ENTREPRENEURIAL FACTORS INFLUENCING
PERFORMANCE OF YOUTH ENTERPRISES IN MATHARE
SUB COUNTY, KENYA

BY

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UNITED STATES INTERNATIONAL UNIVERSITY –AFRICA

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ENTREPRENEURIAL FACTORS INFLUENCING PERFORMANCE OF YOUTH ENTERPRISES IN MATHARE SUB COUNTY, KENYA

BY

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A Research Project Report Submitted in Partial Fulfillment for the Award of Master’s Degree of Bachelor of International Business Administration (MBA)

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SPRING 2017
STUDENT’S DECLARATION
I, the undersigned, declare that this is my original work and has not been submitted to any other college, institution or university other than the United States International University - Africa in Nairobi for academic credit.

Signed: ____________________________ Date: __________________________

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This report has been presented for examination with my approval as the appointed supervisor.

Signed: ____________________________ Date: __________________________

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Signed: ____________________________ Date: __________________________

Dean, Chandaria School of Business
ABSTRACT

Since entrepreneurship is the engine of economic growth and development. The purpose of this study was to assess the entrepreneurial factors influencing the performance of youth enterprises in Mathare Sub County, Kenya. The study was guided by four objectives: entrepreneurial skills, entrepreneurial competencies, proactive financial management and entrepreneurial training and their relationship to the performance of youth enterprises.

A descriptive survey research design was used in this research to describe the entrepreneurial factors influencing the performance of youth enterprises. The population of the study was the youth enterprises located in Mathare Sub County. The sampling frame was derived from a list of 2520 youth enterprises registered and captured in the statistics of Youth Development officer in Mathare Sub County. A multi stage sampling was used comprising of purposive sampling to select Mathare Sub-county, stratified sampling technique to select five strata of youth enterprises in the five wards of Mathare Sub County and also within the five clusters to ensure that all the youth enterprises in the sub county were included in the sample and to ensure representativeness. The sample size was 333 youth enterprises. Simple random sampling was finally used to select 67 youth enterprises from each of the five wards in Mathare Sub County. A questionnaire was the instrument used in collecting data. Descriptive and inferential statistics were used in data analysis.

The realized instruments response rate was 72.4% and the instrument was reliable and valid. The findings indicate that entrepreneurial competencies is significant to performance of youth enterprises in Mathare Sub County since majority of the respondents stated that education level was a barrier to successful execution of their entrepreneurial endeavours. They also stated that lack of financial management skills and family background hindered performance of their enterprises. On the significance of proactive financial management to performance of youth enterprises, majority of the respondents stated that they have never prepared financial statements to project performance of their enterprises. Similarly, majority of the respondents had never refreshed their financial management skills. Entrepreneurial training was the most significant predictor of performance of youth enterprises in Mathare Sub County. The results indicated that majority of the respondents disagreed that entrepreneurship training is not necessary for their enterprises while a significant population had never undergone any entrepreneurial training. Performance of youth enterprises in terms of sales margins over the
last one year, showed that most of the youth enterprises had a marginal increase in sales, gross profit margins and employee’s numbers.

The study concluded that the most important entrepreneurial factor in enhancing the performance of youth enterprises in Mathare Sub County is entrepreneurial training followed by entrepreneurial skills. The study recommended that there is need for entrepreneurial training among the youth entrepreneurs in Mathare Sub County since a significant population has never been equipped with it. An area for further research was a comparative study on entrepreneurial aspects influencing performance should be undertaken in similar localities in Kenya for comparison needs.
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<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Full Form</th>
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<tbody>
<tr>
<td>AU</td>
<td>African Union</td>
</tr>
<tr>
<td>GOK</td>
<td>Government of Kenya</td>
</tr>
<tr>
<td>ILO</td>
<td>International Labour Organization</td>
</tr>
<tr>
<td>OECD</td>
<td>Organisation for Economic Co-operation and Development</td>
</tr>
<tr>
<td>SMEs</td>
<td>Small and Medium Enterprises</td>
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<tr>
<td>UNCTAD</td>
<td>United Nations Conference on Trade and Development</td>
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CHAPTER ONE

1.0 INTRODUCTION

1.1 Background of the Study

According to Kariv (2011), entrepreneurship has long been seen as a major vehicle for economic development and growth and it has attracted researchers from a variety of disciplines with very diverse analytical approaches. Entrepreneurship has been recognized as an important element in the dynamics of modern economies. Many businesses, small and medium have become the major source of new job creation. They have made great contributions in introducing valuable new products and keeping the economy competitive in the world markets.

Similarly, the United Nation recognizes the importance of entrepreneurship for employment generation and of addressing youth entrepreneurship challenges from a policy perspective. The contribution of entrepreneurship to job creation has been reiterated many times over recent years. This is even more urgent in the area of youth employment considering the future demographic trends (United Nations Conference on Trade and Development (UNCTAD, 2014).

As the global economic downturn persists, there is growing recognition among Governments and international organizations that youth entrepreneurship is a relevant strategic tool to address unemployment challenges (International Labour Organization (ILO), 2013). Establishing a new venture may have positive impacts on youth employment and economic growth, as it offers unemployed youth an opportunity to build sustainable livelihoods and to integrate into society (Ernst & Young, 2013). Young entrepreneurs, once established, are particularly active in high-growth sectors (Global Entrepreneurship Monitor, 2011). It has been found that self-employed youth have higher “life satisfaction” than youth in the same age group and are more likely to hire fellow youths (Simpson & Christensen, 2009), setting up fertile ground for further employment creation dynamics.

The United Nations defines youth as persons between 15 and 24 years. The African Union (AU) considers youth as persons between 15 and 34 years. In Kenya, there are various age-based definitions of youth. National Youth Policy (NYP) defines youth as persons aged 15-30
years. This definition is universally accepted and applied by international agencies involved in youth programmes and activities (Kimando, Njogu & Kihoro, 2012). Most African governments use this definition as a basis for developing their specific age markers, which often reflect high upper age limits in account of the physical, psychological, cultural, social, biological and political aspects, which explain the Kenyan youth situation. The new constitution defines youth as all individuals in the republic of Kenya who have attained the age of 18 years but have not attained the age of 35 years (Government of Kenya, 2013).

Entrepreneurship among the youth in developing countries has become a vital driver for economic growth, economic competitiveness, job creation and the advancement of societal interests (International Labour Organization, 2013). Van Praag and Versloot (2007), based on studies on the relationship between small enterprises and economic growth concluded that youth entrepreneurs played a very important role in the economy. Consequently, there is a growing appreciation within Government, Development Community and civil society that an important aspect of holistic and all inclusive development is the active participation and involvement of the youth in decision making. Such an orientation in effect will empower the youth, promoting their rights and leadership actively by positioning them at the centre of economic development (ILO, 2013).

There is evidence of positive advantages to stimulating youth entrepreneurship, young entrepreneurs are more likely to hire fellow youths, are particularly responsive to new economic opportunities and trends, had generally better computer skills, are more present in high growth sectors, young people with entrepreneurial skills are better employees (Meager, 2003). An Organization for Economic Co-operation and Development (OECD) (2005) study showed that while young people were more likely to have positive attitudes to self-employment, they were less likely to be self-employed in practice. Further, the same study found that those who became self-employed had higher life satisfaction than youth in the same age group, and young men were more likely to be self-employed than young women.

Despite the entrepreneurship stakeholders drive to youth entrepreneurship, most youth SMEs die within their first five years of existence. Another smaller percentage goes into extinction between the sixth and tenth year thus only about five to ten percent of young companies survive, thrive and grow to maturity (UNCTAD, 2013). Many factors have been identified as to the contributing factors to the premature death. Key among these include insufficient
capital, lack of focus, inadequate market research, over-concentration on one or two markets for finished products, lack of succession plan, inexperience, lack of proper book keeping, lack of proper records or lack of any records at all, inability to separate business and family or personal finances, lack of business strategy, inability to distinguish between revenue and profit, inability to procure the right plant and machinery, inability to engage or employ the right calibre staff, cut-throat competition, lack of official patronage of locally produced goods and services, dumping of foreign goods and over-concentration of decision making on one (key) person, usually the owner (Onuorah, 2009).

Despite the importance of youth enterprises to economic growth, one major challenge facing all youth SMEs is lack of access to credit facility. Inadequate access to credit means that the potential role of the SME sector in reducing poverty will be difficult to realise especially among the youth. In Kenya, despite emphasis on increasing the availability of credit to small and microenterprises (SMES), access to credit by such youth enterprises remains one of the major constraints they face (Gupta, 2007).

Mathare Sub County is one of the 17 sub counties in Nairobi City County. It is situated in Mathare constituency. It borders Kasarani, Ruaraka and Roysambu sub counties. It generally constitutes of the sprawling Mathare slums where most of the youths are inhabitants. The uniqueness of Mathare Sub County as the site of the study is that majority of the youths in the sub county is in the informal sector. There are 2520 registered youth enterprises (Nairobi City County, 2015). Few studies on the determinants of the performance of youth enterprises have been conducted in this area.

1.2 Statement of the Problem

The SMEs sector in Kenya provided approximately 50 percent of the total employment and contributed over 92% of the new jobs created in 2008 (Kenya Economic survey, 2009). The sector therefore plays a key role in employment creation, income generation and is the bedrock for industrializing the country in the near future. In addition, the Kenya Economic Survey (2013), SME sector contributed over 60 percent of new jobs created in the year 2009-2013. Incognizance of the critical role SMEs play in the economy of the country, the Government has over time put in place diverse interventions aimed at stimulating and sustaining entrepreneurship growth especially for the youth. These include development of sessional papers, creation of Youth and Uwezo Funds, enactment of legislation, reviewing
SMEs polices from time to time and implementation of SMEs programmes by various government agencies (Ngugi & Bwisa, 2013).

Despite their significance, statistics however show that in Kenya, three out of five of the youth run small enterprises fail within the first three years of operations (Odhiambo, 2013), and those that continue 80 percent fail before the fifth year. The SMEs sector is notoriously volatile and experiences a high degree of business closure and shrinkage (Eriksson & Kuhn, 2006). This is highly exemplified in informal settlement that constitutes Mathare sub County, the site of this study. Nyaga (2010) noted that the failure to engage the youth decently and productively has systematically driven them into crime. He further adds that, fundamentally, without active youth participation in the economic sector, the country may never realize its full economic potential.

Even though the factors influencing performance of SMEs have been studied, most of them have concentrated on general factors like access to finance, markets and competition with concentration on entrepreneurial factors basically ignored. Karugu (2013) studied the effects of taxation on the cost of operation of Small and medium enterprises in Nairobi City. He noted that taxation imposes a great impact on cost of operation and therefore a threat to viability and growth of SMEs. Chigunta (2005) identified lack of business skills as a key barrier to youth’s entrepreneurship. This study is different as it has focused specifically on entrepreneurial factors influencing performance of youth enterprises.

1.3 General Objective
The general objective of this study was to examine the entrepreneurial factors influencing performance of youth enterprises in Mathare Sub County, Kenya.

1.4 Specific Objectives
1.4.1 To determine the influence of entrepreneurial skills on the performance of youth run agro-based enterprises.

1.4.2 To establish the influence of entrepreneurial competencies on the performance of youth run agro-based enterprises.

1.4.3 To examine the influence of proactive financial management on the performance of youth run agro-based enterprises.
To determine the influence of entrepreneurial training on the performance of youth run agro-based enterprises.

1.5 Justification of the Study
Entrepreneurship in informal settlement of Mathare Sub County is a fairly new area of study in the country. Conducting this study was important for various stakeholders in Kenya as highlighted below.

1.5.1 Potential Entrepreneurs
This study may be helpful to youths who are aspiring to be entrepreneurs as it will identify the potential entrepreneurial factors that influence the performance of youth based enterprises. Identification of these factors means that prospect entrepreneurs will be well prepared to face the entrepreneurial world.

1.5.2 Government’s Policy Makers
The results of this study may assist the government to articulate relevant policies to help standardize and facilitate participation of youths in informal settlement in the entrepreneurship sector.

1.5.3 Researchers and Academicians
The findings of the study may serve as a guide for future researchers and academicians who may want to conduct research in the field of youth entrepreneurship. This study is a treasured addition to the body of knowledge, building on what other scholars have previously done on entrepreneurial factors articulating the performance of youth enterprises.

1.6 Scope of the Study
The focus of this study was the youth enterprises within Nairobi County and specifically in Mathare Sub County due to its cosmopolitan nature and the high concentration and volatility of youth enterprises. The study covered the period 2011-2015. Four entrepreneurial factors were studied; entrepreneurial skills, entrepreneurial competencies, proactive financial management and entrepreneurial training and their relationship to performance of youth enterprises.
1.7 Definition of Terms
Entrepreneur is an enterprising individual or group individuals who take risks, innovates and creates wealth (Hisrich & Shepherd, 2013)

17.1 Entrepreneurship
Entrepreneurship is the process of creating something new with value by devoting the necessary time and effort, assuming the accompanying financial, psychic, and social risks, and receiving the resulting rewards of monetary and personal satisfaction and independence (Wube, 2010).

1.7.2 Performance
Performance refers to outcomes that come from undertaking entrepreneurial activities. It has been noted that performance is a multidimensional concept (Kilonzo, 2012).

1.7.3 Youth Enterprises
Youth enterprises are defined as businesses owned and run by people aged below 35 years (Government of Kenya, 2005).

1.8 Chapter Summary
This chapter has given a background of the study which is an assessment of the entrepreneurial factors influencing the performance of youth enterprises. Chapter two will focus on literature review according to the research objectives and chapter three will deal with research methodology of the study. Chapter four will comprise of research findings and discussions. Chapter five will give a summary of the major findings, conclusions, recommendations and area for further studies.
CHAPTER TWO

2.0 LITERATURE REVIEW

2.1 Introduction

This chapter reviews literature related to entrepreneurial factors and their influence on performance of youth enterprises. The chapter is presented as per the research objectives. The first section reviews literature on entrepreneurial skills. The second section presents literature on the influence of entrepreneurial competencies on the performance of youth. The last part discusses the influence of proactive financial management on the performance of youth run agro-based enterprises.

2.2 Performance of Youth Enterprises

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

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

Chigunta, Schnurr and Torres (2005), studied on barriers to performance of youth enterprises using a sample size of 670. The study found that performance of youth enterprises is mired by a number of factors such as lack of entrepreneurship and managerial training, social capital, business knowledge and experience which have led to poor overall performance of
youth enterprises. The study inferred that the youth are certainly highly vulnerable to business failure and this has seen many youth find themselves in the street-type activities such as hawking and other petty businesses.

Listerri, (2006), studied on the problems of youth entrepreneurs using a response of 1300 and internet based questionnaires. The study established that the youth have their own performance needs and experiences different from other social and demographic categories of the society. This is an aspect that influences their entrepreneurship and needs to be put into consideration. Compared with more mature adults the youth are influenced in their entrepreneurial ventures by family. This is because the family plays an important role in effecting other entrepreneurial skills such as risk tolerance, problem solving among others.

Makau (2010), studied on the youth and self-employment in developing countries. The study found that, in its attempt to boost youth entrepreneurial performance in Kenya, the YEDF has categorised the youth as those falling within a certain age group. This lumps them together as if they were one solid entity without considering the dynamics that embodies them. Further, YEDF assumption is that any youth who doesn’t have a job will definitely go for the credit to enable them earn an income and actively participate in the country’s economy. Such an assumption risks falling into the “unitary youth” trap, which is highly contested as it has been ascertained that youth have different choices and taste and providing only one option for them may not lead to positive entrepreneurship performance.

Maina (2013), studied on the role of youth enterprise development fund on growth of micro and small enterprises in Kenya a case of Kiharu constituency, Murang’a County. The findings were that the type of enterprise activity that the youth engaged in are petty and most of them are generally similar to others in the area such as tapestry, weaving, welding, vegetable and grocery shades, fee-toilets, general shops, selling second hand clothes, clothes making. Basing on these characteristics, the ventures can hardly be described as entrepreneurial if it were to be explained in line with Schumpeter’s idea of innovation.

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

2.3 Factors Influencing the Performance of Youth Enterprises

In this sub section the study reviewed literature on entrepreneurial skills, entrepreneurial competencies, proactive financial management and entrepreneurial training.

2.3.1 Entrepreneurial Skills and Performance of Youth Enterprises

The Government of Kenya recognizes that access to entrepreneurial skills development among the youths is key to the growth and development of any enterprise (Government of Kenya, 2005). Skilled youth entrepreneurs have what it takes to pursue their dreams and acquire their objective. They have a way of surviving the tough situations. They remember to take regular breaks from work which ensures that they do not burn out quickly (Rasmussen & Sorheim, 2006). Successful youth entrepreneurs are passionate and obsessive about making their business opportunity work with a strong vision. Their determination to succeed is due to their strong will. Setbacks and risks do not discourage them and they are relentless in pursuit of goals (Mokaya, 2010).

Successful youth entrepreneurs are attracted to challenges and approach risks cautiously. Being passionate about their venture, their sheer belief and conviction in an idea or action is an entrepreneurial skill that helps them survive (Rasmussen & Sorheim, 2006). Being strategic planners, youth entrepreneurs employ the best employees to support them in their venture. They focus on the main objective; growth and sustenance by learning to delegate. Serving as a member of the top management, they have the ability to supervise all the sections of the business and become generalist. Possession of entrepreneurial skills help youth entrepreneurs to muster the abilities and efforts made by their team members. Mediating and handling complaints for their business requires immense tact and diplomacy (Gakure, 2001).

For successful youth entrepreneurs, hard work and commitment are strong entrepreneurial traits. Youth entrepreneurs are able to work long hours, are not afraid to get their hands dirty especially in their entrepreneurial activities and are among the first to focus on their task with a high degree of involvement. They set high standards of performance to be accomplished and are natural motivators. Willing to lead the team members especially in a crisis is an
entrepreneurial skill that is valued highly (Mwirigi, 2007). Selling ideas and their products is an entrepreneurial skill that cannot be undervalued. Appealing presentations, direct selling whenever there is a need and determining sales quotas accurately are tasks that youth entrepreneurs must be able to achieve. Enhancing marketing skills by acquiring knowledge and customer orientation is an entrepreneurial skill that helps them to satisfy the needs of their customers.

A youth entrepreneur must be customer focused. Ultimately, it is the customers who determine if the business will boom or go bust. Ability to adapt and change to a new environment is an entrepreneurial skill that decides the outcome of success or failure in a dynamic environment. According to Hisrich (2005), there is strong evidence that entrepreneurs tend to have entrepreneurial parents. Having a parent who is self-employed provides a strong aspiration for the youth entrepreneur. The independent nature and flexibility of self-employment is ingrained at an early age. Entrepreneurial parent often further enforces this feeling of independence, achievement and responsibility. This supportive relationship of the parent is an important entrepreneurial strength for youth entrepreneurs (Hisrich, 2005).

2.3.2 Entrepreneurial Competencies and Performance of Youth Enterprises

Entrepreneurship research has shown that entrepreneurial competencies have a positive impact on SME performance. Enterprises with managers who have high levels of entrepreneurial competencies tend to scan and manage the environment in which they operate in order to find new opportunities and consolidate their competitive positions (Covin & Miles, 1999). Entrepreneurial competencies are defined as knowledge, skills and attitudes that affect the willingness and ability to perform the entrepreneurial job of new value creation (Lans 2008).

Sanchez (2011) defines competencies as a cluster of related knowledge, traits, attitudes and skills that affect part of one’s job; that correlate with performance on the job; that can be measured against well-accepted standards; and that can be improved via training and development. Gartner and Starr (1993) noted that entrepreneurial competencies play an important role in enhancing firm performance, having both direct and indirect effects on firm performance. A youth entrepreneur is expected to interact with these environmental forces which require him/her to be highly competent in different dimensions like intellectual,
attitudinal, behavioural, technical, and managerial aspects. Youth entrepreneurs are therefore permanently challenged to deploy a set of competencies to succeed in their entrepreneurial endeavours.

According to Kiruja (2013) entrepreneur competencies are influenced by entrepreneur’s age, gender; previous work experience, existence of role models and education. Various researchers had found a significant relationship between these factors and the performance of SMEs (Storey, Wiklund & Shepherd, 2003). Education qualification is an asset to a person in every field. A higher education level helps the potential youth entrepreneur to have better knowledge and skills which contribute to the success of their venture. In addition, Kabahanga (2013) found that youth entrepreneurs with higher levels of education and competencies were more successful in growing their businesses compared to those with little or no education.

Similarly, a study conducted by Kenya Institute of Management (2013), demonstrates that, young entrepreneurs with higher levels of education were more successful because university education provided them with knowledgeable and modern managerial skills, making them more conscious of the business world and thus in a position to use their learning capabilities to manage business. However, Wube (2010) argue that, education may harm SMEs performance in cases where the owners divert their attention to other attractive opportunities. Accordingly, a research on small manufacturing firms in Chile found that university education did not include higher efficiency because the highly educated youths paid little attention to monitoring their labour force (Mengo, 2013). Nevertheless, according to a study in Botswana and Zimbabwe, youth business owners who had completed secondary school ran better performing firms than those proprietors who had no schooling (Wube, 2010). Actually an additional year of schooling was found to raise entrepreneurial income among the youth entrepreneurs by an average of 5.5%. A characteristic of entrepreneurship is that it tends to pervade family life. Research by Simmons (2007) revealed that the children of self-employed parents were more disposed to entrepreneurship than those of employed parents while many new ventures owe their success to the support of the family through the provision of funding and access to markets.

It is commonly held that role models are important in promoting the concept of youth entrepreneurship in society. According to Giroux (2007), the existence of role models in a society will have a positive effect on the development of youth entrepreneurship and vice
versa. Giroux further argues that the influence of credible role models is widely recognized as an important factor in youth’s propensity to start an enterprise. However, according to Ahmad (2009) role models had effect when the population they intended to influence needs to be able to relate to them. In the same token, he suggests that the closer the model matches the group to be influenced, the more effective role modelling becomes. Youth in enterprises are more likely to be influenced by the experiences of other youths in related sector of entrepreneurship.

Work experience is generally considered to be an important asset as it provides an individual youth entrepreneur with useful knowledge and skills. According to Kinga and McGrath (2002) experience is the best predictor of business success especially when the new business is related with vast experiences. Youth entrepreneurs with more experiences in managing business are more capable of finding ways to study new business compared to those with different pathways. Correspondingly, a study in Kenya found that Kenyan youths with at least seven years of work experience expanded their firms more rapidly than those without such experience (Nguru, 2009). Work experience contributes to SME performance by expanding the capabilities of owners and employees through the acquisitions of skills and knowledge and by expanding entrepreneur’s social network (Ihua, 2009).

Similarly, the youth entrepreneur’s age can be a determinant of enterprise performance because entrepreneurship is particularly challenging for many youth start-ups. Many studies have examined the influence of entrepreneur’s age on the growth and performance of the business. A study by Reynolds (2007) revealed that young entrepreneurs who were less than 30 years seemed to grow more profits than those over 30 years. This was explained by the fact that they were still young, energetic and full of enthusiasm. According to Kumar (2007) persons over thirty five years of age who entered self-employment were likely to have greater survival chances. However, he argues that 50% of entrepreneurs who started at the age of 25-30 years were successful in growing their businesses, suggesting that youth entrepreneurs who started their enterprises at early age were more successful. This shows that there is a relationship between growth and age.
2.3.3 Proactive Financial Management and Performance of Youth Enterprises

Finance is a major resource in an enterprise, without which it cannot operate and so, this resource should be given the attention it deserves if the youth enterprises have to perform and survive. Financial activities in youth enterprises should be planned for, recorded, monitored and controlled if the projects have to be sustainable. According to Meredith (2003), financial management is concerned with all areas of management, which involve finance not only the sources, and uses of finance in the enterprises, but also the financial implications of investment, production, marketing or personnel decisions and the total performance of the enterprise.

Due to the many demands upon the funds available to an enterprise, it critical for a youth business owner to manage finances proactively in such a manner that ensures that even the smallest expenditure impacts positively on the enterprise’s income. A proactive finance manager must muster the skill of achieving more output with less input. Karanja (2014) noted that the demand for careful proactive financial management is a key activity in enterprises and organizations in general. Proactive financial management is the process of strategically and innovatively managing the financial resources, including accounting and financial reporting, budgeting, collecting accounts receivable, risk management, and insurance for a business. A proactive finance manager has not only to plan, procure and utilize the funds but also has to tactically exercise control over finances. This can be done through many techniques like ratio analysis, financial forecasting, budgeting, cost and profit control, amongst others. In many cases, a proactive financial manager plays a key role in developing the long-term financial goals of a company or organization to ensure a profitable future for the firm.

According to Kirby (2009), financial management involves setting objectives, assessing assets and resources, estimating future financial needs and making plans to achieve monetary goals. He continued to suggest that, one systematic approach for attaining effective management performance is proactive financial planning, budgeting and that sustainability of any undertaking lies in effective financial management right from the conception stage. Ondeng (2009) notes that it is important to budget for all funds available to a business. However it is doubtful whether the youth run enterprises prepare and use finances appropriately. Saleemi (2009) points out that financial statement contain valuable information.
that youth entrepreneurs can use to analyse past performance of an enterprise. Financial statements are used to track the monetary value of goods and services in and out of the organization. This then calls for the youth entrepreneurs to have a careful financial management strategy to guarantee the sustainability of their enterprises.

According to Okungu (2008), youthful small business owners often lack experience and training in financial management of their enterprises. Previous study by Wawire and Nafukho (2010), shows that poor financial management is the second most cause of youth SME failure after lack of enough funds. This is despite the fact that financial management has been established to be a very important aspect that affects the success of any given enterprise.

Despite the numerous institutions providing financial training and advisory services, there is still a skills gap in the SMEs sector as a whole (Kayanula & Quartey, 2000). This is because youth entrepreneurs cannot afford the high cost of financial training and advisory services while others do not see the need to upgrade their skills due to complacency (King & McGrath, 2002). Ahmad (2009) adds that factors that hamper SMEs growth among the youth include a lack of abilities and skills. Ihua (2009) reports that one of the serious constraints on small business growth is lack of financial management skills, which results in the poor management actions taken by small business owners (Wawire & Nafukho, 2010).

Starting and operating a small business includes a possibility of success as well as failure. It takes more than a unique idea to make a small business work. Many small businesses struggle and fail because of poor financial management and planning (Ondeng, 2007). A study by Giroux (2007), on survival rates for small Canadian firms found that a lack of financial management skills is among the key factors contributing to failure, and that many small firms fail as a result of a deficiency in their internal functioning rather than as a result of externally generated circumstances.

According to Giroux (2007), it is the owner-manager's lack of proactive financial management skills that negatively impacts their ability to adequately address strategic small business problems in the areas of finance, marketing, human resource management and the implementation of formal control systems. Giroux (2007) further adds that, one of the primary ingredients in small business success must be the managerial financial competence of the owner-manager. There is a tendency to categorize the financial management skills required to manage a small business into functional areas. Such a categorization is supported
by the intrinsic belief that small businesses increase their chances of success when managers are competent in core functional areas such as strategic planning, marketing, finance, operations and human resource management (Giroux, 2007).

Youth owners of a small enterprise in Mathare Sub County must have an active role in the business especially when it comes to finances. The primary reason anybody goes into business is to generate cash by selling goods or services. To accomplish this, investments and expenses, debts and credits must be controlled. Thus an accurate record of all business transactions must be kept to avoid loss of money and inefficient operations. Accurate book keeping will provides useful and timely information that will assist in making sound business decisions for the youth entrepreneurs in Mathare Sub County.

2.3.4 Entrepreneurial Training and Performance of Youth Enterprises

Entrepreneurship training may be defined as the process of strengthening the development of an enabling environment and the institutional or human resources of managerial systems of organizations (Making Cents International, 2011). It may also a way of enhancing knowledge and skills among entrepreneurs. Knowledge and skills involves an entrepreneur’s level of experience, business experience, business area expertise and level of responsibility (Sagwe, Gicharu, & Mahea, 2011). Entrepreneurship training may also entail enhancing the ability of young entrepreneurs to gain marketability in the sector of their operations.

The aim of entrepreneurship training is to equip the youth with the necessary skills to manage their business effectively and be able to repay their loans. As Samalie (2007) notes, 95% of the training given by most microfinance institutions is on how to repay back the loan and interest. Inadequate training for both Ministry employees and youth groups is quoted by Mugira (2012) as one of the challenges facing the YEDF in its attempt to empower the youth to ensure sustainable loan repayment levels. This training which is aimed at improving the lending methodology is inadequate and not tailored to the needs of the clients.

Odul (2013) researched on effect of the YEDF on youth enterprises in Kenya using a sample size of 450. The study in Siaya County, Kenya, focused on the activities of the Ministry of Culture and Social Services in registration of youth groups, YEDF officers and Financial Institutions (FIs) in the management and disbursement of the Fund to the youth entrepreneurs. The study found out that the youth need to be sensitized on the need for entrepreneurial training in order to benefit from the Fund. The study recommended that, to
improve on the viability of the youth enterprises, there is need for the government to engage youth in entrepreneurship training before and after accessing the loan.

Omondi (2010) studied on the relationship between training and performance of youth enterprises. The findings were that, to enhance their capacity to achieve their mandate, micro-lending institutions need to tailor entrepreneurship training programmes to the needs of the clients. Entrepreneurship training is essential for entrepreneurial development. It enables entrepreneurs to realize business success through promoting innovation in products and delivery mechanisms as past research results have consistently found SME training to result in better enterprise performance. He finally concurred that providing entrepreneurs with skills gives them the ability to comply with the demands and expectation of the formal sector.

Similarly, Kanyari and Namusonge (2013) studied on the impact of training on the performance of youth enterprises using a response of 310. The study indicates that provision of entrepreneurship training to sensitize and inculcate entrepreneurial culture among the youth is crucial to identifying emerging business talents. It adds that the provision of continuous and relevant entrepreneurship training to young entrepreneurs has a positive impact on the success of enterprise development initiatives. European Microfinance Network (2012) studied on the effect of entrepreneurship training on the successful performance of YEDF funded youth enterprises. The study revealed that ensuring success of SMEs through entrepreneurship training is seen to have a positive impact on enterprise performance. They further showed that training not only benefited business through increased profits, investments, innovation and access to credit, but it also lowered default rates.

Maina (2013) studied on the performance of YEDF funded youth enterprises in Murang’a County. The study concluded that in realization of the importance of entrepreneurship training towards the successful performance of youth entrepreneurs, the YEDF has initiated a number of capacity building programmes as a way of supporting the youth towards sustainability of initiated enterprises. These programmes include training youth on entrepreneurship, organizing national trade fairs for the youth, supporting youth to attend international trade fairs and lobbying for youth to be given leeway in the awarding of tenders.

Karlan and Vildiva (2010) studied on the role of entrepreneurship training on growth of enterprises in Pakistan using a sample size of 350. The study found that entrepreneurship training of youth entrepreneurs is critical since majority of self-employed poor youths rarely
have no formal training in business skills besides ensuring that the youth have adequate skills, entrepreneurship training also assists them in identifying and tapping into business opportunities, while embracing modern business techniques. The study concluded that there is need for the youths to be trained in area relevant to the business carried. Their survey clearly shows that youths with relevant training run successful businesses compared to untrained counterparts.

2.4 Conceptual Framework

This study was guided by four independent variables; entrepreneurial skills, entrepreneurial competencies, proactive financial management and entrepreneurial training. The dependent variable was performance of youth enterprises. The absence of entrepreneurial skills, entrepreneurial competencies, proactive financial management and entrepreneurial training will tend to stand in the way in the performance of the enterprises when they are high. In other words the entrepreneurship opportunities will be reduced and diminished when these factors are in low percentages. A positive index on the variables would escalate performance of the enterprises. For instance, the higher the entrepreneurial skills, entrepreneurial competencies, proactive financial management and entrepreneurial training, the higher the performance of youth enterprises (Giroux, 2007). These variables were perceived to act through the entrepreneurial process with the players being the youth who were directly involved in the performance of the enterprises (Kilonzo, 2012).
Independent variables

- Entrepreneurial skills
  - Flexibility and adaptations

- Entrepreneurial competencies
  - Ability to innovate

- Proactive financial management
  - Strategic financial management

- Entrepreneurial training
  - No of training sessions

**Dependent variable**

- Performance of youth enterprise
  - Gross profit margin
  - Sales turnover

---

**Figure 2.1 Conceptual Framework**

---

**2.5 Chapter Summary**

This chapter reviewed literature based on the research objectives of the study, as well as analysis of views of scholars on factors affecting the performance of youth enterprises. Chapter three presented the research methodology to be used in the study.
CHAPTER THREE

3.0 RESEARCH METHODOLOGY

The chapter will comprise of the introduction, research design, population and sampling, data collection methods, data analysis methods and chapter summary.

3.1 Introduction

This chapter contains the methodology that will be used in conducting the study. The chapter highlights the research design. It also provides an outline of the research methodology by giving a description about the source data, method of conducting the research, the population, the sample, technique of collecting the data and also the technique of analyzing the data.

3.2 Research Design

Research design is an overall framework or a plan for investigation and logical model of proof that guides the investigator in the various stages of research (Kothari, 2005). A descriptive survey research design was used in this research. The principal use of descriptive research statistics is to describe information or data through the use of numbers. According to Cooper and Schindler (2011), if the research is concerned with finding out who, what, where, when, or how much, then the study is descriptive. This study used a descriptive research design to describe the independent variables, entrepreneurial factors influencing the dependent variable; performance of youth enterprises.

3.3 Population and Sampling Design

3.3.1 Population

According to Ngechu (2004), a population is a well-defined set of people, services, elements, events, group of things or households that are being investigated. The population of the study was the youth enterprises located in Mathare Sub County. According to Nairobi City Council there are 2520 registered youth enterprises in Mathare Sub County (Nairobi City County, 2015).

3.3.2 Sampling Design

Getting a sample involve selecting some elements of the population and using it to draw conclusions regarding the entire population. According to Cooper and Schindler (2011), a good sample should be a representative of the population. This study used sampling for
compelling reasons of lower cost, greater accuracy of results, greater speed of data collection, and availability of population elements.

3.3.3 Sampling Frame

A sampling frame is a list of geographical areas, institutions, individuals, or other units added (Churchill and Brown, 2007; Saunders, Lewis and Thornhill, 2007). The sampling frame is used to help choose the members of the target population that the researcher wants to investigate. The sampling frame was derived from a list of 2520 youth enterprises registered and captured in the statistics of Youth Development officer in Mathare Sub County.

3.4 Sampling Technique

According to Cooper and Schindler, (2011) sampling is the process of selecting some elements from a population to represent the population as a whole. A multi stage sampling was used. Firstly, purposive sampling was used to select Mathare Sub-county. Secondly, stratified sampling technique was used to select five strata of youth enterprises in the five wards of Mathare Sub County. Stratified random sampling technique was applied within the five clusters to ensure that all the youth enterprises in the sub county were included in the sample and to ensure representativeness.

3.4.1 Sample size

A sample size is typically one that bears some proportional relationship to the size of the population from which it is drawn. In order for the researcher to get a representative sampling size, then, the sampling size must be large.

To determine the sample size for the youth enterprises in consideration of the population of 2520 enterprises, the study used the normal approximation to the hyper-geometric distribution. The sample size formula for small (hyper-geometric) populations is shown as follows:

Equation (1) Morris, 2014

Where; \( n \) = the required sample size

\[ N = \text{is the population size (2520 youth enterprises)} \]

\[ Z = \text{is the level of confidence of the sample size (set at 95%) thus } Z=1.96 \]
P and q are the population proportions (Each set to 0.5).

\[ E \] sets the accuracy of the sample proportions (set to 0.05).

Therefore;

\[
\frac{2520 \times 1.96^2 \times 0.5 \times 0.5}{0.05^2 (2520 - 1) + 1.96^2 \times 0.5 \times 0.5}
\]

\[ n = \frac{2420.208}{7.2579} = 333 \]

Therefore the sample size was 333 youth enterprises. Random sampling method was used to select 67 youth enterprises from each of the five wards in Mathare Sub County.

3.5 Data Collection Methods

A self-administered questionnaire was used as the research instrument. A questionnaire consists of a number of questions printed or typed in a definite order on a form or set of forms (Kothari, 2008). This study used one set of questionnaires, for the registered youth enterprises. According to Kombo and Tromp (2006), self-administered questionnaires have the advantage of being flexible because they contain both open and closed-ended questions. The open and closed questions helped in gathering in-depth information so that the study would get a complete and detailed understanding of performance of youth enterprises. Each question in the questionnaire was developed to address a specific objective or research question of the study. This research instrument is efficient data collection mechanism to ensure relevancy and consistency of information gathered as the responses are objective, standardized and comparable (Sekaran & Bougie, 2010).

3.6 Research Procedures

The questionnaire for the study was developed by the researcher as per the research questions. Before administration of the instrument, the researcher sought the permission/authorization letter from the University. This helped to minimize respondents’ suspicion of the intent, object and purposes of the study. The questionnaire was administered through drop and pick later method. This gave the respondents adequate time to respond to the questions owing to their busy schedules. A pilot test involving 10 youth entrepreneurs was carried out in Ruaraka Sub County to evaluate the completeness, precision, accuracy and
clarity of the interview questions to the focused group. This helped at ensuring the reliability of the data collected for the purposes of the research.

3.7 Data Analysis Methods
The filled-in questionnaires was edited for consistency and the inadequately fill ones were expunged from the record. The data generated was qualitative and quantitative. Therefore, descriptive analysis techniques was used; consistent will the research design. Using Package for Social Sciences (SPSS 22.0), the quantitative data was coded to enable the responses to be grouped into categories. Descriptive statistics such as frequencies, percentages, mean and standard deviation were used mainly to summarize the data. Statistical tables, charts and graphs were used in presenting the analyzed data.

3.8 Chapter Summary
This chapter has provided step by step methods of carrying out the study. It has provided details of the target population, how a sample will be obtained. Moreover it has provided details of instrument used to collect data and the research procedures undertaken. Finally it has provided details on data analysis. Chapter four introduces the research findings.
CHAPTER FOUR

4.0 RESEARCH FINDINGS AND DISCUSSIONS

4.1 Introduction
This chapter covers data presentation, analysis and interpretation of the data collected. The presentation is though figures and tables for descriptive statistics. Data was collected from all the entrepreneurs through questionnaire.

4.2 Response Rate
Data was collected from the 241 youth enterprises in Mathare Sub County, Kenya. The targeted sample was 333 respondents. A total of 241 out of 333 questionnaires were filled and returned yielding a response rate of 72.4%. Mugenda (2003) stated that a response rate of above 70% is acceptable in research.

<table>
<thead>
<tr>
<th>Category</th>
<th>Sample size</th>
<th>Percent (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Returned instruments</td>
<td>241</td>
<td>72.4</td>
</tr>
<tr>
<td>Non-returned instruments</td>
<td>92</td>
<td>37.6</td>
</tr>
<tr>
<td>Total</td>
<td>100</td>
<td>100.00</td>
</tr>
</tbody>
</table>

4.3 Reliability and Validity Test
The reliability and validity were used to determine the consistency and truthfulness of the measures of the research instrument as explained beneath.

4.3.1 Reliability Test
Cronbach’s coefficient alpha which is one of the most common methods in gauging reliability (Bryman, 2011) for each variable was done. Cronbach’s alpha reliability coefficient value of 0.7 or higher is considered as usually sufficient (Sekaran & Bougie, 2010). The overall cronbach’s alpha for entrepreneurial competencies (0.721), entrepreneurial skills (0.742), entrepreneurial training (0.771), proactive financial management (0.733) and performance of enterprises was 0.740. The results show an overall Cronbach’s alpha of well
above 0.7 implying that the instruments were reliable for measurement. Thus there was an internal consistence of the constructs.

**Table 4.2 Reliability Test**

<table>
<thead>
<tr>
<th>Construct</th>
<th>Cronbach’s Alpha</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Entrepreneurial competencies</td>
<td>0.721</td>
<td>Allowed</td>
</tr>
<tr>
<td>Entrepreneurial skills</td>
<td>0.742</td>
<td>Allowed</td>
</tr>
<tr>
<td>Entrepreneurial training</td>
<td>0.771</td>
<td>Allowed</td>
</tr>
<tr>
<td>Performance of enterprises</td>
<td>0.740</td>
<td>Allowed</td>
</tr>
<tr>
<td>Proactive financial management</td>
<td>0.733</td>
<td>Allowed</td>
</tr>
</tbody>
</table>

**4.3.2 Validity tests**

Validity test was computed by the use of discriminant validity. Average Variance Extracted (AVE) is commonly used to assess discriminant validity. The AVE was found to be more than 0.7, implying that there was high validity. The diagonal elements are the square root of AVE for the constructs. Based on the findings square root of AVE of each construct was found to be higher than the correlation among any pair of latent construct. Thus, each construct had a different measure of the main factor of analysis.

**Table 4.2 Validity Test**

<table>
<thead>
<tr>
<th></th>
<th>Entrepreneurial competencies</th>
<th>Entrepreneurial skills</th>
<th>Entrepreneurial training</th>
<th>Proactive financial management</th>
<th>Performance of enterprises</th>
</tr>
</thead>
<tbody>
<tr>
<td>Entrepreneurial competencies</td>
<td>0.733</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Entrepreneurial skills</td>
<td>-0.295</td>
<td>0.721</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Entrepreneurial training</td>
<td>0.009</td>
<td>0.108</td>
<td>0.742</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Proactive financial management</td>
<td>-0.451</td>
<td>0.433</td>
<td>-0.271</td>
<td>0.692</td>
<td></td>
</tr>
<tr>
<td>Performance of enterprises</td>
<td>-0.065</td>
<td>0.175</td>
<td>0.085</td>
<td>0.288</td>
<td>0.724</td>
</tr>
</tbody>
</table>
4.4 Demographic Information

Demographic information of the respondents involved in youth enterprises in Mathare Sub County is presented in this section.

4.4.1 Gender of the Respondents

In order to establish the gender of the youth, the study requested the respondents to indicate their gender and the findings are as presented in the Figure 4.1. Figure 4.1 shows the gender of the respondents. From the findings of the study majority 57.7% of the respondents were male and 42.3% were female. The same sentiment was voiced by Kemunto (2014) who found that young men were more likely to be self-employed than young women. This implies that most youth enterprises in Mathare are operated by male entrepreneurs.

<table>
<thead>
<tr>
<th>Gender of respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
</tr>
<tr>
<td>%</td>
</tr>
<tr>
<td>57.7</td>
</tr>
<tr>
<td>Total</td>
</tr>
</tbody>
</table>

Figure 4.1 Gender of Respondents

4.4.2 Enterprise Legal/ Registration Status

The study further sought to find out the legal status of enterprises run by the youth entrepreneurs. The findings are presented in the Table 4.8. From findings, majority of the youth enterprises in Mathare Sub County (67.6%) are established as sole proprietorship with 32.4% as partnership. This implies that majority of the youth entrepreneurs have registered their enterprises to conform to the county by-laws.
4.4.3 Skills received by Youth Entrepreneur Helpful in Running Youth Enterprises

The respondents were requested to state the skills they had acquired during training as presented in figure 4.3.

The findings indicated (13.2%) of youth entrepreneurs have acquired technical skills, (71.9%) acquired entrepreneurship skills and (15.9%) acquired business management skills. The finding complements Leintz and Rea (2012) argument that entrepreneurial training increases business knowledge, and promote characteristics associated with entrepreneurs. The findings imply that there is need for entrepreneurial training of youths in Mathare Sub County to enhance their entrepreneurial capabilities.
4.5 Descriptive and Qualitative Analysis of the Study Variables
The descriptive study was anchored under four independent variables, namely entrepreneurial competencies, entrepreneurial skills, entrepreneurial training and proactive financial management against the dependent variable which was the performance of youth run enterprises. The analysis is described beneath.

4.6 Entrepreneurial Skills and Performance of Youth Enterprises
The relationship between entrepreneurial skills and performance of youth enterprises is highlighted in this section.

4.6.1 Entrepreneurial Skills Employed By Youth Entrepreneurs In Their Enterprises
The entrepreneurial skills employed by the youth in the performance of their enterprises are as stated in table 4.4. From the findings in the table majority (65%) of the respondents stated that they found ways of surviving the tough situations, contrastingly, 66% stated that they never took regular breaks to reduce burn out. Additionally, 60% stated that they were flexible and ready to adapt to changing business climate while 77% responded that they were passionate and obsessive about making business opportunity work. At the same time, the 57% stated that they had a strong will to succeed with 66% stating that they were not attracted to challenges. Finally, 67% responded that they were not discouraged by risks and setbacks with 57% pointing that they had relentless in pursuit of goals. The findings agreed with Mokaya (2010) that successful entrepreneurs are passionate and obsessive about making their business opportunity work with a strong vision. This implies that the youth entrepreneurs need entrepreneurial skills to enhance performance of their enterprises.

Table 4.4 Entrepreneurship Skills

<table>
<thead>
<tr>
<th>Item</th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>Finding ways of surviving the tough situations</td>
<td>65%</td>
<td>35%</td>
</tr>
<tr>
<td>Taking regular breaks to reduce burn out</td>
<td>34%</td>
<td>66%</td>
</tr>
<tr>
<td>Being flexible and ready to adapt to changing business climate</td>
<td>60%</td>
<td>40%</td>
</tr>
<tr>
<td>Passionate and obsessive about making business opportunity work</td>
<td>77%</td>
<td>33%</td>
</tr>
<tr>
<td>Having a strong will to succeed</td>
<td>57%</td>
<td>43%</td>
</tr>
<tr>
<td>Attraction to challenges</td>
<td>34%</td>
<td>66%</td>
</tr>
<tr>
<td>Not discouraged by risks and setbacks</td>
<td>67%</td>
<td>43%</td>
</tr>
<tr>
<td>Relentless in pursuit of goals</td>
<td>43%</td>
<td>57%</td>
</tr>
<tr>
<td>Being a risk taker</td>
<td>55%</td>
<td>45%</td>
</tr>
<tr>
<td>Approaching risks cautiously</td>
<td>52%</td>
<td>48%</td>
</tr>
</tbody>
</table>
4.6.2 Entrepreneurial Skills That Influence Performance of Youth Enterprises

The entrepreneurial skills that influence performance of youth enterprises are presented in table 4.5. The results indicate that 41% of respondents agreed that they possess survival tactics for their enterprise with 41% disagreeing that they avoid burnout by taking regular breaks. In addition, 66% stated that they have passion to make their business work while 75% agreed they are determined to succeed. Another 57% agreed that they are attracted to challenges while 51% agreed that setbacks and risks do not discourage them. Similarly, 50% of the respondent agreed that they are strategic planners while 58% of the respondents agreed that they handle complaints with tact and diplomacy and also set high standards of performance. Finally, majority agreed that they have set high standards of performance (67%); are hard-working and committed (78%) and they possess the ability to adapt and change to a new environment (73%). The findings agreed with Rasmussen & Sorheim (2006) and Mokaya (2010) who stated that entrepreneurs have a way of surviving the tough situations. This implies that entrepreneurial skills are important for success of youth entrepreneurs in Mathare Sub County.

Table 4.5 Entrepreneurship Skills in Enterprises

<table>
<thead>
<tr>
<th>Item</th>
<th>SD</th>
<th>D</th>
<th>U</th>
<th>A</th>
<th>SA</th>
</tr>
</thead>
<tbody>
<tr>
<td>I possess survival tactics for my enterprise</td>
<td>0%</td>
<td>25%</td>
<td>14%</td>
<td>41%</td>
<td>20%</td>
</tr>
<tr>
<td>To avoid burn out I take regular breaks</td>
<td>0%</td>
<td>41%</td>
<td>30%</td>
<td>15%</td>
<td>11%</td>
</tr>
<tr>
<td>I have passion to make my business work</td>
<td>20%</td>
<td>11%</td>
<td>0%</td>
<td>66%</td>
<td>3%</td>
</tr>
<tr>
<td>I have determination to succeed</td>
<td>0%</td>
<td>10%</td>
<td>0%</td>
<td>75%</td>
<td>15%</td>
</tr>
<tr>
<td>I am attracted to challenges</td>
<td>2%</td>
<td>6%</td>
<td>15%</td>
<td>57%</td>
<td>15%</td>
</tr>
<tr>
<td>Setbacks and risks do not discourage me</td>
<td>6%</td>
<td>8%</td>
<td>15%</td>
<td>51%</td>
<td>20%</td>
</tr>
<tr>
<td>I have conviction and belief to succeed</td>
<td>0%</td>
<td>4%</td>
<td>1%</td>
<td>45%</td>
<td>50%</td>
</tr>
<tr>
<td>I am a strategic planner</td>
<td>5%</td>
<td>6%</td>
<td>20%</td>
<td>50%</td>
<td>19%</td>
</tr>
<tr>
<td>I delegate duties to my employees</td>
<td>0%</td>
<td>38%</td>
<td>25%</td>
<td>30%</td>
<td>7%</td>
</tr>
<tr>
<td>I handle complaints with tact &amp; diplomacy</td>
<td>0%</td>
<td>24%</td>
<td>2%</td>
<td>58%</td>
<td>18%</td>
</tr>
<tr>
<td>I set high standards of performance</td>
<td>0%</td>
<td>4%</td>
<td>9%</td>
<td>67%</td>
<td>20%</td>
</tr>
<tr>
<td>I am hard working and committed</td>
<td>0%</td>
<td>2%</td>
<td>11%</td>
<td>78%</td>
<td>9%</td>
</tr>
<tr>
<td>I possess the ability to adapt and change to a new environment</td>
<td>0%</td>
<td>5%</td>
<td>6%</td>
<td>73%</td>
<td>16%</td>
</tr>
</tbody>
</table>
4.7 Entrepreneurial Competencies and Performance of Youth Enterprises

The entrepreneurial competencies and their relationship to performance of youth enterprises are discussed in this section.

4.7.1 Entrepreneurial competencies influencing performance of youth enterprises

The entrepreneurial competencies influencing the performance of the youth enterprises are presented in figure 4.4. The findings indicate that majority 55.6% of the respondents stated that education level was a barrier to successful execution of their entrepreneurial endeavours. Similarly, 16.6% and 14.4% stated that lack of financial management skills and family background hindered performance of their enterprises. The findings complements Kiruja (2013) who found that age, education level and experience in entrepreneurship are hindrances to success in youth entrepreneurship. The implication is that it is a necessity for stakeholders to ensure that the youth have necessary entrepreneurial competencies for them to be job creators in entrepreneurship.

![Figure 4.4 Entrepreneurial Competencies](image)

**Competencies**

<table>
<thead>
<tr>
<th>Competency</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gender</td>
<td>0.09</td>
<td>0.09</td>
</tr>
<tr>
<td>Age</td>
<td>0.05</td>
<td>0.05</td>
</tr>
<tr>
<td>Education level</td>
<td>0.05</td>
<td>0.05</td>
</tr>
<tr>
<td>Family background</td>
<td>14.4</td>
<td>14.4</td>
</tr>
<tr>
<td>Financial management skills</td>
<td>16.6</td>
<td>16.6</td>
</tr>
<tr>
<td>Total</td>
<td>100</td>
<td>100</td>
</tr>
</tbody>
</table>

**Figure 4.4 Entrepreneurial Competencies**

4.7.2 Entrepreneurial Competencies That Influence Performance of Youth Run Enterprises

The entrepreneurial competencies that influence performance of youth enterprises in a scale of (5=strongly agree 4=agree 3=undecided 2=disagree 1=strongly disagree)are presented in table 4.6. The results shows that majority of the respondents 59 agreed that their enterprise performance is influenced education level while 58% agreed that their enterprise is
performing well since they had previous work experience. In contrast, 66% of the respondents disagreed that they are too young to understand the operation of a business. At the same time, 80% of the respondents agreed that young entrepreneurs with higher levels of education are more successful in enterprises while 68% disagreed with the assertion that education does not dictate the performance of an enterprise. Finally, 59% agreed that the influence of the parents as entrepreneurs led them to start their enterprises while 75% disagreed that parents support helps in better performance in enterprises.

Majority of the findings supports Ihua (2009) argument that work experience contributes to SME performance by expanding the capabilities of owners and employees through the acquisitions of skills and knowledge. This implies that equipping the youth entrepreneur with adequate entrepreneurial competencies is the single most motivating factor that will enhance performance of their enterprises in Mathare Sub County.

### Table 4.6 Entrepreneurial Competencies

<table>
<thead>
<tr>
<th>Item</th>
<th>SA</th>
<th>A</th>
<th>UN</th>
<th>D</th>
<th>SD</th>
</tr>
</thead>
<tbody>
<tr>
<td>My enterprise performance is influenced by my education level</td>
<td>24%</td>
<td>59%</td>
<td>0%</td>
<td>17%</td>
<td>0%</td>
</tr>
<tr>
<td>My enterprise is performing well since I have previous work experience</td>
<td>20%</td>
<td>58%</td>
<td>0%</td>
<td>21%</td>
<td>1%</td>
</tr>
<tr>
<td>I am too young to understand the operation of a business</td>
<td>0%</td>
<td>0%</td>
<td>24%</td>
<td>66%</td>
<td>10%</td>
</tr>
<tr>
<td>I understand that young entrepreneurs with higher levels of education are more successful in enterprises</td>
<td>6%</td>
<td>80%</td>
<td>0%</td>
<td>10%</td>
<td>4%</td>
</tr>
<tr>
<td>Education does not dictate the performance of an enterprise</td>
<td>10%</td>
<td>2%</td>
<td>0%</td>
<td>68%</td>
<td>20%</td>
</tr>
<tr>
<td>My parents support helps in better performance in my enterprise</td>
<td>31%</td>
<td>59%</td>
<td>0%</td>
<td>6%</td>
<td>4%</td>
</tr>
<tr>
<td>The influence of my parents as entrepreneurs led me to start my enterprise</td>
<td>0%</td>
<td>5%</td>
<td>0%</td>
<td>75%</td>
<td>30%</td>
</tr>
</tbody>
</table>

#### 4.7.3 Persons Influencing the Youth Entrepreneurs

The persons who influenced the respondent to start their enterprises are presented in figure 4.5. The findings indicate that most of the respondents 62.2% had their own selves as motivators to entrepreneurship while 27.4% were motivated by other entrepreneurs to get into
entrepreneurship. The findings contrast Giroux (2007) assertion that role models are important in promoting the concept of entrepreneurship among the youth in society since the existence of role models will have a positive effect on the development of entrepreneurship and vice versa. This implies that the youth in establishments like Mathare Sub County need to be introduced to role models and successful entrepreneurs to mentor them into entrepreneurship.

![Mentors](image)

**Figure 4.5 People Influencing Youths to Entrepreneurship**

### 4.8 Proactive Financial Management and Performance of Youth Enterprises

The proactive financial management and their relationship to performance of youth enterprises are presented in this section.

#### 4.8.1 Preparation of Financial Statements to Project Performance of Enterprises

The respondent’s statements on preparation of financial statements to project the performance of their enterprise is presented in figure 4.6. The results show that majority of the respondents (85.1%) stated that they never prepare financial statements to project performance of their enterprises while only 10.4% and 4.5% did the preparation twice per year and monthly respectively. The findings support Saleemi (2009) findings that it is doubtful whether the youth enterprises prepare and use finances appropriately. This implies that proactive financial management skills need to be activated among the youth entrepreneurs in Mathare Sub County.
4.8.2 Regular Refreshing Of Financial Management Skills By Youth Entrepreneurs

The respondent’s statements on whether they regularly refreshed their financial management skills are presented in figure 4.7. The results indicate that majority of the respondents (82.2%) never refreshed their financial management skills while 13.3% did so on sometimes. The findings add weight to Wawire and Nafukho (2010) statement that poor financial management is the second most cause of youth SME failure after lack of enough funds. The implication is that to enhance performance of youth enterprises in Mathare Sub County, proactive financial management skills are vital among the youth entrepreneurs.
4.8.3 Rating the Level of Sound Financial Management in Their Enterprises

The respondents’ rating levels of sound financial management in their enterprises is indicated in figure 4.8. The results indicate that, the majority of the respondents 79.3% were dissatisfied with their sound financial management skills of their enterprises. Only a few 18.7% and 2% stated that they were satisfied and very satisfied respectively with their financial management of their enterprises. The results agrees with Ihua (2009) report that one of the serious constraints on small business growth is lack of financial management skills, which results in the poor management actions taken by small business owners. This implies that financial management skills should be inculcated among the youth entrepreneurs especially those in Mathare Sub County.

![Figure 4.8 Levels of Sound Financial Management](image)

**Figure 4.8 Levels of Sound Financial Management**

**4.8.4 Evaluating the proactive financial management skills that influence performance of youth enterprises**

The respondent’s level of agreement with the variables that relates to proactive financial management is shown in table 4.7. From the findings, majority of the respondents 68% agreed that they are aware of the necessity of sound financial skills in performance of their enterprise while 54% agreed that possession of financial management skills make them effective managers. In addition, 78% stated that lack of financial managerial experience and training affects performance of their enterprises while 57% agreed that high cost of financial
managerial training and advisory services affects performance of their business. Finally, 41% agreed that they normally practice strategic planning, marketing, finance, operations and human resource management regular carrying out of cash flow analysis to optimize funds allocation influences performance of the enterprise with 73% agreeing that they are aware that a simple financial management mistake is likely to lead to death of an enterprise. The findings agree with Ondeng (2007) argument that prudent financial decisions are important in the success of entrepreneurs. This implies that for meaningful success in entrepreneurship, youth entrepreneurship must have the requisite financial management skills.

Table 4. 7 Proactive Management Skills

<table>
<thead>
<tr>
<th>Items</th>
<th>SD</th>
<th>D</th>
<th>U</th>
<th>A</th>
<th>SA</th>
</tr>
</thead>
<tbody>
<tr>
<td>I am aware of the necessity of sound financial skills in performance of my enterprise</td>
<td>1%</td>
<td>10%</td>
<td>6%</td>
<td>68%</td>
<td>15%</td>
</tr>
<tr>
<td>Possession of financial management skills makes me an effective manager</td>
<td>3%</td>
<td>2%</td>
<td>15%</td>
<td>54%</td>
<td>26%</td>
</tr>
<tr>
<td>Lack of financial managerial experience and training in management affects performance of my enterprise</td>
<td>1%</td>
<td>7%</td>
<td>3%</td>
<td>78%</td>
<td>11%</td>
</tr>
<tr>
<td>High cost of financial managerial training and advisory services affects performance of my business</td>
<td>4%</td>
<td>7%</td>
<td>5%</td>
<td>57%</td>
<td>27%</td>
</tr>
<tr>
<td>I normally practice strategic planning, marketing, finance, operations and human resource management</td>
<td>1%</td>
<td>6%</td>
<td>5%</td>
<td>60%</td>
<td>28%</td>
</tr>
<tr>
<td>I am aware that a simple financial management mistake is likely to lead to the death of my enterprise</td>
<td>2%</td>
<td>2%</td>
<td>2%</td>
<td>73%</td>
<td>21%</td>
</tr>
</tbody>
</table>

4.9 Entrepreneurial Training and Performance of Youth Enterprises

This section discusses the relationship between entrepreneurial training and performance of youth enterprises.

4.9.1 Training of Youth Entrepreneurs

The respondent’s responses on whether they had undergone any entrepreneurial training are tabulated in figure 4.9. The results indicate that 57.7% of the respondents had undergone entrepreneurial training while 42.3% had not. The findings complement Kilonzo (2012) view that entrepreneurship training in most instances is vital to successful entrepreneurs. This implies that entrepreneurial training should be enhanced to incorporate financial and managerial training for individual entrepreneurs.
4.9.2 Evaluating the Training Aspects Achieved After Entrepreneurial Training

The respondent’s level of agreement with the aspects relating to entrepreneurial training is tabulated in table 4.8. The results indicate that 57% of the respondents have attended entrepreneurship training seminars/workshops while 43% have not. In addition, 65% disagreed that they had attended planning and financial reporting training. Similarly, 83% of the respondents disagreed that entrepreneurship training is not necessary for their enterprises. At the same time, 56% of the respondents agreed that they are not successful in their enterprise due to lack of entrepreneurship training while 52% agreed that their enterprises are performing well due to possession of entrepreneurial skills. The findings agreed with Kilonzo (2012) argument that entrepreneurship training has been found to help separate the more successful entrepreneurs from those who are less successful. This implies that for the youth entrepreneurs in Mathare Sub County, entrepreneurship training is paramount to enhance the performance of their enterprises.
### Table 4.8: Aspects of Entrepreneurial Training

<table>
<thead>
<tr>
<th>Item</th>
<th>SD</th>
<th>D</th>
<th>U</th>
<th>A</th>
<th>SA</th>
</tr>
</thead>
<tbody>
<tr>
<td>I have attended entrepreneurship training seminars/workshops</td>
<td>3%</td>
<td>40%</td>
<td>0%</td>
<td>47%</td>
<td>10%</td>
</tr>
<tr>
<td>I have regularly undertaken marketing training</td>
<td>4%</td>
<td>39%</td>
<td>1%</td>
<td>48%</td>
<td>8%</td>
</tr>
<tr>
<td>I have attended planning and financial reporting training</td>
<td>4%</td>
<td>65%</td>
<td>11%</td>
<td>12%</td>
<td>8%</td>
</tr>
<tr>
<td>Entrepreneurship training has linked me with other enterprises</td>
<td>1%</td>
<td>30%</td>
<td>0%</td>
<td>48%</td>
<td>21%</td>
</tr>
<tr>
<td>Entrepreneurship training is not necessary for my enterprise</td>
<td>11%</td>
<td>83%</td>
<td>4%</td>
<td>2%</td>
<td>0%</td>
</tr>
<tr>
<td>I am not successful in my enterprise due to lack of entrepreneurship training</td>
<td>0%</td>
<td>7%</td>
<td>8%</td>
<td>56%</td>
<td>29%</td>
</tr>
<tr>
<td>My enterprise is performing well due to attendance of entrepreneurship workshops</td>
<td>2%</td>
<td>46%</td>
<td>0%</td>
<td>52%</td>
<td>0%</td>
</tr>
</tbody>
</table>

### 4.9.3 Entrepreneurship Areas Covered In the Training

The respondents who had attended training were asked to list the entrepreneurship areas covered in the training. The results are shown in figure 4.10. The results indicate that only 136 youth entrepreneurs have attended entrepreneurship training. Out of the total, 47.1% of the respondents were trained in book keeping, marketing skills 38.2% and 14.7% on managing stocks in their enterprises. The findings support Kellog (2006) assertion that without the requisite entrepreneurial training, youth find it tough to grow their businesses. This implies that for enhanced performance of youth enterprises in Mathare Sub County, entrepreneurship training is mandatory.

![Figure 4.10 Entrepreneurship Coverage In Training](image-url)

**Figure 4.10 Entrepreneurship Coverage In Training**
4.9.4 Creation of entrepreneurial culture among the youth by education system in Kenya

The respondent’s feelings on whether the current education system in Kenya support the creation of entrepreneurial culture among the youth is indicated in figure 4.11. Interestingly, majority of the respondents, 63.9% felt that Kenyan education does not support the creation of entrepreneurial culture among the youth. The other 36.1% stated that Kenyan education support entrepreneurial culture among the youth entrepreneurs. The findings agreed with Kimando, Njogu and Kihoro (2012) who stated that the system of education and training in Kenya has been blamed for failing to impart appropriate skills for enhancing self-employment. This implies that entrepreneurship training is a necessity to inspire the spirit of entrepreneurship among the youth in Mathare Sub County.

![Figure 4.11 Relevance of Education in Entrepreneurial Culture](image)

<table>
<thead>
<tr>
<th>Education support entrepreneurial culture</th>
<th>Education does not support entrepreneurial culture</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Percentage</td>
<td>Percentage</td>
<td></td>
</tr>
<tr>
<td>36.1</td>
<td>63.9</td>
<td>100</td>
</tr>
<tr>
<td>Frequency</td>
<td>Frequency</td>
<td>241</td>
</tr>
<tr>
<td>87</td>
<td>154</td>
<td></td>
</tr>
</tbody>
</table>

4.10 Performance of Youth Enterprises

This section explains the findings on the aspects related to performance of youth enterprises.

4.10.1 Performance of youth enterprises in terms of the sales margins over the last one year

The performance the enterprises in terms of the sales margins over the last one year are shown in table 4.9. The results show that most of the respondents 51.9% stated that an increase of 1-19% of sales was realised while 37.8% had a decline in sales. Only 9.4% of the enterprises realised a sales increase of above 50%. The findings support Giroux (2007) findings that lack of entrepreneurship training mostly is the cause of non-performance of
youth enterprises often reflected by reduced sales margins leading to lifestyle businesses. This implies that intensive measures like proactive financial management and entrepreneurship training is vital to enhance the growth of these enterprises.

Table 4. 9Performance In Sales Margins

<table>
<thead>
<tr>
<th>Items</th>
<th>Frequency</th>
<th>Percentages</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales have increased by over 50%</td>
<td>5</td>
<td>9.4</td>
</tr>
<tr>
<td>Sales have increased by 20 - 50%</td>
<td>20</td>
<td>0.9</td>
</tr>
<tr>
<td>Sales have increased by 1 - 19%</td>
<td>125</td>
<td>51.9</td>
</tr>
<tr>
<td>Sales have declined</td>
<td>91</td>
<td>37.8</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>241</strong></td>
<td><strong>100.0</strong></td>
</tr>
</tbody>
</table>

4.10.2 Performance of youth enterprises in terms of gross profit margins over the last one year

The performance of youth enterprises in terms of the gross profit margins over the last one year is presented in table 4.10. The results indicate that most of the youth enterprises 55.6% had realised a gross profit margin of 1-19% while 35.7% had recorded a decline in gross profit. Only 1.2% of the enterprises had a gross profit margin of over 50%. The findings agreed with Giroux (2007) statement that the trend in profit margins is an indicator of performance of the enterprises. This implies that the growth margin for most youth enterprises in Mathare Sub County is wanting and thus the need for entrepreneurship training.

Table 4. 10Performance In Gross Profit Margin

<table>
<thead>
<tr>
<th>Items</th>
<th>Frequency</th>
<th>Percentages</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales have increased by over 50%</td>
<td>5</td>
<td>9.4</td>
</tr>
<tr>
<td>Sales have increased by 20 - 50%</td>
<td>20</td>
<td>0.9</td>
</tr>
<tr>
<td>Sales have increased by 1 - 19%</td>
<td>125</td>
<td>51.9</td>
</tr>
<tr>
<td>Sales have declined</td>
<td>91</td>
<td>37.8</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>241</strong></td>
<td><strong>100.0</strong></td>
</tr>
</tbody>
</table>
4.10.3 Increase in Employees by Youth Entrepreneurs

The result of the increase in the number of employees among the youth enterprises is presented in table 4.11. Majority, 91.7% of the respondents stated that they had not increased the number of employees in the business since inception while a few, 8.3% had increased the employee’s numbers. The findings agree with Karongo (2009) who found that only 14% of the youth businesses are experiencing growth. This means that majority of the youth enterprises in the Mathare Sub County are not performing well and entrepreneurship training may be the solution.

Table 4.11 Increase in Employees

<table>
<thead>
<tr>
<th>Response</th>
<th>Number</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increase in number of employees</td>
<td>20</td>
<td>8.3</td>
</tr>
<tr>
<td>No increase in number of employees</td>
<td>221</td>
<td>91.7</td>
</tr>
<tr>
<td>Total</td>
<td>241</td>
<td>100.0</td>
</tr>
</tbody>
</table>

4.10.4 Improving of Youth Entrepreneurship to Gain Acceptance in Society

The results on how youth entrepreneurship may be improved to gain more acceptances in the society are presented in table 4.12. The results indicate that 42.3% of the respondents were in favour of 63.0%) of the respondents were on the opinion that entrepreneurship training as a measure of enhancing youth entrepreneurship acceptability in the society. In addition, 34.9% stated that entrepreneurship mentorship programmes as the solution. Finally, and 32.8% pointed at entrepreneurial financial management as a measure of ensuring performance of youth enterprises. The findings agreed with Giroux, (2007), who stated that one of the primary ingredients in small business success is financial support and entrepreneurial training. This implies that entrepreneurship training through mentorship and needs assessment and training will enhance the capacity of youth entrepreneurs in Mathare Sub County.
Table 4.12 Improving Youth Entrepreneurship

<table>
<thead>
<tr>
<th>Item</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Through entrepreneurship mentorship programmes</td>
<td>84</td>
<td>34.9</td>
</tr>
<tr>
<td>Through entrepreneurship financial management</td>
<td>55</td>
<td>32.8</td>
</tr>
<tr>
<td>Through entrepreneurship training</td>
<td>102</td>
<td>42.3</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>241</strong></td>
<td><strong>100.0</strong></td>
</tr>
</tbody>
</table>

4.11 Testing Regression Model Assumption

Before regression analysis was done, the data was checked for normality.

4.1.1.1 Normality Test

Histogram analysis was used to assess the actual degree of departure from normality and the results are presented in table 4.13. Based on the histogram diagram for each factor, the data indicated normal distribution. According to the statistic of Shapiro-Wilk is 0.876 with a significance of 0.137. If the Sig. value of the Shapiro-Wilk Test is greater than 0.05 then the data is normal, if it is below 0.05 then the data is not normally distributed (Lund Research Ltd, 2012). This shows that the data is normally distributed.

Table 4. 13 Test of normality

<table>
<thead>
<tr>
<th>Item</th>
<th>Kolmogorov-Smirnov&lt;sup&gt;a&lt;/sup&gt;</th>
<th>Shapiro-Wilk</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unstandardized Residual</td>
<td>Statistic 0.102, Df 77, Sig. 0.167</td>
<td>Statistic 0.876, Df 63, Sig. 0.137</td>
</tr>
</tbody>
</table>

<sup>a</sup> Significance Correction

4.11.2 Regression Analysis

The Multiple Regression Analysis describes the effect of the four explanatory variables acting jointly on performance of enterprises. The R2 value is the coefficient of determinant (expressed as a percentage) shows the variability of the dependent variable explained by the variability in independent variable(s). The R2 value of 0.765 implies that 76.5% of the variations in the dependent variable (performance of youth enterprises) are explained by the variations in independent variables (entrepreneurial competencies, skills, training and proactive financial management). The adjusted R2is an indicator of generalizability as it is used to estimate the expected shrinkage in R2that would not generalize to the population because of the solution being over-fitted to the data set by including too many independent
variables. In this case, $R^2 = 0.765$ and Adjusted $R^2 = 0.733$. These values are very close, anticipating minimal shrinkage based on this indicator.

Regression further indicates the strength of the relationship between the independent variables (proactive financial management, entrepreneurial skills, entrepreneurial competencies, entrepreneurial training) and the dependent variable (performance of enterprises). The $R^2$ value of 0.765 which further suggests that there is a strong relationship between performance of enterprises and proactive financial management, entrepreneurial skills, entrepreneurial competencies, entrepreneurial training. This indicates that the proactive financial management, entrepreneurial skills, entrepreneurial competencies, entrepreneurial training share a variation of 76.5% of performance of enterprise. Therefore, further research should be conducted to investigate the other factors (23.5%) that influence performance of youth enterprises in Mathare Sub County.

### Table 4.14 Summary of Overall Model

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
<th>Durbin-Watson</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.774a</td>
<td>.765</td>
<td>.733</td>
<td>.38586</td>
<td>2.027</td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), proactive financial management, entrepreneurial skills, entrepreneurial competencies, entrepreneurial training

b. Dependent Variable: Performance of enterprises

### 4.11.3 Analysis of Variance (ANOVA)

### Table 4.15 Analysis of variance

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>Df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regression</td>
<td>49.221</td>
<td>4</td>
<td>12.120</td>
<td>78.043</td>
<td>.000b</td>
</tr>
<tr>
<td>1 Residual</td>
<td>9.077</td>
<td>61</td>
<td>.148</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>59.453</td>
<td>65</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Dependent variable: performance of enterprises

Predictors: (constant) proactive financial management, entrepreneurial skills, entrepreneurial competencies, entrepreneurial training
With a sig= .000 as indicated in table, a significance level of over 99% is provided. This model significance implies that the model is acceptable. The total deviation in the dependent variable in the model is 59.453. The model was able to explain 49.221 of the total sum of squares while 9.077 of the total sum of squares were not explained. The F ratio is 78.043 and significant at sig= .000. This provides evidence of existence of a linear relationship between the response (performance of youth enterprises) and the four explanatory variables (entrepreneurial competencies, skills, training and proactive financial management). In other words the entire model was a good fit since F calculated (78.043) is greater than the F critical (59.453), this shows that the overall model is significant.

4.11.4 Coefficients

The unstandardized beta coefficients column in the coefficient table is used to obtain the overall equation. When these beta coefficients are substituted in the equation, the plot of performance of youth enterprises against entrepreneurial competencies, skills, training and proactive financial management show that there could be a linear relationship. The regression equation comprising both the explanatory variables is

\[ E(Y) = \alpha + \beta_1 L + \beta_2 S + \beta_3 T \]

where;

Performance = 0.71 - 0.411X_1 (competencies) + 0.314X_2 (skills) + 0.403X_3 (training) - 0.321X_4 (proactive financial management)

Two independent variables (entrepreneurial skills and training) are positive meaning that as the magnitude of the independent variable increases so does the magnitude of the dependent variable (performance of youth run enterprises). In addition, the other two independent variables (entrepreneurial competencies and proactive financial management) are negative meaning that as the magnitude of the independent variable increases the magnitude of the dependent variable (performance of youth run enterprises) decreases.

The most important independent variable in the regression model is entrepreneurial training with the highest Beta value of (0.403) then followed by entrepreneurial skills (beta=0.314). The findings imply that entrepreneurial training is the predictor variable that contributes the highest to the performance of youth enterprises in Mathare Sub County. This implies that every unit increase by entrepreneurial training will increase a total of 0.403 performances of youth enterprises, provided the other variables remain constant. The findings agree with
Odhiambo (2013) who found that entrepreneurship training had the highest effect on the performance of youth owned enterprises in Kiambu County.

Table 4. 16 Coefficients

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>T</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
</tr>
<tr>
<td>(Constant)</td>
<td>.071</td>
<td>.045</td>
<td>2.025</td>
<td>.001</td>
</tr>
<tr>
<td>Entrepreneurial</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>competencies</td>
<td>-.411</td>
<td>.048</td>
<td>.318</td>
<td>-3.102</td>
</tr>
<tr>
<td>Entrepreneurial</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>skills</td>
<td>.314</td>
<td>.045</td>
<td>.442</td>
<td>4.670</td>
</tr>
<tr>
<td>training</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Entrepreneurial</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>training</td>
<td>.403</td>
<td>.056</td>
<td>.486</td>
<td>6.540</td>
</tr>
<tr>
<td>Proactive financial</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>management</td>
<td>-.321</td>
<td>.048</td>
<td>.317</td>
<td>-3.322</td>
</tr>
</tbody>
</table>

Dependent Variable: performance of enterprises
CHAPTER FIVE

5.0 DISCUSSION OF THE FINDINGS, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction
The introduction of the chapter, discussions of the findings, conclusions, recommendations is discussed in this chapter.

5.2 Summary
The purpose of this study was to assess the entrepreneurial factors influencing the performance of youth enterprises in Mathare Sub County, Kenya. The study was guided by four objectives; entrepreneurial skills, entrepreneurial competencies, proactive financial management and entrepreneurial training and their relationship to the performance of youth enterprises. A descriptive survey research design was used and the population of the study was the youth enterprises located in Mathare Sub County. The sampling frame was derived from a list of 2520 youth enterprises registered and captured in the statistics of Youth Development officer in Mathare Sub County.

A multi stage sampling was used comprising of purposive sampling to select Mathare Sub-county, stratified sampling technique to select five strata of youth enterprises in the five wards of Mathare Sub County and also within the five clusters to ensure that all the youth enterprises in the sub county were included in the sample and to ensure representativeness. The sample size was 333 youth enterprises. Simple random sampling was finally used to select 67 youth enterprises from each of the five wards in Mathare Sub County. A questionnaire was the instrument used in collecting data.

Descriptive and inferential statistics were used in data analysis. The realized instruments response rate was 72.4% and a Cronbach’s alpha of above 0.7 was realized implying that the instruments were reliable for measurement. Thus there was an internal consistence of the constructs. The overall Cronbach’s alpha for entrepreneurial competencies (0.721), entrepreneurial skills (0.742), entrepreneurial training (0.771), proactive financial management (0.733) and performance of enterprises was 0.740. Validity was found to be more than 0.7, implying that there was high validity among the variables. Majority 57.7% of the respondents were male and 42.3% were female implying that most youth enterprises in
Mathare are operated by male entrepreneurs with majority having registered their enterprises to conform to the county by-laws. Only 13.2% of youth entrepreneurs have acquired entrepreneurship skills to run their businesses.

5.3 Discussions of the Findings

5.3.1 Entrepreneurial Skills and Performance of Youth Enterprises

The findings indicate that majority (65%) of the respondents stated that they found ways of surviving the tough situations, contrastingly, 66% who stated that they never took regular breaks to reduce burn out. Additionally, 60% stated that they were flexible and ready to adapt to changing business climate while 77% responded that they were passionate and obsessive about making business opportunity work. Finally, 67% responded that they were not discouraged by risks and setbacks with 57% pointing that they had relentless in pursuit of goals. The findings agreed with Mokaya (2010) that successful entrepreneurs are passionate and obsessive about making their business opportunity work with a strong vision. This implies that the youth entrepreneurs need entrepreneurial skills to enhance performance of their enterprises.

The entrepreneurial skills that influence performance of youth enterprises were exemplified by the results that indicated that 66% of the respondents stated that they had passion to make their business work while 75% agreed they are determined to succeed. Finally, majority agreed that they have set high standards of performance (67%); are hard-working and committed (78%) and they possess the ability to adapt and change to a new environment (73%). The findings agreed with Rasmussen & Sorheim (2006) and Mokaya (2010) who stated that entrepreneurs have a way of surviving the tough situations. This implies that entrepreneurial skills are important for success of youth entrepreneurs in Mathare Sub County. Entrepreneurial skills had a Beta value of 0.314 which is positive. The meaning is that an increase in one unit of entrepreneurship skill would trigger a corresponding 0.314 increase in performance of youth enterprises.

5.3.2 Entrepreneurial Competencies Influencing Performance of Youth Enterprises

The entrepreneurial competencies influencing the performance of the youth enterprises were indicated by the findings that majority 55.6% of the respondents showed that education level was a barrier to successful execution of their entrepreneurial endeavours. The findings
complements Kiruja (2013) who found that age, education level and experience in entrepreneurship are hindrances to success in youth entrepreneurship. The implication is that it is a necessity for stakeholders to ensure that the youth have necessary entrepreneurial competencies for them to be job creators in entrepreneurship.

In addition, the results showed that majority of the respondents 66% of the respondents disagreed that they are too young to understand the operation of a business. At the same time, 80% of the respondents agreed that young entrepreneurs with higher levels of education are more successful in enterprises while 68% disagreed with the assertion that education does not dictate the performance of an enterprise. Finally, 75% disagreed that parents support helps in better performance in enterprises. The findings supports Ihua (2009) argument that work experience contributes to SME performance by expanding the capabilities of owners and employees through the acquisitions of skills and knowledge.

The persons who influenced the respondent to start their enterprises were indicated in the findings where most of the respondents 62.2% had their own selves as motivators to entrepreneurship while 27.4% were motivated by other entrepreneurs to get into entrepreneurship. The findings contrast Giroux (2007) assertion that role models are important in promoting the concept of entrepreneurship among the youth in society since the existence of role models will have a positive effect on the development of entrepreneurship and vice versa. Despite its exemplified importance, entrepreneurial competencies had a Beta value of -0.411, meaning that a one unit increase will reduce performance of enterprise performance by 0.411 units.

5.3.3 Proactive Financial Management and Performance of Youth Enterprises

On preparation of financial statements to project the performance of their enterprise, majority of the respondents (85.1%) stated that they never prepare financial statements to project performance of their enterprises. The findings support Saleemi (2009) findings that it is doubtful whether the youth enterprises prepare and use finances appropriately. On whether they regularly refreshed their financial management skills, majority of the respondents (82.2%) never refreshed their financial management skills. The findings add weight to Wawire and Nafukho (2010) statement that poor financial management is the second most cause of youth SME failure after lack of enough funds. On rating levels of sound financial management in their enterprises, majority of the respondents 79.3% were dissatisfied with
their sound financial management skills of their enterprises. The results agrees with Ihua (2009) report that one of the serious constraints on small business growth is lack of financial management skills, which results in the poor management actions taken by small business owners.

On the variables that relates to proactive financial management, majority of the respondents 68% agreed that they are aware of the necessity of sound financial skills in performance of their enterprise while 54% agreed that possession of financial management skills make them effective managers. In addition, 78% stated that lack of financial managerial experience and training affects performance of their enterprises while 57% agreed that high cost of financial managerial training and advisory services affects performance of their business. Finally, 73% agreed that they are aware that a simple financial management mistake is likely to lead to death of an enterprise. The findings agree with Ondeng (2007) argument that prudent financial decisions are important in the success of entrepreneurs. Proactive financial management had a Beta value of -0.321, meaning that a one unit increase will reduce performance of enterprise performance by 0.321 units.

5.3.4 Entrepreneurial Training and Performance Of Youth Enterprises

Entrepreneurial training was the most significant predictor of performance of youth enterprises in Mathare Sub County. Every unit increase by entrepreneurial training increased a total of 0.403 performances of youth enterprises, provided the other variables remain constant. The respondent’s responses on whether they had undergone any entrepreneurial training indicated that 57.7% of the respondents had undergone entrepreneurial training while 42.3% had not. The findings complement Kilonzo (2012) view that entrepreneurship training in most instances is vital to successful entrepreneurs.

The areas the respondents attended training indicated that only 136 youth entrepreneurs have attended entrepreneurship training. Out of the total, 47.1% of the respondents were trained in book keeping, marketing skills 38.2% and 14.7% on managing stocks in their enterprises. The findings support Kellog (2006) assertion that without the requisite entrepreneurial training, youth find it tough to grow their businesses. The respondent’s feelings on whether the current education system in Kenya support the creation of entrepreneurial culture showed that majority of the respondents, 63.9% felt that Kenyan education does not support the creation of entrepreneurial culture among the youth. The findings agreed with Kimando,
Njogu and Kihoro (2012) who stated that the system of education and training in Kenya has been blamed for failing to impart appropriate skills for enhancing self-employment.

5.3.5 Performance of Youth Enterprises

Performance of youth enterprises in terms of sales margins over the last one year, showed that 51.9% of the youth enterprises had an increase of 1-19% of sales realised while 37.8% had a decline in sales. Only 9.4% of the enterprises realised a sales increase of above 50%. Performance of youth enterprises in terms of gross profit margins indicated that 55.6% of the youth enterprises had realised a gross profit margin of 1-19% while 35.7% had recorded a decline in gross profit. The findings supported Giroux (2007) findings that lack of entrepreneurship training mostly is the cause of non-performance of youth enterprises often reflected by reduced sales margins leading to lifestyle businesses. Only 1.2% of the enterprises had a gross profit margin of over 50%. Majority (91.7%) of the enterprises had not increased the number of employees in the business since inception while a few, 8.3% had increased the employee’s numbers. The findings agree with Karongo (2009) who found that only 14% of the youth businesses are experiencing growth.

5.4 Conclusions from the Study

The study concluded that the most important entrepreneurial factor in enhancing the performance of youth enterprises in Mathare Sub County is entrepreneurial training followed by entrepreneurial skills. This is attested by the significance attached to the need for entrepreneurial training and enhancement of entrepreneurial skills by majority of the respondents. The study further concluded that although entrepreneurial competencies and proactive financial management realized negative feedback to performance of youth enterprises, they are significant and need to be enhanced among the youth entrepreneurs. This is because the combination of entrepreneurial training, competencies, skills and proactive financial management is predicting 76.5% of performance of youth enterprises in Mathare Sub County.

5.5 Study Recommendations

Based on the major findings of the study and conclusions, the study made the recommendations that there is need for entrepreneurial training among the youth entrepreneurs in Mathare Sub County since a significant population has never been equipped
with it. The entrepreneurial skills of the youth in Mathare Sub County should be identified and sharpened to ensure that they are readied to navigate the world of entrepreneurship.

5.6 Area for Further Research
An area for further research was a comparative study on entrepreneurial aspects influencing performance should be undertaken in similar localities in Kenya for comparison needs. Further research should be conducted to investigate the other factors contributing 23.5% to performance of youth enterprises in Mathare Sub County which this study did not cover.
REFERENCES


Kenya Institute of Management, (2013). *Discussion paper on the establishment of micro and small centers of excellence presented in a workshop held at the Kenya School of Monetary studies on 14th October 2013.*


Kumar, N. (2007). Small information technology services employment and entrepreneurship development; some explorations into Indian experience. Indian journal of labour Economic, 43(4).


OECD (2005) Putting the Young in Business; Policy Challenges for Youth Entrepreneurship. The LEED Programme, Territorial Development Division, Paris


APPENDICES

APPENDIX 1: LETTER OF INTRODUCTION

TO WHOM IT MAY CONCERN

RE: Request for data collection

I am studying for an MBA degree at the United States International University (USIU) and in partial fulfillment of the course, I am required to write a research project. The subject of my research is an examination of the entrepreneurial factors influencing performance of youth enterprises in Mathare Sub County, Kenya.

You have been selected to participate in this study/survey and I would kindly request for your assistance in filling the attached questionnaire.

The information provided is strictly for academic purpose and will be handled with strict confidence. Your assistance and co-operation will be highly appreciated.

Thank you in advance

Yours Faithfully,

Maria Ngoru
APPENDIX 2: QUESTIONNAIRE

SECTION A: GENERAL INFORMATION

1. Name (optional) ........................................................................................................

2. Gender: Female (   )             Male (   )

3. Have you had any other business prior to the current one?
   
   a) Yes            (   )
   
   b) No             (   )

   If Yes, What happened to the business?

   ................................................................................................................................

   ................................................................................................................................

   ..............................................................

   4. Is the business registered?

   a) Sole proprietorship            (   )
   
   b) Partnership                   (   )
   
   c) Limited liability             (   )

   5. Tick the skills below which you have received and are helpful in running business enterprise?

   a) Technical                     (   )
   
   b) Entrepreneurship             (   )
   
   c) Management                   (   )
   
   d) None                         (   )
SECTION B: PERFORMANCE OF YOUTH ENTERPRISES

6. How is the performance of your enterprise in terms of the sales margins over the last one year?
   a) Sales have increased by over 50% ( )
   b) Sales have increased by 20 - 50% ( )
   c) Sales have increased by 1 - 19% ( )
   d) Sales have declined ( )

7. How is the performance of your enterprise in terms of the gross profit margins over the last one year?
   a) Gross profit has increased by over 50% ( )
   b) Gross profit has increased by 20 - 50% ( )
   c) Gross profit has increased by 1 - 19% ( )
   d) Gross profit has declined ( )

8. Have you increased the number of employees since you started your business?
   ........................................................................................................................................

9. How can performance of youth enterprises be improved?
   a) Through entrepreneurship mentorship programmes ( )
   b) Through entrepreneurial financial management education ( )
   c) Through entrepreneurial training ( )
   d) Other means (please specify) ( )
   ........................................................................................................................................
   .........................
SECTION C: ENTREPRENEURIAL SKILLS

10. Which of the following skills do you employ in your enterprise?

<table>
<thead>
<tr>
<th>Skills</th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>They have a way of surviving the tough situations.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Taking regular breaks to reduce burn out</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Passionate and obsessive about making business opportunity work</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Strong will to succeed</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Attracted to challenges</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Not discourage by risks and setbacks</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Relentless in pursuit of goals</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Being a risk taker is a natural trait.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Approach risks cautiously.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

11. The entrepreneurial skills that influence youth entrepreneurs’ performance in SMEs are listed below. After you read each of the factors, evaluate them in relation to your business and then put a tick mark ( ) under the choices below. 5=strongly agree 4=agree 3=undecided 2=disagree 1=strongly disagree

<table>
<thead>
<tr>
<th>No.</th>
<th>Item</th>
<th>Agreement scale</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>1</td>
</tr>
<tr>
<td>1</td>
<td>I possess survival tactics for my enterprise</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>To avoid burn out I take regular breaks</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>I have passion to make my business work</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>I have determination to succeed</td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>I am attracted to challenges</td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>Setbacks and risks do not discourage me</td>
<td></td>
</tr>
<tr>
<td>7</td>
<td>I have conviction and belief to succeed</td>
<td></td>
</tr>
<tr>
<td>8</td>
<td>I am a strategic planner</td>
<td></td>
</tr>
<tr>
<td>9</td>
<td>I delegate duties to my employees</td>
<td></td>
</tr>
<tr>
<td>10</td>
<td>I handle complaints with tact and diplomacy</td>
<td></td>
</tr>
<tr>
<td>11</td>
<td>I set high standards of performance</td>
<td></td>
</tr>
<tr>
<td>12</td>
<td>I am hard working and commitment</td>
<td></td>
</tr>
<tr>
<td>13</td>
<td>I possess the ability to adapt and change to a new environment</td>
<td></td>
</tr>
</tbody>
</table>
SECTION D: ENTREPRENEURIAL COMPETENCIES

12. Tick the individual competencies that influence the performance of your enterprise.

a) Ability to innovate (  )
b) Ability to spot and seize opportunities (  )
c) Ability to network (  )
d) Ability to make decisions (  )
e) Others (specify) (  )

13. Tick the individual attributes that influence the performance of your current enterprise.

a) Gender (  )
b) Age (  )
c) Education level (  )
d) Family background (  )
e) Others (specify) (  )

14. The entrepreneurial competencies that influence youth entrepreneurs’ performance are listed below. After you read each of the factors, evaluate them in relation to your business and then put a tick mark (√) under the choices below. 5=strongly agree 4=agree 3=undecided 2=disagree 1=strongly disagree

<table>
<thead>
<tr>
<th>Agreement scale</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
</tr>
<tr>
<td>My enterprise performance is influenced by my ability to innovate</td>
</tr>
<tr>
<td>My enterprise is performing well since I have ability to spot and seize opportunities</td>
</tr>
<tr>
<td>My ability to network influences my enterprise performance</td>
</tr>
<tr>
<td>My ability to make good decisions has influence on the performance of my business</td>
</tr>
<tr>
<td>Education does not dictate the performance of an enterprise</td>
</tr>
<tr>
<td>My parents support helps in better performance in my enterprise</td>
</tr>
<tr>
<td>My past experience in business has influenced the performance of my business enterprise.</td>
</tr>
</tbody>
</table>
15. Who influenced you to start your enterprise?

.................................................................................................................................

SECTION E: PROACTIVE FINANCIAL MANAGEMENT

16. Do you prepare financial statements to project the performance of your enterprise?

a) Weekly (  )

b) Every month (  )

c) Twice an year (  )

d) Never (  )

17. Do you regularly refresh your financial management skills?

e) Weekly (  )

f) Every month (  )

g) Twice an year (  )

h) Never (  )

18. How would you rate financial management in relation to your enterprise?

a) Very satisfactory (  )

b) Satisfactory (  )

c) Unsatisfactory (  )

d) Very unsatisfactory (  )

e) Give reasons for your answer above

........................................................................................................................................

........................................................................................................................................

........................................................................................................................................

19. The proactive financial management skills that influence youth entrepreneurs’ performance in SMEs are listed below. After you read each of the skills, evaluate them in relation to your business and then put a tick mark (√) under the choices below. 5=strongly agree 4=agree 3=undecided 2=disagree 1=strongly disagree
<table>
<thead>
<tr>
<th>No.</th>
<th>Item</th>
<th>Agreement scale</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>1   2   3   4   5</td>
</tr>
<tr>
<td>1</td>
<td>I am aware of the necessity of sound financial skills in</td>
<td></td>
</tr>
<tr>
<td></td>
<td>performance of my enterprise</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Possession of proactive financial management skills makes</td>
<td></td>
</tr>
<tr>
<td></td>
<td>me an effective entrepreneur</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Lack of financial managerial experience and training affects</td>
<td></td>
</tr>
<tr>
<td></td>
<td>performance of my enterprise</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>Financial forecasting and budgeting influences business</td>
<td></td>
</tr>
<tr>
<td></td>
<td>performance</td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>Regular carrying out of cash flow analysis to optimize funds</td>
<td></td>
</tr>
<tr>
<td></td>
<td>allocation influences performance of my enterprise</td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>I am aware that a simple financial management mistake is</td>
<td></td>
</tr>
<tr>
<td></td>
<td>likely to lead to the death of my enterprise</td>
<td></td>
</tr>
</tbody>
</table>

**SECTION F: ENTREPRENEURIAL TRAINING**

20. Have you undergone any entrepreneurial training?
   a) Yes  (   )
   b) No   (   )
   c) If Yes, list the areas you require for further training...

21. The following are training aspects achieved after entrepreneurial training. After you read each of the factors, evaluate them in relation to your enterprise and then put a tick mark ( ) under the choices below. 5=strongly agree 4=agree 3=undecided 2=disagree 1=strongly disagree
No. | Item | Agreement scale
--- | --- | ---
1 | I have attended entrepreneurship training seminars /workshops | 1 2 3 4 5
2 | I have regularly undertaken marketing training | 
3 | I have attended planning and financial reporting training | 
4 | Entrepreneurship training has linked me with other enterprises | 
5 | Entrepreneurship training is not necessary for my enterprise | 
6 | I am not successful in my enterprise due to lack of entrepreneurship training | 
7 | My enterprise is performing well due to attendance of entrepreneurship workshops | 

22. List the entrepreneurship areas covered in the training?

-------------------------------------------------------------------------------------------------------------------

23. Do you think the current education system in Kenya support the creation of Entrepreneurial culture among the youth?

-------------------------------------------------------------------------------------------------------------------

24. Please indicate how the entrepreneurial training was beneficial to you?

<table>
<thead>
<tr>
<th>Attributes</th>
<th>Not at all</th>
<th>Not sure</th>
<th>Moderate</th>
<th>High</th>
<th>Very high</th>
</tr>
</thead>
<tbody>
<tr>
<td>Seeking better improvement in business</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>