innovation drives efficiencies and leads to competitive advantage. The study also found that 54% of these CEO's

were funneling funds toward growth initiatives that leverage emerging technologies such as mobile devices and social media.

Changes to the business culture may be necessary to improve an enterprises innovation capacity. A culture that encourages innovation includes values of risk taking, challenging the status quo, and freedom of expression. The UNESCO Institute for Statistics report 2009 postulates that the relationship between innovation and economic development is widely acknowledged.

In a broader sense, ‘entrepreneurship’, when treated as ‘enterprise’, helps young people develop new skills and experiences that can be applied to many other challenges in life. In the Oxford Thesaurus, ‘enterprise’ is defined as “resourcefulness, initiative, drive, imagination, enthusiasm, zest, dash, ambition, energy, energy, vitality, boldness, daring, audacity, courage, get up and go...” It is worth noting that these attributes are generally associated with youth (Chigunta, 2001).

Ghai (1988:21) also notes: “youth are known to possess qualities of enthusiasm, motivation, enterprise, risk-taking, flexibility, energy, resourcefulness and willingness to try new approaches”. Bennell (2000) in this regard argues that the challenge for governments, NGOs and international bodies seeking to improve youth livelihoods is to “tap into the dynamism of young people and build on their strong spirit of risk-taking”.

2.7 Influence of Access to Market on Performance of Youth Enterprises

Marketing of a product or service is a central activity for a successful business; it is concerned with identifying, anticipating and meeting the needs of customers in such a way as to make a profit for the business. Without a market no business would exist.

Markets in the developing countries are characterized to a large extent by the very limited purchasing power of the average consumer. A wide range of consumer goods vie for the buyer's money and preference, which is more often oriented to the cheapest. In turn, the enterprises compete to produce at the lowest cost in the market, sacrificing the quality aspect (Lukács, 2005) Youth Enterprises, especially those in poor countries, are concentrated in low value local markets. Such youth lack access to information on product and input markets. Thus, promoting

the viability of enterprises will require facilitating the access of youth to information on product and input markets and linking them to global value chains (Chigunta, 2002).

A variety of laws at the national and local levels also constrict the operations of the small business. These laws range from price control to regulatory measures that prescribe mandatory registration and payment of fees.

Ejembi and Ogiji (2007) have found that poor infrastructure (location) hampers small business marketing strategies. Poor infrastructure includes bad roads, inadequate water supplies and erratic electricity supply. Bowen *et al* (2009) agree that infrastructure, as it relates to the provision of access roads, adequate power, water, sewerage and telecommunication services, poses a serious challenge to small businesses. Mboniyane and Ladzani, (2011) found out that MSEs had to contend with potholes, dust and sewerage close to their businesses or on their business premises and that the MSE operators were never informed about disruptions in electricity or water supply that would jeopardize their businesses

Chong (2008) explains that a lack of information and communication technology can lower customer satisfaction and seriously limit growth in small businesses. In a study of the marketing aspects in the Philippine Island of Palawan, it was found that none of MSEs export their products. Most of the enterprises in the province sell their products within their respective municipalities due to transportation difficulties and excessive cost.

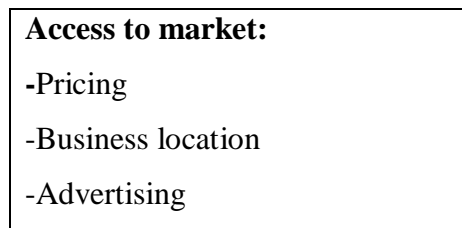
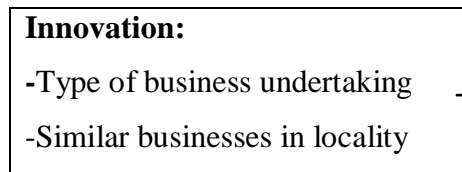
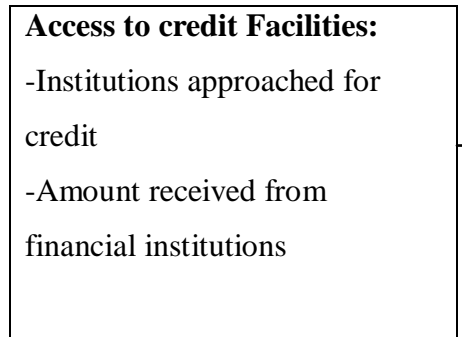
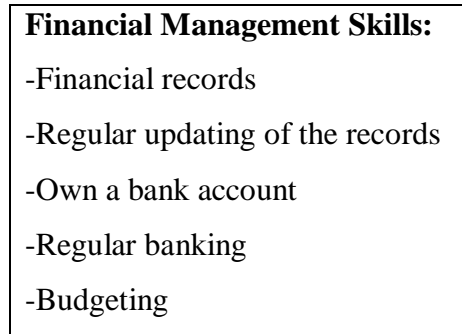
A look at the internal marketing systems of the MSES raises the issues of the appropriate marketing strategies, pricing, marketing organization, competitive strategies, product market, distribution channels, advertising and promotion, information network and infrastructure and support facilities for the small firm (Curran and Blackburn, 1994).

Street and Sykes (2003) stated that in a situation where the firm does not have the internal resources to adequately address itself to the demands of the market, the government or the private sector through industry associations should come in to provide the necessary assistance.

2.8 Conceptual Framework

Independent Variable

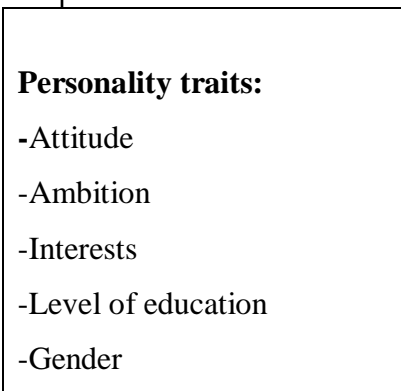
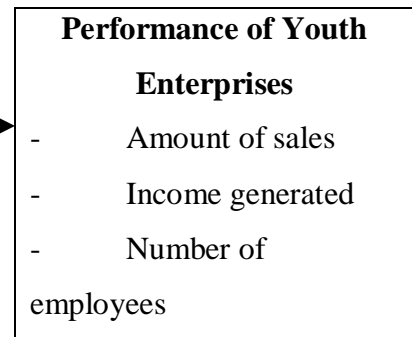
Effect of Entrepreneurial Training



Moderating Variable



Dependent Variable



Intervening Variables

Fig. 1: Conceptual Framework

2.9 Description of the Conceptual Framework

It has been claimed that providing entrepreneurial training for the youth, will help in improving the performance of their enterprises. This is because such training offers various skills, including financial management, access to credit facilities, predisposes them to be innovative and creates access to markets.

When exposed to training, it has been shown that these youths become more aware of their surroundings. This means that they become aware of institutions offering credit facilities and are also able to approach the same, using instruments like the business plan. They are also able to be more innovative in the sense that they will try to stay ahead of their competition by taking on newer technology and other such undertakings that will propel them further.

Such youths have a clearer understanding of the market and will also stay ahead by trying to locate their businesses in prime locations, price their goods reasonably and use advertising.

However, it is important to note that various external factors can also affect the performance these enterprises. For example, various legislation and regulations that may be set up by the government could affect the businesses, either positively or negatively. The countries laws on taxation and the inflation rates are also other factors that may affect.

The individual youths' personality traits and idiosyncrasies, such as attitude, ambition, personal interests, level of education and gender may hinder or help in bettering the performance of the enterprise.

The performance of the enterprise, that is, the amount of sales done in a given period, the income generated and the number of employees in the said business will largely depend on how all the above factors play out together.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter describes the procedure that was used in conducting the research .It gives details of the research design, target population, the sample and sampling technique, data analysis and presentation. Wherever necessary and appropriate, the presentation and discussion in each section is backed by justification based on the expert opinion of other scholars.

3.2 Research Design

The descriptive survey design was used. According to Mugenda and Mugenda (2003) a descriptive research determines and reports the way things are and attempts to describe things as possible behavior, attitudes, values and characteristics. Kothari (2003) also recommends descriptive research design as it allows the researcher to describe, record, analyse and report conditions that exist or existed. Descriptive studies are structured with clearly stated investigative questions.

The method was quite appropriate for the study because it assisted the researcher to produce statistical information on influence of entrepreneurial training on performance of youth enterprises and establish the relationship between the effects identified.

3.3 Target Population

The study population of this research consisted of youth owned enterprises of youths who had been trained by the STRYDE project, in Nyeri County, numbering 812. These youths are geographically distributed within the constituencies in the county. The location is close to the researcher, so it was deemed to be convenient in data collection, in terms of the time available and the cost involved in data collection.

3.4 Sample Size Selection and Sampling Procedure

In this section the study discusses sample size selection and sampling procedure to be adopted.

3.4.1 Sample size selection

According to Orodho and Kombo (2002), sampling is the process of selecting a number of individuals or objects from a population such that the selected group contains elements representative of the characteristics found in the entire population. Kothari (1985) describes sampling as the process of obtaining information about the entire population by examining only part of it.

Sample sizing, however, is a complex matter, with many considerations. Kent (1993) maintains that textbooks tend to ignore the complexities and take a simplified statistical approach that calculates sample size based on minimum level of accuracy and allowable sampling error.

Krejcie and Morgan (1970) came up with a table for determining sample size for a given population for easy reference. According to the table, a population of 812 will mean a sample of 265, as indicated below.

Table 3.1 Table for determining sample size for a given population

Table for Determining Sample Size for a Given Population									
N	S	N	S	N	S	N	S	N	S
10	10	100	80	280	162	800	260	2800	338
15	14	110	86	290	165	850	265	3000	341
20	19	120	92	300	169	900	269	3500	246
25	24	130	97	320	175	950	274	4000	351
30	28	140	103	340	181	1000	278	4500	351
35	32	150	108	360	186	1100	285	5000	357
40	36	160	113	380	181	1200	291	6000	361
45	40	180	118	400	196	1300	297	7000	364
50	44	190	123	420	201	1400	302	8000	367
55	48	200	127	440	205	1500	306	9000	368
60	52	210	132	460	210	1600	310	10000	373
65	56	220	136	480	214	1700	313	15000	375
70	59	230	140	500	217	1800	317	20000	377
75	63	240	144	550	225	1900	320	30000	379
80	66	250	148	600	234	2000	322	40000	380
85	70	260	152	650	242	2200	327	50000	381
90	73	270	155	700	248	2400	331	75000	382
95	76	270	159	750	256	2600	335	100000	384

Note: "N" is population size
"S" is sample size.

Source: Krejcie & Morgan, 1970

3.4.2 Sampling Procedure

The respondents were initially purposively selected, since only 3 of the six constituencies have so far been reached by the STRYDE project, namely Nyeri Municipality, Kieni and Mathira constituencies. Then the respondents were stratified to either male or female. This gave each and every group a fair chance of being included in the study. Stratified sampling technique is preferred because it produces a gain in precision in the estimates of characteristics of the whole population. (Corchran, 1977)

Once done, simple random sampling technique was used to get the final 265 respondents. A simple random sample is a subset of respondents chosen from a larger population. Each respondent is chosen randomly and entirely by chance, such that each has the same probability of being chosen. This is to ensure a complete representation of the population and at the same time, to save costs that could be spent on a large sample or the population. Simple random sampling is also flexible and reliable. (Kothari, 2004).

3.5 Methods of Data Collection

This section will focus on the Research instruments that were used in the study as well as the Data collection procedure.

3.5.1 Research Instruments

The study used questionnaires. Kothari (2004) states that a questionnaire consists of a number of questions printed and typed in a definite order on a form or set of forms. The questionnaires adopted both open and close ended questions which were administered to the youth enterprise owners. Questionnaires are deemed to be the best method to gather large amounts of information in a cost effective and timely manner. They helped the researcher collect primary data that was used for its proximity to the truth and control over error (Cooper & Schindler 2003). The variables included were based on the reviewed literature.

Direct observation involves use of senses and includes the full range of monitoring behavioral and non-behavioral activities and conditions which can be non-behavior e.g. physical condition and behavior observation e.g. spatial analysis, Kothari (2004) Observation was used to capture the organization of the enterprises, the business climate as well as volume of the customers in flow.

Secondary data was obtained, mainly from the library, World Wide Web, journals and print media.

3.5.2 Data Collection Procedure

An introductory letter was sought from The University of Nairobi, and handed to the respondents together with the data collection instrument, in this case, a questionnaire. The study used both primary and secondary data. Questionnaires used were structured and used both open and close ended questions. The closed ended questions provided quantitative data, while open ended questions provided qualitative data. The questionnaire will have four sections which include respondents' basic information, influence of financial management skills, influence of access to credit facilities, influence of innovation and influence of access to markets.

The questionnaires were administered by the researcher and research assistants, and collected on a later date as agreed with the respondent. This helped the respondents to complete the questionnaire at their convenience, as well as have enough time to get accurate information. This personal administering also ensured that the return rate of the questionnaires was high, as all those who received the questionnaires were prompted to give them back.

3.6 Validity and Reliability

This section will look at the Validity of the instruments used in data collection as well as their reliability in terms of the data that will be collected.

3.6.1 Validity of the instruments

Validity of the research instruments ensures scientific usefulness of the findings arising from the study. It's the extent to which the instruments captured what they purport to measure (Mugenda and Mugenda, 2003).

To uphold the content validity, the researcher discussed the content of the questionnaires with the supervisor before going to the field. This ensured that vague and unclear question were eliminated or corrected. The researcher carried out a pilot testing for the questionnaire to get an idea on the effectiveness of the questionnaire in terms of relevance of information and ease of response, and also to rid the questionnaires from any form of ambiguity (Mugenda, 2003). This

was done in Kirinyaga County, where youths have also been trained by the STRYDE project. 50 questionnaires were distributed.

3.6.2 Reliability of the Instruments

Reliability refers to the consistency of a measure. A test is considered reliable if it gives the same result repeatedly (Mugenda 2003).

The pilot study was carried out to help make necessary changes in the research instrument so that they could be better understood. The necessary instructions given in simple language was used to ensure correct interpretations are made. The researcher also used consistent and systematic questions in the questionnaire.

The test -retest method was also used where the same test was given to the different respondents after a period of two weeks. To gauge test-retest reliability, the test was administered twice at two different points in time. This was used to assess the consistency of the questionnaire across time. This type of reliability assumed that there was no change in the quality or construct of youth enterprises being measured. The reliability of the instrument was estimated by examining the consistency of the responses between the two tests (Kothari, 2004). The researcher only accepted a coefficient of not less than 0.7.

3.7 Data Analysis and Presentation

Data was analyzed using both qualitative and quantitative methods. Qualitative data was analyzed manually by first summarizing the information gathered, followed by categorization and coding into emerging themes and presented in a narrative form. The results are presented in terms of percentages, frequencies and in figures and tables and a brief explanation of each given. Quantitative data is organized, coded, and standardized then descriptive statistics used to analyse, aided by statistical package for social scientists (SPSS) version 20. To establish the influence of the independent variable on the dependent variable Pearson Moment Correlation Coefficient was used.

3.8 Ethical Considerations

Informed consent from the respondents before the actual research was conducted was sought. The respondents were informed on the nature and purpose of the study. This ensured that the aims and objectives of the research were explained before undertaking the research to assist in arriving at permission from the respondents. Utmost confidentiality about the respondents' information and identity was assured, and the information gathered was only used for the purpose of the study. The researcher obtained legal requirements and made prior appointments for the interviews.

3.9 Operationalisation of Variables

Table 3.2 Operationalisation Framework

Objective	Variable	Indicator	Measure	Level of scale	Data Collection Method	Type of Data Analysis
To investigate how financial management skills affect youth enterprises	Independent Variable Financial Management skills	Records maintained Training sessions attended Books of accounts maintained Bank account in place and usage Business plan in place	-Level of education -Training on matters relating to financial management -Number of training sessions attended -Setting of business financial goals -Record keeping -Book keeping -Operational a business bank account -Business plan	Ordinal Ratio	Structured and Semi-structured Questionnaire and Interview Guide	Frequencies and percentages, correlations
To establish if access to credit facilities	Access to credit facilities	Source of capital Amount of initial capital invested	-Source of your start-up capital -Amount of start-up capital -Application of	Ordinal Ratio	Mean percentages	Frequencies and percentages, correlations

affects youth enterprises		Financial institution approached for credit	loan from financial institutions -Challenges experienced while sourcing start-up capital from bank			
To determine if innovation affects youth enterprises	Innovation	Type of business undertaking Uniqueness of business enterprise Motivator to start own business	-Type of business -Source of motivation to start business -Uniqueness of business -Reasons that inhibit successful running of youth enterprises after starting.	Ordinal Ratio	Mean Percentages	Frequencies and percentages, correlations
To examine how access to market affects youth enterprises	Access to market	Use of technology Good infrastructure Business location Advertising	-Appropriateness of the location of the business -Access to the current market -Modern technology and to access the market -State of the infrastructure -Form of advertising	Ordinal Ratio	Mean Percentages	Frequencies and percentages, correlations
	Dependent Variable Performance of youth enterprises	Period of operations State of business Viability of business Benefits associated with training Average Income	-Form of enterprise -Period business has been operational -Current state of the enterprise -Average profit per month -Viability of the business -Benefits accrued from financial management training	Nominal ratio	Mean percentages	Frequencies and percentages, correlations

CHAPTER FOUR

DATA ANALYSIS, PRESENTATION AND INTERPRETATION

4.1 Introduction

This chapter presents the analysis and interpretations of the data collected from the entrepreneurs in Nyeri County, Kenya, on influence of entrepreneurial training on performance of youth enterprises. All the data accessed and collected through the questionnaire and interviews were analyzed quantitatively and qualitatively. The analysis was done through descriptive statistics and findings of the study were presented in form of tables, frequency distribution, percentage charts and graphs. The interpretation of the outcomes is based on the outputs from the SPSS as per the objectives of the study.

4.2 Questionnaire Return Rate

Questionnaire return is the proportion of the questionnaires returned after they have been issued to the respondents. Out of the 265 questionnaires distributed, 168 were completed and returned, which represented a 63.4% response rate. According to Peil (1995), questionnaire return rate above 50% is considered good for a study.

4.3 General and demographic information collected through questionnaire

This section provides the results of the data analysis of the study and the interpretations of general and demographic information. Respondents of the study consisted of entrepreneurs trained by STRYDE in Kieni, Mathira and Nyeri constituencies. .

4.3.1 Age of the respondents

Table 4.1 Age of the Youth Entrepreneurs

Age of Interviewee	Frequency	Percent
18 - 20 Years	10	6.0
21 -23 Years	21	12.5
24 - 26 Years	43	25.6
27 - 29 Years	84	50.0
30 - 32 Years	10	6.0
Total	168	100.0

As shown in table 4.1 majority of the respondents were aged between 27-29 years which accounted for 50%, 25.6% of the respondents were aged between 24 - 26 years, 12.5% of the respondents were aged between 21 – 23 years while the respondents age between 18 – 20 years and 30 – 32 years accounted for 6% each. Literature review revealed that the STRYDE project trains participants aged between 18 – 30 years. The target was to train youth to be self employed by starting their own income generating projects whether individually or in groups.

4.3.2 Gender composition

Another social factor examined in the study was gender distribution among the youth entrepreneurs. The respondents were asked to indicate their gender and the results are presented in table 4.2.

Table 4.2 Gender of the respondents

Gender of Interviewee	Frequency	Percent
Male	110	65.5
Female	58	34.5
Total	168	100.0

Out of 168 respondents, there were more responses male entrepreneurs than female who accounted for 65.5% and 34.5% respectively. This shows that more males end up starting businesses after training. Starting business calls for the investors to take risk, male are deemed to take more risk than their female counterparts which explains why majority of the participants were male.

4.3.3 Marital status of the respondents

Table 4.3 shows the marital status of the respondents who were interviewed in the study.

Table 4.3 Marital status of the respondents

Status	Frequency	Percent
Single	93	55.4
Married	64	38.1
Separated	11	6.5
Total	168	100.0

Majority of the respondents were single which accounted for 55.4% while married accounted for 38.1% with 6.5% of the respondent having separated. The training target youths aged between the age of 18 – 30 years. This explains why majority of the youth who attends training were single. Due to lack of commitment and responsibilities most of them may not take business and trainings seriously.

4.3.4 Constituency of the respondents

Table 4.4 shows the constituencies represented by the respondents.

Table 4.4 Constituency of the respondents

Constituency of Interviewee	Frequency	Percent
Nyeri Municipality	63	37.5
Kieni Constituency	51	30.4
Mathira Constituency	54	32.1
Total	168	100.0

The findings show that the three constituencies were fairly represented, with 37.5% representing Nyeri municipality constituency while 32.1% and 30.4% represented Mathira and Kieni constituency respectively. Nyeri constituency could be having a slight majority because the project has its base in Nyeri Town, however the trainers expect to train equal number of youth across three constituencies.

4.4 Analysis and interpretation per objective

This section provides the analysis and interpretation of each objective using descriptive analysis.

4.4. Influence of Financial management skills

Financial management skills are critical in youth enterprises as this determines the success or failure of the enterprise. The researcher wanted to find out the extent to which such skills influence the performance of the enterprise. To do this, the study obtained the respondents responses on their level of education; if they had prior knowledge of financial management from

school, number of training sessions attended, reasons for not attending all the sessions and whether they kept records of their business transactions.

4.4.1 Level of education

The respondents were asked to establish their level of education as shown in table 4.5

Table 4.5 Level of education

Level of education	Frequency	Percent
None	10	6.0
Primary School	36	21.4
Secondary School	91	54.2
Technical & vocational education	21	12.5
University /College	10	6.0
Total	168	100.0

The study sought to establish the level of education of the respondents in order to determine whether this affected how they articulated financial management concepts. Table 4.5 revealed that majority of the respondents had secondary school education which accounted for 54.2%. 21.45% had primary school education, 12.5% had technical & vocational education while those who had not formal education and those with university/college education accounted for 6% each. It follows therefore that majority of the respondent were fairly educated to articulate the financial management skills. Some of the participants who never went to school and those with primary school education may not have been introduced to financial management skills hence STRYDE focus on training them together with other business minded youth basic skills on how to start and operate business among other concepts.

According to King and McGrath (1998) those entrepreneurs with larger stocks of human capital, in terms of education and (or) vocational training are better placed to adapt their enterprises to constantly changing business environments.

4.4.2 Prior Financial management from school

The researcher sought to find out if the respondents had any prior knowledge of financial management from their education background prior to the training.

Table 4.6 Prior knowledge of Financial management in school

Prior financial management knowledge	Frequency	Percent
Yes	31	18.5
No	137	81.5
Total	168	100.0

From the findings in table 4.6, majority of the respondents, 81.5% did not have any prior knowledge of financial management skills, while those who did were 18.5%. It follows from the study that there was need for STRYDE to train the respondents on financial management skills. The findings are based on the target group which includes all youth aged between 18-30 years regardless of their education background.

4.4.3 Number of sessions attended

From the interview conducted every participant is expected to undergo 20 sessions to complete the entire STRYDE entrepreneurial training course. In this case the research sought to establish whether the respondents were able to attend all the sessions for better understanding of the same.

Table 4.7 Number of sessions attended

Number of sessions attended	Frequency	Percent
Less than five	21	12.5
5 - 10 Sessions	41	24.4
11 - 15 Sessions	65	38.7
15 - 20 Sessions	41	24.4
Total	168	100.0

The findings in Table 4.7 revealed that 38.7% attended between 11 – 15 sessions, 24.4% attended 5 – 10 and 15 – 20 session each which 12.5% attended less than five sessions. This means that most of the graduands from the project do not benefit fully from the skills imparted. This reflect that even though a big number of youth register for the training only a small number manage to complete all the sessions.

4.4.4 Reasons for not attending all sessions

The researcher sought to know the reasons behind failing to attend all the sessions despite having not been charged for the training.

Table 4.8 Reasons for not attending all sessions

Reasons for not attending all sessions	Frequency	Percent	Valid Percent
wrong timing of sessions	64	38.1	50.4
Venue	32	19.0	25.2
Lack of interest	21	12.5	16.5
Duplication of what I know	10	6.0	7.9
Total	127	75.6	100.0
Not applicable	41	24.4	
Total	168	100.0	

Table 4.8 shows that out of those who failed to attend for more than fifteen sessions' majority said that there is wrong timings of the sessions in terms of days and time. 25.2% said that they were inconvenienced by the venue while 16.5% said that they lack interest with 7.9% who felt that it's a duplication of what they already know. This follows that it's paramount to agree on time, date and venue with the participants to increase their turnout.

4.4.5 Do you keep records of all business transactions

The study seeks to establish whether after training the respondents keep records of all business transactions.

Table 4.9 Do you keep records of all business transactions

Do you keep records of all business transactions	Frequency	Percent
Yes	147	87.5
No	21	12.5
Total	168	100.0

Table 4.9 shows that majority of the respondents said that they keep records while 12.5% said that they do not keep records. That follows that majority of the respondents were able to implement skills learnt.

To order to examine the influence of financial management skills on performance, the analyses were performed using the Pearson Moment Correlation Coefficient. Table 4.10 shows the results

Table 4.10 Pearson Correlation of Financial management skills and Performance of youth enterprises

		Correlations	
		Financial management skills	Performance
Financial management skills	Pearson Correlation	1	.231**
	Sig. (2-tailed)		.003
	N	168	168
Performance	Pearson Correlation	.231**	1
	Sig. (2-tailed)	.003	
	N	168	168

** . Correlation is significant at the 0.01 level (2-tailed).

The data shows that there was a weak positive relationship (0.231) between training of financial management skills and performance of youth enterprises. The results show the financial management skills of the young entrepreneurs did significantly influence the performance of youth enterprises. The findings could be attributed to the fact that level of education was not a consideration to enroll for financial management training sessions.

The above findings are in line with Hisrich et al (2002) who found out that during the growth of a new venture, management skills and strategies in such areas as record keeping, financial control, inventory control, human resources, marketing and planning are critical to achieving long term success. Lussiers and Pfeifer (2001) noted that entrepreneurs with higher levels of education and experiences have greater chances of succeeding than those without.

4.5. Influence of Access to credit facilities

Access to credit facilities is the second variable that was being studied, to assess how it influenced the performance of the youth enterprises. The respondents' responses were sought in relation to their sources of capital, amount of start-up capital, if they had applied and received loans, and the challenges they had faced in the process.

4.5.1 Sources of capital

There are several sources where youth entrepreneurs access start-up capital as is indicated in the table 4.11.

Table 4.11 Sources of capital

Sources of capital	Frequency	Percent
Personal savings	31	18.5
Money borrowed from friends	22	13.1
Loan from commercial banks	17	10.1
Loan from government agencies	19	11.3
Loan from Sacco & Micro credit	29	17.3
Group loans	23	13.7
Support from relatives	27	16.1
Total	168	100.0

The findings revealed that 18.5% start business out their personal savings, 17.3% accessing loans from Sacco's and micro credit, 16.1% get support from relatives, 13.7% join groups and access group loan, 13.1% borrow from friends and relatives, 11.3% access loans from government agencies like youth fund and women fund while 10.1% access loans from commercial banks. The findings revealed that majority of the youth start their business by borrowing money from various sources, other than their personal savings.

4.5.2 Amount of start-up capital

Table 4.12 shows the amount of capital that the respondents had used to start their businesses.

Table 4.12 Amount of start -up capital

How much was your startup capital	Frequency	Percent
Below Ksh 5,000	43	25.6
Ksh. 5,000 - 10,000	22	13.1
Ksh. 10,001 - 20,000	31	18.5
Ksh. 20,001 - 30,000	22	13.1
Ksh. 30,001 - 40,000	30	17.9
Above Ksh. 40,000	20	11.9
Total	168	100.0

The findings show that 25.6% of the respondents used less than Ksh. 5,000, 18.5% used between 10,001 – 20,000, 17.9% used 30,001 – 40,000, 13.1% used between Ksh. 5,000 - 10,000 and 20,001 – 30,000 each while 11.9% spent above Ksh. 40,000 to start their business. This means that a majority of the youth, 74.4%, had a start-up capital of more than Ksh. 5,000. This could be in relation to the source of capital other than their own savings.

4.5.3 Loan applied from a financial institution

The study sought to establish whether youth entrepreneurs make an effort to borrow funds from commercial banks.

Table 4.13 Have you ever applied for a loan from financial institution?

Have you ever applied for a loan from financial institution	Frequency	Percent
Yes	106	63.1
No	62	36.9
Total	168	100.0

Table 4.13 shows that majority of the respondents had applied money from financial institutions which accounted for 63.1% while 36.9% said that they had not borrowed money from financial institutions.

4.5.4 Received loans from financial Institutions

Table 4.14 Were you given the loan

Were you given the loan	Frequency	Percent	Valid Percent
Yes	56	33.3	52.8
No	50	29.8	47.2
Total	106	63.1	100.0
No applicable	62	36.9	
Total	168	100.0	

Table 4.14 shows that Out of 106 respondents who applied for loans, which accounted for 63.1% about half of them did not access the loan from financial institutions with 47.2% and 52.8% for those whose loans were not granted and those whose loans were granted respectively. Schoof

(2006) states that youth entrepreneurs, especially, face a lot of challenges in accessing finances for their business both as start up, seed capital and to finance expansion of the businesses

4.5.5 Challenges when accessing loans from Financial Institutions

Out of the 106 respondents who applied for loans, the study sought to establish the major challenges that the respondents encountered when accessing funds from financial institutions.

Table 4.15 Challenges when accessing loans

Challenges when access loan from Financial Institutions	Frequency	Percent	Valid Percent
Requirement for bank account to be operated for some time	9	5.4	8.5
Non existence of the business	54	32.1	50.9
Non willingness of people to guarantee youth	17	10.1	16.0
Lack of current sustaining resources	17	10.1	16.0
Doubt vested on viability of new business	9	5.4	8.5
Total	106	63.1	100.0
Not applicable	62	36.9	
Total	168	100.0	

Table 4.15 reveals that majority of youth entrepreneurs fail to access startup loan from commercial banks due to non existence of the business at the time of loan application, 16% of the respondents failed to access due to lack of current sustainable resources or non willingness of people to guarantee youth when accessing loans, while 8.5% said that requirement to operate bank account for some time and doubt vested on viability of the new business is a challenge. This indicates that indeed, a majority of the youth faces challenges when trying to access start-up capital from commercial banks, and hence may shy away from doing so at a later date. Schoof (2006) states that youth face a lot of challenges because of many factors which make their businesses less attractive and risky in terms of lending, like lack of self-sustaining resources, the absence of a substantive credit history, sufficient collateral or guarantees to secure loans or lines of credit.

Table 4.16. Pearson Correlation of access to credit and Performance of youth enterprises

		Access to credit	Performance
Access to credit	Pearson Correlation	1	.215**
	Sig. (2-tailed)		.005
	N	168	168
Performance	Pearson Correlation	.215**	1
	Sig. (2-tailed)	.005	
	N	168	168

** . Correlation is significant at the 0.01 level (2-tailed).

The table 16 shows that there was a weak positive relationship (0.215) between access to credit and performance of youth enterprises. The results show that access to credit by young entrepreneurs did significantly influence the performance of youth enterprises. The findings could be attributed to the fact that most of the young entrepreneurs rely on their parents and relatives and to some extent casual labourer to accumulate funds to start their business which could not be adequate.

According to Idowu (2010) accessing credit facilities has been identified as a key element for small and medium enterprises to succeed in their drive to build productive capacity, to compete, to create jobs and to contribute to poverty alleviation in developing countries. However according to Chigunta (2002) the institutions that offer targeted finances specifically for the youth are very few.

4.6 Influence of Innovation

This is the third variable that the researcher sought to find how it influenced the performance of youth enterprises. The respondents were asked to elaborate on the type of businesses they had started, their motivation for starting the businesses, similar businesses in their locality and uniqueness of their businesses in relation to similar businesses in their locality.

4.6.1 Type of business

The study sought to establish the type of businesses started by the youth entrepreneurs.

Table 4.17 Type of business

Type of the business	Frequency	Percent
Retail shop	74	44.0
Agribusiness	64	38.1
Green business	10	6.0
Service	20	11.9
Total	168	100.0

According to Table 4.17, 44% of the respondents were in retail shop, 38.1% in agribusiness, 11.9% were in service while 6% were in green business. This means that the majority of the youths, 56% , were engaged in businesses other than retail shops.

4.6.2 Motivation to start business

Respondents were asked what motivated them to start the kind of businesses that they did.

Table 4.18 Motivation to start business

What motivated you to start business	Frequency	Percent
Business blood runs in the family	32	19.0
Lack of formal employment	85	50.6
Availability of ready market for my products	11	6.5
Desire to be self employed	20	11.9
Various training on entrepreneurship	20	11.9
Total	168	100.0

The findings as indicated in table 4.18 shows that majority of the respondents ventured into business due to lack of formal employment which accounted for 50.6%. 19% said that there is business blood in the family, 11.9% said that they were motivated by various training they had attended about entrepreneurship and desire to be self employed each while 6.5% were motivated by the availability of ready market for the products and services they are offering. Thus, lack of formal employment is a major reason for youths to start businesses.

4.6.3 Similar businesses in neighborhood

The study sought to establish whether there were other similar business like the ones started by the respondents in their locality.

Table 4.19 Similar business in neighborhood

Are there similar business like yours in your locality	Frequency	Percent
Yes	127	75.6
No	41	24.4
Total	168	100.0

Table 4.19 revealed that majority of businesses established by the youth are similar to the existing ones which accounted for 75.6% while those with unique business were 24.4%.

Ghai (1988) notes: “youth are known to possess qualities of enthusiasm, motivation, enterprise, risk-taking, flexibility, energy, resourcefulness and willingness to try new approaches”. However in this case majority of young entrepreneurs venture into already existing nature of business rather than being innovative.

Table 4.20 Pearson Correlation of access to credit and Performance of youth enterprises

		Innovation	Performance
Innovation	Pearson Correlation	1	-.142
	Sig. (2-tailed)		.065
	N	168	168
Performance	Pearson Correlation	-.142	1
	Sig. (2-tailed)	.065	
	N	168	168

The table 4.20 shows that there was a weak negative relationship (-0.142) between innovation and performance of youth enterprises. The results show that innovation did not influence the performance of youth enterprises. The findings could be attributed to the fact that financial management training does not foster innovativeness. This is consistence with earlier finding

which revealed that majority of youth establishes their own businesses due to lack of formal employment opportunities as opposed to innovation.

4.7 Access to market

This is the fourth variable that the researcher sought to find how it influenced the performance of youth enterprises. The respondents were asked to elaborate on the type of businesses they had started, their motivation for starting the businesses, similar businesses in their locality and uniqueness of their businesses in relation to similar businesses in their locality.

4.7.2 Access to the current market

The study sought to establish how the respondents accessed the market.

Table 4.21 How do you access the current market

How do you access the current market	Frequency	Percent
I take my goods round to customers	21	12.5
Customers visit my premises	86	51.2
I sell through cooperative society	21	12.5
I make use of brokers	24	14.3
Use internet and other technology	16	9.5
Total	168	100.0

Table 4.21 shows that majority of the respondents wait for the customers at their premises which accounted for 51.2%, 14.3% of the respondents use brokers, 12.5% takes goods round to customer while 9.5% use internet to and other technology.

4.7.3 How would you rate infrastructure in your locality

Table 4.22 How would you rate infrastructure in your locality

How would you rate infrastructure in your locality	Frequency	Percent
Good	10	6.0
Needs improvements	95	56.5
Poor	63	37.5
Total	168	100.0

Table 4.22 shows that majority of the respondents were not satisfied by the infrastructure in their locality with 56.5% and 37.5% stating that infrastructure needs improvement or poor respectively. Only 6% of the respondents rated infrastructure as good. Ejembi and Ogiji (2007) have found that poor infrastructure (location) hampers small business marketing strategies.

4.7.4 Has modern technology made is easy for you to market

Table 4.23 Has modern technology made is easy for you to market

Has modern technology made is easy for you to market	Frequency	Percent
Yes	126	75.0
No	42	25.0
Total	168	100.0

Table 4.23 reveals that 75% Of the respondents agreed that modern technology has made it easier to market the products while 25% said that new technology has no impact of accessibility to market. Chong (2008) explains that a lack of information and communication technology can lower customer satisfaction and seriously limit growth in small businesses.

4.7.5 How do you use modern technology

Table 4.24 How do you use modern technology

How do you use modern technology	Frequency	Percent
Making use of mobile phone to transact business	47	28.0
Making use of internet to research	63	37.5
Posting my products and services online	16	9.5
Cost savings of advertising	21	12.5
Not applicable	21	12.5
Total	168	100.0

The study sought to establish how respondents use modern technology to market. Table 4.24 shows that 37.5% of the respondents make use of the internet to research, 28.0% make use of mobile phone to transact business, 12.5% used modern technology to market their products and service with similar percentage currently not making use of modern technology while 9.5% post

their products and services online. This follows that majority of the respondents use modern technology.

4.7.6 Period business has been operational

The study sought to establish how long the respondent business has been operational.

Table 4.25 Period business has been operational

How long the business has been operational	Frequency	Percent
Less than 1 Year	111	66.1
1 - 2 Years	49	29.2
Over 2 Years	8	4.8
Total	168	100.0

Table 4.25 shows that majority of the respondents had been in business for less than one year which accounted for 66.1% with 29.2% being in business for a period between 1 – 2 years while 4.8% operated for more than 2 years. The findings reflect the period STRYDE program had been in Nyeri County.

Table 4.26 Pearson Correlation of access to market and Performance of youth enterprises
Correlations

		Access to market	Performance
Access to market	Pearson Correlation	1	.161*
	Sig. (2-tailed)		.038
	N	168	168
Access to market	Pearson Correlation	.161*	1
	Sig. (2-tailed)	.038	
	N	168	168

*. Correlation is significant at the 0.05 level (2-tailed).

The table 4.26 shows that there was a weak positive relationship (0.161) between access to market and performance of youth enterprises. The results show that access to market did significantly influence on the performance of youth enterprises. The findings could be attributed to the fact that most of the young entrepreneurs whose enterprises are located near to market make more sales than those located far from market especially those dealing with agribusiness.

According to Chigunta (2002) youth enterprises, especially those in poor countries, are concentrated in low value local markets. Such youth lack access to information on product and input markets thus affecting the viability of their enterprises. Chigunta concluded that promoting the viability of enterprises will require facilitating the access of youth to information on product, input markets and linking them to global value chains.

4.8 Performance of youth enterprises

4.8.1 Current state of the business

The study sought to establish the state of the business from the period they had been operational.

Table 4.27 Current state of the business

Current state of the business	Frequency	Percent
Stable	22	13.1
Growing	54	32.1
Struggling	60	35.7
Critical	32	19.0
Total	168	100.0

Table 4.27 shows that 35.7% of the respondents were struggling with their business, 32.1% of the business are in growth state, 19% of the businesses were in critical condition while 13.1% were stable. This shows that majority of the business had not yet stabilized, which could be due to other external factors

4.8.2 Business viability

The study sought to establish whether the respondents viewed their businesses as viable ventures or not.

Table 4.28 Business viability

Is your business viable	Frequency	Percent
Yes	136	81.0
No	32	19.0
Total	168	100.0

Table 4.28 shows that 81% of the respondent viewed their businesses as viable undertakings while 19% felt that the kind of enterprise they had undertaken was not viable. Further analysis revealed that respondents whom businesses were in critical condition felt that their business venture were not viable.

CHAPTER FIVE
SUMMARY OF THE FINDINGS, DISCUSSIONS, CONCLUSIONS AND
RECOMMENDATIONS

5.1 Introduction

This chapter presents the summary of the findings, discussion, conclusions and recommendations emanating from the results of this study, to enhance the performance of youth enterprises.

5.2 Summary of the major findings

The study focused on influence of entrepreneurial training on performance of youth enterprises a case of STRYDE project in Nyeri County, Kenya. The study was guided by the following objectives; to investigate how financial management skills influences the performance of youth enterprises, to establish how access to credit facilities influences the performance of youth enterprises, to determine how innovation influences the performance of youth enterprises, to examine how access to market influences the performance of youth enterprises.

5.2.1 To investigate how financial management skills influences the performance of youth enterprises in Nyeri County.

The study showed that training on financial management contributed to maintenance of recording keeping and proper management of finances. The study revealed that STRYDE does not consider education background when organizing its training hence those without formal education and those with primary, secondary up to university qualifications were grouped together with majority of the participant being secondary school leavers who accounted for 54.2%. further the study revealed that majority of these people were not trained on financial management skills before which accounted for 81.5% hence the need for institutions like STRYDE to take initiative to empower them on the same.

The study found out that the most of the participants did not manage to attend all the session despite being offered free of charge with only 24.4% having attended between 15 – 20 sessions. Majority of the respondents attributed their failure to attend all the sessions with wrong timing of sessions which accounted for 50.4% while others attributed it to the venue and lack of interest.

5.2.2 To establish how access to credit facilities influences the performance of youth enterprises in Nyeri County.

Availability of credit facilities is one of the factors that youth entrepreneurs consider since they have not yet accumulated wealth or savings to start businesses. Majority of the young entrepreneurs source for credit facilities from commercial banks, SACCO and micro credits, friends and relatives, government agencies like youth fund and women fund while others join merry go round groups and benefit from table banking were only 18%. 5% and 16.1% who starts their business from their personal savings or get supports from relatives respectively.

The study revealed that majority of the youth had at one time tried to apply for loans from commercial banks which accounted for 63.1%. The study further revealed that out of those who apply for loans from financial institutions only 52.8% manage to access the loans with 47.2% having their loan application declined. Non existence of the business was cited as the main challenge that hinder youth entrepreneurs from access to credit as it's a consideration which accounted for 50.9%, other reasons given include requirement for the loan applicant to have operated a bank account for some time, non willingness of the account holders to guarantee youth in the loan application form, lack of current sustainable resources and doubt from financial institutions whether the new business idea was viable or not.

5.2.3 To determine how innovation influences the performance of youth enterprises in Nyeri County.

The study revealed that youth entrepreneurs trained by STRYDE establish either retails shop, start agribusiness, green business or service businesses with majority running retail shops or being in agribusiness. The findings of the study also revealed that majority of the youth entrepreneurs started their own businesses due to lack of formal employment which accounted for 50.6% while others established their own business since the business blood runs in the family, desire to be self employed, availability of ready market for their products or services and some are motivated by various trainings they have attended on entrepreneurship. However majority of the youth establish business similar to the existing ones which accounted for 75.6% with only 12.5% having business with uniqueness from the rest of the businesses.

5.2.4 To examine how access to market influences the performance of youth enterprises in Nyeri County.

The findings revealed that majority of the respondents were not comfortable with the current location of the business which accounted for 62.5%. The study also revealed that majority of the respondents wait for the customers to visit their business which accounted for 51.1% while other take goods to the customers, use brokers, sell their produce through cooperative societies or use internet and other technology to market their produce.

The study revealed that majority of the respondents were not satisfied with infrastructure in their locality with 56.6% stating that infrastructure need improvements while 37.5% rate said infrastructure is in poor condition. The study also revealed that 75% of respondents had used modern technology to market. The respondents indicated that they used mobile phones, researched using internet, posted products and services online to market through the same.

5.2.5 Influence of entrepreneurial training on performance

The finding revealed that majority of the respondents have been in business for less than one year which accounted for 66.1%, this finding reflect the period STRYDE has operated in Nyeri County since the program started in year 2012. Further analysis on the performance of the business revealed that only 13.1% of the business are stable while others are either growing, struggling or in critical condition. However regardless of the state the business, majority of the respondent have confidence that business they undertook is still viable which accounted for 81%.

5.3 Discussion of the Findings

The researcher found out that the majority of the youth entrepreneurs were aged between 27 – 29 years which concurred with the sentiments given during the interview that participants aged below 23 years of age take long time to decide whether to start their own business. This may be associated to lack of clear goals in life, hence the importance of goals setting topic in STRYDE training module.

The findings that some of the youth entrepreneurs start their own business due to various training they have attended on financial management and entrepreneurship while others start them since

business blood runs in the family brought back the arguments whether entrepreneurs are made or born, the impact of such training through the different levels of education can be positively felt, thus concluding that it is a lifelong learning process (C.E.E, 2004). The findings also concurs with earlier findings by Llisterri et al. (2006), who found out that compared with more mature adults the youth are influenced in their entrepreneurial ventures by family, because the family plays an important role in effecting other entrepreneurial skills such as risk tolerance, problem solving among others and in determining entrepreneurship among the youth.

Majority of the respondents lacked skills on financial management, which concurred with a previous study conducted by Tubey (2012) in a UNDP-funded Jua Kali project in Kenya, who found that they lacked financial management skills. Studies have also shown that during the growth of a new venture, management skills and strategies in such areas as record keeping, financial control, inventory control, human resources, marketing and planning are critical to achieving long term success. (Hisrich et al 2002)

The study also found that majority of the youth established their own businesses due to lack of formal employment opportunities as opposed to innovation concurred with the study conducted by the International Labour Office (2004), who found out that prospects for youth employment in the coming years remain grim compared to that of adults, but acknowledged that due to the tremendous potential of the newer generations, many countries were looking at promoting youth entrepreneurship as an important component of wider youth employment policies. The findings also concurred with GEM (2002) who found out that the reason why, especially the youth in developing and low-income countries tended to engage in business, was out of economic necessity like lack of employment opportunities, need to supplement household income and poverty.

Education can prepare for innovation by transferring knowledge and developing relevant skills that improve the self-efficacy and effectiveness of the potential entrepreneur (Gorman et al., 1997). However, a consensus on when educational intervention is most effective in developing entrepreneurial potential has not been clearly established.

The finding of the study revealed that majority of the youth face challenges when accessing finances from financial institutions, the finding concurs with earlier finding done by Schoof (2006) who found out that Youth entrepreneurs, especially, face a lot of challenges in accessing finances for their business both as start up, seed capital and finance expansion of the businesses. This is because of many factors which make their businesses less attractive and risky in terms of lending, like lack of self-sustaining resources, the absence of a substantive credit history, sufficient collateral or guarantees to secure loans or lines of credit . In addition another research done by Chigunta, 2002 concluded that the institutions that offer targeted finances specifically for the youth are very few.

De (2001) found out that youth entrepreneurs are also easily put off by the documentation procedures and information required by many commercial lenders of credit. They are often not aware of all available types of finance, funding forms and special support programmes, and often do not understand the concept, the benefits, the possibilities and the drawbacks of the numerous forms of debt and equity financing.

The study also revealed that there was poor infrastructure or the existing infrastructure needed improvements. The finding concurred with earlier studies conducted by Ejembi and Ogiji (2007), who found out that poor infrastructure hampers small business marketing strategies. They stated that poor infrastructure includes bad roads, inadequate water supplies and erratic electricity supply. Bowen *et al* (2009), also agree that infrastructure, as it relates to the provision of access roads, adequate power, water, sewerage and telecommunication services, poses a serious challenge to small businesses.

5.4 Conclusion

Good financial management is critical to the success of any business. Without it, a business can be set for failure from the start. This is especially true as concerns the youth. According to Sessional Paper No.2 of 1992 this is the reason for the high failure rates of small enterprises, with up to 80 percent of new business collapsing within their first three years of operation. Hence there is need to creating an entrepreneurial culture which fosters individuals' creativity and innovation, and creates opportunities for the youth to be self reliant. The inability of the

formal sector to produce enough jobs for the growing youth population makes self employment an important option for the youth. This will in turn reduce risk factors that are associated with unemployment like crime.

Most young entrepreneurs often launch their businesses without carefully estimating the amount of capital (start-up and working capital) they will need to actually get started. Many insist that passion and enthusiasm will be enough to get them through the rough periods, and this is due to lack of proper knowledge. Hence more training need to be embarked on about entrepreneurship since the entrepreneurs with larger stocks of human capital, in terms of education and (or) vocational training, are better placed to adapt their enterprises and to the constantly changing business environments.

With many young women and men unable to secure formal employment opportunities, encouraging entrepreneurship is an ever more important way of harnessing their enthusiasm, energy and ambition to contribute to economic development while record keeping, inventory control, operation of a bank account are some of the key things that if taught, the youth enterprises will stand a higher chance of survival because lack of skills has been a major challenge to the young entrepreneurs and skills acquisition through training can provide a long lasting solution to the survival battle of the youth entrepreneurs.

5.5 Recommendation

The curriculum needs to be reviewed, so that basic business management skills on how to keep business records and prepare good business plans are offered from as early on as secondary schools. The STRYDE project could also add a module on goal setting in their curriculum.

The government, on the other hand, should support organizations which come up with entrepreneurship training programs and enhance production of books, trade journals and seminars to empower entrepreneurs.

Commercial banks should reconsider the requirements that youth entrepreneurs should meet in order to access credit. Effective programs to reduce access barriers and meet the needs of potential youth entrepreneurs need to, among others, strengthen the financial systems management, take innovative steps towards new types of collateral such as business plans, level of education and residence status and depending on the context and need

Market STRYDE programs since very little is known about the extent to which this training affects youth enterprises, especially in Nyeri County.

5.6 Suggested areas for further research

1. Further research in some other factors that influence performance of youth enterprises.
2. Role of government in enhancing the performance of youth enterprises.

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APPENDICES

APPENDIX 1: LETTER OF INTRODUCTION

BETTY NJERI KARANJA

P.O BOX 42-10100,

NYERI.

0721-309576

Dear respondent,

RE: REQUEST FOR DATA COLLECTION

This is to introduce you to an academic based research study being conducted by Betty Njeri Karanja. The research topic is an investigation of the effects of entrepreneurial training on youth enterprises in Nyeri County.

I kindly request your assistance in filling the questionnaire attached to enable me complete my research. The questionnaire is strictly for academic purpose and any information offered will be treated with absolute confidentiality. Kindly give the information as accurately and honestly as possible.

Thank you in advance for your assistance.

Yours Sincerely,

BETTY NJERI KARANJA

Reg: L50/60186/2013

APPENDIX II: RESEARCH QUESTIONNAIRE

You are kindly requested to complete the questionnaire honestly and give as much detail as possible. Where necessary tick appropriately

SECTION A: ENTREPRENEUR INFORMATION

1. Name (optional)
2. Gender: Male () Female ()
3. Marital status: Single () Married () separated ()
5. Age 18-20() 21-23 () 24-26 () 27-29 () 30 -32 ()
- 6 Which constituency do you come from? Nyeri Municipality () Kieni () Mathira ()

SECTION B: FINANCIAL MANAGEMENT SKILLS

7. What is your highest level of education?
 - a) None () b) Primary school () c) Secondary school ()
 - d) Technical & vocational education () e) University/College ()
8. Were you trained on matters relating to financial management in normal education system?
Yes () No ()
9. (a) Have you been trained by STRYDE on matters relating to financial management
Yes () No ()
(b) If yes, how many sessions have you attended
Less than five () 5 – 10 () 11 -15 () 15 – 20 ()
c) If you never attended all sessions, what hindered you from doing so?
Wrong timing of the sessions () Venue () My business commitments ()
It was duplication of what I know () Others specify
- d) How did you come to know about STRYDE
Friend () Advert () Relative () others specify
10. Have you been setting you business financial goals?
Yes () No ()
11. Do you keep records of all business transactions?
Yes () No ()
12. (a) Do you keep any books of account?

Yes () No ()

(b) If yes, please specify which books accounts do you maintain

Cashbooks () Ledgers (specific voteheads) ()

Journals (Record daily transactions) () Others specify

c) How often do you update the books accounts?

Daily () weekly () fortnight () monthly () When am free ()

Others specify

13. (a) Do you have a business bank account?

Yes () No ()

(b) If yes, how often do you bank?

Daily () Weekly () Monthly () when convenient for me ()

Others (specify) After sales which is irregular,

14. Do you have a business plan

Yes () No ()

15. Do you prepare monthly or yearly budget

Yes () No ()

16. Business plan and budget assist me to manage finances effectively

Strongly agree () Agree () Neutral () Disagree ()

SECTION C: ACCESS TO CREDIT FACILITIES

17. What was the source of your start-up capital?

- Personal savings ()
- Money borrowed from friends and family members ()
- Loan from a bank, micro-credit institutions, SACCO ()
- Loan from government agencies ()
- Other services specify)

18. How much was your start –up capital?

Below Ksh. 5000 () 5,000 – 10,000 () 10,001 – 20,000 ()

20,001 – 30,000 30,001 – 40,000 () Above 40.000 ()

19. (a) Have ever applied money from any financial institutions in your locality?

Yes () No ()

(b) if yes, did you succeed to get the loan?

Yes () No ()

c) What were the major challenges you experienced while sourcing start –up capital from bank

- Lack of sufficient collaterals required by financiers ()
- Requirement to have operated bank account for some time ()
- Non existence of my business ()
- Lack of trust by guarantors to guarantee the youth enterprises ()
- Lack of current self-sustaining resources ()
- The absence of a substantive credit history ()
- Others specifyBanks doubt the viability of my business

SECTION D: INNOVATION

20. What type of business are you engaged in?

Retail shop () Agribusiness () Service () Green business ()

Small workshop () Others (specify)

21. What motivated you to start that business?

- a) Business blood runs in the family ()
- b) Lack of formal employment ()
- c) Availability of ready market ()
- d) Desire to be self employed ()
- e) Various training on entrepreneurship ()
- f) Other specify To implement an idea I had

22. a) Are there other similar businesses in your locality?

Yes () () No ()

(b) If yes, is there any difference between the way you run your business from other similar businesses in your locality

Yes () No ()

23. In your own opinion what makes youth enterprise to thrive/succeed?

- Youth are hard working () Youth are innovative ()
- Youth love being their own bosses () Youth like exploring new ideas
- Others specify

24. In your own opinion what are the main reasons that inhibit successful running of youth enterprises after starting.

Youth Lack motivation to work () Youth have limited management skills ()

Youth have limited financial management skills () Insufficient working capital ()

Other (specify) fear of risk / unknown

SECTION E: ACCESS TO MARKET

25. (a) Are you comfortable with location of the business?

Yes () No ()

b) If yes, what makes your location Appropriate?

Near to the raw material () Near to the customers ()

Easy accessibility () Visibility from the main road ()

Ready market for my products and services ()

Others specify

c) If no, what makes your location inappropriate?

Located in the interior () No ready market ()

Not Visible from the main road Poor road network

Others specify

26. How many customers do you serve in a day?

Below 10 () 11-20 () 21-30 () Above 30 ()

27. How do you access the current market that you are serving?

I take my goods round to them () They visit my premises ()

I sell my produce through cooperative societies () I make use of brokers ()

Other specify

28. (a) Has modern technology made it easy to access the market?

Yes () No ()

b) If yes how has it improved market accessibility?

Making use of mobile to contact my clients () Making use of internet to research ()

Other specify

29. How would you rate the infrastructure in your locality?

Excellent () Good () Needs improvement () Poor ()

30. (a) Do you use any form of advertising?

Yes () No ()

b) If yes, which form of advertisement do you use

Word of mouth () Print media () Press media ()

SECTION F: PERFORMANCE OF THE ENTERPRISE

31. What is the form of your enterprise?

Sole proprietorship () Partnership ()

Others specify Family business

32. How long has your business been operational?

Less than 1 year () 1-2 years () 3-4 years () 4-5 years ()
5 years and above ()

33. What is the current state of the enterprise?

Stable () Growing () Struggling () Critical ()

34. What is your average profit per month?

Below 10,000 () 10,001 – 20,000 () 20,001 – 30,000 () 30,001 – 40,000 ()
Above 40,000 () I cannot tell () am running at a loss ()

35. (a) Generally does your business break even?

Yes () No () I do not know ()

b) If yes, how long did it take your business to break even

Less than 1 year () 2 years () 3 years () 4 years () 5 years ()
More than 5 years ()

36. In your own opinion is your business viable

Yes () No ()

37. In what ways does entrepreneurship training conducted by stryde benefited you

- I was able to identify a business opportunity in my locality ()
- It enhanced my financial management skills ()
- It enables me to keep record and books of accounts ()
- Training motivated me to start my own business ()
- Others specify

THANK YOU FOR YOUR ASSISTANCE AND YOUR PRECIOUS TIME