



**ENTREPRENEURIAL FACTORS INFLUENCING PERFORMANCE OF YOUTH RUN AGRO-BASED ENTERPRISES IN
NGOLIBA WARD, KIAMBU COUNTY, KENYA**

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ABSTRACT

There is convincing evidence that the growth of entrepreneurship in Kenya has led to an increase in the number of SMEs in Kenya, including in the agro-based sector. Thanks to entrepreneurship, the SMEs play a key role in the economic development and contribute significantly to employment and poverty reduction among the youth in the country. 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, and those that continue 80 percent fail before the fifth year. Consequently, it is important to focus on, amongst other issues, the entrepreneurial factors influencing performance of youth SMEs. The purpose of this study was to investigate the entrepreneurial factors influencing the performance of youth run agro-based enterprises in Ngoliba Ward, Thika Sub-County, Kenya. Two objectives guided the study; entrepreneurial skills, entrepreneurial competencies and their relationship to the performance of youth run agro-based enterprises. The study adopted survey research design with the population as the youth run agro-based enterprises and the target population as the registered youth run agro-based enterprises in Ngoliba Ward. The sampling frame consisted of 105 registered youth enterprises. Purposive sampling, Krejcie and Morgan (1970) sample size estimation table and simple random sampling were used as sampling methods to select a sample size of 100 respondents. Self-administered questionnaires incorporating both open-ended and closed-ended questions items were used to collect data from 100 respondents. Data analysis was done using the Statistical Package for Social Sciences (SPSS) programme. From the data analysis, the two independent variables (entrepreneurial skills, entrepreneurial competencies) were significant as they explained 84.2% of the performance of youth runs enterprises in Ngoliba Ward. Entrepreneurial skills ($r=0.520$) and entrepreneurial competencies ($r=0.350$). The relationship between predictor variables and performance of youth run enterprises in the regression model showed that entrepreneurial skills ($\beta=0.399$) and lastly entrepreneurial competencies ($\beta=0.202$). The findings imply that entrepreneurial training is the predictor variable that contributes the highest to the performance of youth run agro-based enterprises.. The study concluded that institutions involved in empowering and funding the youth should ensure that the potential youth have the necessary entrepreneurial skills such as flexibility and adaptability in order to improve the performance of their agro-based enterprises. Further, Identification of gaps in the levels of entrepreneurial competencies among the youth entrepreneurs should be paramount before financial assistance is provided in order to spur innovation, creativity and enhanced performance. An area for further research is on entrepreneurial training impediments since majority of the respondents in the study area had not attended entrepreneurial training despite the same having the highest influence on the performance of youth run agro-based enterprises in Ngoliba Ward, Thika Sub-County.

Key Words: *Entrepreneurial Factors, Performance, Youth Run Agro-based Enterprises*

INTRODUCTION

According to United Nations Conference on Trade and Development (UNCTAD) (2014), addressing the development needs and rights of young people and empowering them is a global issue. Encouraging the development of entrepreneurial talents among the young population may effectively contribute, if paralleled by adequate policies addressing the constraints of the labour market to achieve employment generation and inclusive growth (United Nations Children's Fund, 2012). 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 and growth has been reiterated many times over recent years. This is even more urgent in the area of youth employment considering the future demographic trends (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.

Statement of the Problem

The growth of entrepreneurship in Kenya has led to an increase in number of SMEs in Kenya. Thanks to entrepreneurship, the SMEs sector plays a key role in the economic development and contribute to a large extent to employment and poverty reduction among the youth in the country. According to the Economic Survey (2006), the sector contributed over 50 percent of new jobs created in the year 2005. In cognizance 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. These include development of sessional papers, enactment of legislation, creating institutions, 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. While little evidence exists that these small firms grow into medium-size firms (employing 50 to 100 workers), many of these small firms have the potential to grow and add one to five employees (Kanyari & Namusonge, 2013). The SMEs sector is notoriously volatile and experiences a high degree of business closure and shrinkage (Eriksson & Kuhn, 2006). 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.

Agriculture is uniquely positioned to absorb the many potential youth who yearly come out of the education institutions, although agro-based sector does not often occur to policy makers as a solution to the challenge of job creation. Many youths do not consider the agro-based sector as a genuine career path with financial reward and work satisfaction and an alternative to joblessness (Schoof, 2010). The agro-based sector has untapped potential to create jobs, both directly and indirectly (Schoof, 2010). Despite high unemployment rate amongst the youth, very few venture into agri-business. The few who have formed groups and started agro-based enterprises are successful and are able to grow their enterprises. If the agro-based enterprises grow in size, they would contribute to economic growth and poverty reduction among the youth (Mengo, 2013).

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. Similarly, most of the research on youth entrepreneurship has generally ignored the agro-based sector with more concentration on other sectors. Odhiambo (2013) researched on factors influencing performance of youth owned micro, small and medium enterprises in service industry in Kenya. Nyaga (2010) researched on training, motivation and entrepreneurial skills as determinants to growth of youth SMEs in Nairobi County. Chigunta (2005) identified lack of business skills as a key barrier to youth's entrepreneurship. This study is different as it has focused on entrepreneurial factors influencing youth agro-based SMEs in Ngoliba ward of Thika sub-county, Kiambu County.

General objective

The main objective of this study was to investigate the entrepreneurial factors influencing the performance of youth run agro-based enterprises in Ngoliba Ward, Thika Sub-County, Kenya. The specific objectives were: To determine the influence of entrepreneurial skills and entrepreneurial competencies on the performance of youth run agro-based enterprises.

Research questions

The study was guided by the following questions:

1. What is the influence of entrepreneurial skills on the performance of youth run agro-based enterprises?
2. What is the influence of entrepreneurial competencies on the performance of youth run agro-based enterprises?

Scope of the study

The study was carried out in Ngoliba ward of Thika sub-county, Kiambu County. The study focussed on the registered agro-based enterprises owned by the youth and the influence of entrepreneurial skills and entrepreneurial competencies.

LITERATURE REVIEW

Theoretical framework

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

Firm growth theory

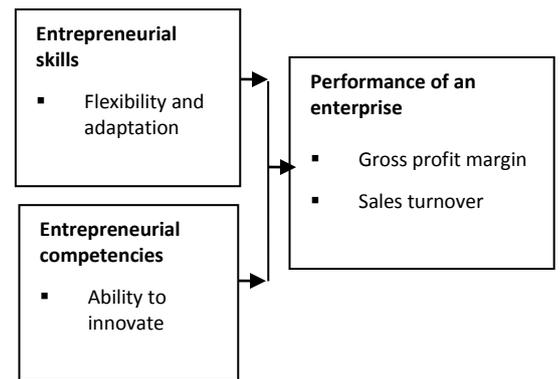
Penrose's theory on the Growth of the Firm is reviewed to support the study. Penrose (1959) suggested that enterprises are a bundle of internal and external resources, which helps an enterprise to achieve competitive advantage. She further adds

that in the long run, there can be a limit to the growth of an enterprise, but not to the size. Growth of an enterprise is determined by the rate at which experienced managerial staff can plan and implement this plan. She has further explained that the external environment of an enterprise is an image in the mind of the entrepreneur.

Enterprise activities are governed by productive opportunities which are actually a dynamic interaction between the internal and the external environments. This interaction includes all the productive possibilities that the entrepreneur can see and take advantage of. The author also mentioned that growth often is natural and normal, a process that will occur whenever conditions are favourable. The size of the enterprise is incidental to the growth process, and 'an enterprise is a coherent administrative unit that provides administration coordination and authoritative communication' (Penrose, 1959). She has proposed that the growth of the enterprise is limited by the scope of managerial resources, specially the ability to coordinate capabilities and introduce new people into the enterprise. This theory is relevant for this study because the youth run SMEs rely on management which is a human resource element in running the day to day business. An entrepreneurial manager requires to have requisite entrepreneurial skills, entrepreneurial characteristics, management skills and entrepreneurship training to induce positive performance in the enterprise. From Penrose's theory, good managerial and entrepreneurial skills can help growth and development of the firm.

Conceptual framework

This study was guided by four independent variables; entrepreneurial skills and entrepreneurial competencies. The dependent variable was performance of an enterprise



Independent variables variable

Dependent variable

Figure 1: conceptual framework

Review of study variables

This section reviewed the independent and dependent variables of the study.

Entrepreneurial skills and performance of youth run agro-based enterprises

The Government of Kenya recognizes that access to entrepreneurial skills development is key to the growth and development of any enterprise (Government of Kenya, 2005). Skilled entrepreneurs have what it takes to pursue their dreams and acquire their objective. They have a way of surviving the tough situations. They must remember to take regular breaks from work which will ensure that they do not burn out quickly (Rasmussen & Sorheim, 2006). Successful 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 their pursuit of goals (Mokaya, 2010). Being a risk taker is a natural trait.

Successful 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, entrepreneurs employ the best employees to support them in their venture. They focus on their main objective, growth and sustenance by learning to delegate. Serving as a member of the top management, they must have the ability to supervise all the sections of the business and become a generalist. Communication and delegation entrepreneurial skills help entrepreneurs to muster the abilities and efforts made by their team members. Mediating and handling complaints for their company requires immense tact and diplomacy (Gakure, 2001).

For successful entrepreneurs, hard work and commitment are strong entrepreneurial traits. Entrepreneurs are able to work long hours, are not afraid to get their hands dirty especially in agro-based enterprises activities and are among the first few people to focus on their task with a high degree of involvement. They set high standards of performance by their accomplishments and are 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 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. An entrepreneur must be customer focused. Ultimately, it is they who decide 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 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 entrepreneurs (Hisrich, 2005).

Entrepreneurial competencies and performance of youth run agro-based enterprises

As identified by Lans et al. (2008) entrepreneurial competencies are a mix of knowledge, skills and attitudes. They can also be defined as broader personal characteristics necessary for superior entrepreneurial behaviour, but also as an outcome of a proper application of knowledge. Entrepreneurial competencies are defined as knowledge, skills and attitudes that affect the willingness and ability to perform the entrepreneurial job of new value creation. Entrepreneurial competencies can be measured directly or indirectly; and can be improved through training and development. Based on the work of Boyatzis (1982), entrepreneurial competencies are defined as underlying characteristics possessed by a person which result in new venture creation, survival, and/or growth (Bird, 1995). These characteristics include generic and specific knowledge, motives, traits, self-images, social roles, and skills that may or may not be known to the person (Boyatzis, 1982). That is, these characteristics may be even unconscious attributes of an individual. Some of these competencies are innate while others are acquired in the process of learning, training and development. Sanchez (2011) defines competencies as “a cluster of related knowledge, traits,

attitudes and skills that affect a major 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".

Entrepreneurial competencies are defined as people characteristics which enhance their performance or effectiveness at work. 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). According to Bird (1995), competencies are seen as observable behaviours that are more tied to performance than other entrepreneurial characteristics such as personality traits, intentions or motivations. 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. An entrepreneur is expected to interact with these environmental forces which require him to be highly competent in different dimensions like intellectual, attitudinal, behavioural, technical, and managerial aspects. 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. It not only gives confidence but also help in solving various problems. A higher education level helps the entrepreneur to have better knowledge and skills which contribute to the success of their venture. In addition, Kabahanga (2013) found that entrepreneurs with higher levels of education and competencies were more successful in growing their businesses compared to those with little or no education.

It is commonly held that role models are important in promoting the concept of entrepreneurship in society. According to Giroux (2007), the existence of role models in a society will have a positive effect on the development of entrepreneurship and vice versa. Giroux further argues that the influence of credible role models is widely recognized as an important factor in one'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 agro-based enterprises are more likely to be influenced by the experiences of other youth in related sector of entrepreneurship.

Work experience is generally considered to be an important asset as it provides an individual 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. Entrepreneurs with more experiences in managing business are more capable of finding ways to study new business compared to employees with different pathways. Correspondingly, a study in Kenya found that Kenyans 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 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. The study however revealed that sales were not influenced by marital status. 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 entrepreneurs who started their enterprises at early age were more successful. This shows that there is a relationship between growth and age.

However there seems to be recent debate about the peak age for entrepreneurs. A commonly held belief is that younger founders appears to inspire waves of innovation like in the mid-1990s and even today with face book, while older entrepreneurs launch sustainable business (Ressi, 2011). However, Kiruja (2013) argues that youth below 30 years in agro-based enterprises lack management experience or the knowledge needed to conduct a strong growth oriented agro-based firm. Middle aged founders benefiting from some experience yet retaining the energy

necessary to drive a business forward were more likely to grow their business.

Research gaps

A 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. Ngugi and Bwisa (2013) studied on the factors influencing growth of group owned MSEs. The variables studied were the influence of technology, product quality, access to finance and markets on growth of group owned OVOP enterprises. Mwangombe (2013) studied the factors that influence performance of various youth group income generating projects in Taita district. The variables studied include youth group management/leadership skills, nature of project activities, planning and control of funds and support given by the government and other organizations and their effects on the performance of youth group projects. Wanjiru (2013) investigated the factors influencing the performance of youth owned micro and small enterprises. The variables studied include: socio-cultural factors, education, training and skills, access to credit, access to market, entrepreneurship skills and their influences on the performance of youth enterprises. Odhiambo (2013) studied factors that affect the performance of youth owned micro, small and medium enterprises (MSMEs) in Kenya. The variables studied were leadership style used, use of social networks and the business owner or leader' level of knowledge. This study will be different as it will focus on the influence of entrepreneurship skills, entrepreneurial characteristics, managerial skills and entrepreneurship training on performance of youth enterprises. Mwaura, Nganga and Gathenya interrogated the inculcation of entrepreneurial culture among students in Kenya. The variables studied were entrepreneurial socialization process and

government legal regulatory framework. Shabiti and Namusonge (2015) studied on factors influencing performance of agro-based micro small and medium enterprises in Kenya: A Case Study of Mwea Sub-County. The variables studied were managerial skills, entrepreneurship education and access to finance.

RESEARCH METHODOLOGY

Research design

In this study, survey design was used. Survey design is flexible enough to provide opportunity for considering different aspects of a problem being studied (Kothari, 2004). Surveys are considered useful in the examination of relationships between variables and in the derivation of policy options (Cooper & Schindler, 2008). The design was best suited for the study since it provides an excellent vehicle for generalization. It also described the different entrepreneurial factors influencing the performance of youth run agro-based enterprises as they exist.

Study population

The study population was 105 registered youth run agro-based enterprises in Ngoliba ward of Thika sub-county, Kiambu County.

Sample and sampling techniques

Purposive sampling was used to identify Ngoliba ward of Thika sub-county, Kiambu County. Purposive sampling was also used to identify the 105 registered youth run agro-based enterprises which were operating at the time of the study. Krejcie and Morgan (1970) sample size estimation table was then used to capture the sample size. The unit of analysis constituted 100 respondents which was sufficient according to the estimation table. Simple random sampling was applied to select the 100 respondents from the sampling frame of 105 registered youth run agro-based

enterprises. The analysis ensured that each enterprise was given equal opportunity to be included in the study and that data collected was representative across the target group.

Data collection instruments

Self-administered questionnaires incorporating both open-ended and closed-ended questions items were used to collect data from 100 respondents.

Primary data

Primary data was collected using a self-administered questionnaire incorporating both open-ended and closed-ended questions items. According to Cooper and Schindler (2008), the questionnaire is conveniently used because it is cheaper and quicker to administer, it is above researcher's effect and variability, and is highly convenient for the respondents as they could fill them during free times or when workloads are manageable. The instruments incorporated 5 point Likert scales to measure perception and attitude.

Secondary data

The secondary data was obtained through literature review of the Ministry of Devolution and Planning in Thika Sub-County records and other relevant research on entrepreneurial factors impacting on performance of youth run agro-based enterprises.

Data analysis and presentation

Various methods of analysing data were used on the raw data collected to make it meaningful. Data analysis was both qualitative and quantitative. Qualitative analysis involved examining, categorizing, tabulating and recombining evidences to address the research questions. Qualitative data was grouped into meaningful patterns and themes that were observed to help in the summarizing and organization of the

data. This involved identification, examination, and interpretation of patterns and themes in an effective manner. Quantitative analysis was done using descriptive statistics i.e. frequency counts, percentages and pie charts to show differences in frequencies. Quantitative data was summarized and presented using percentages and correlation co-efficients. The likert type questions were reduced to meaningful factors using factor analysis. To examine which entrepreneurial factors influence the performance of youth run enterprises, a multiple regression model was used. All data was analysed using the

Statistical Package for Social Sciences (SPSS).

RESEARCH FINDINGS AND DISCUSSION

Response Rate

The targeted sample size was 100 respondents. A total of 85 out of 100 self-administered questionnaires were filled and returned yielding a response rate of 85%.

Reliability and validity test

The reliability and validity tests of the research instrument were carried out to determine the consistency and truthfulness of the measures of the research instrument as explained beneath.

Reliability test

Table 1: Reliability test

Construct	Cronbach's Alpha	Comments
Entrepreneurial competencies	0.716145	Accepted
Entrepreneurial skills	0.762898	Accepted
Performance of enterprises	0.970649	Accepted

The study found that overall cronbach's alpha for entrepreneurial competencies (0.716), entrepreneurial skills (0.763) and performance of enterprises was 0.971.

Demographic information

This section presents demographic information of the respondents involved in youth run agro-based enterprises in Ngoliba Ward, Thika Sub-County.

In order to establish the gender of the youth, the study requested the respondents to indicate their gender. From the findings of the study majority 54% of the respondents were male and 46% 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 run agro-based enterprises in Ngoliba Ward are operated by male entrepreneurs.

The main activities of the youth run enterprises were requested. From the findings of the study, most of the youth entrepreneurs (27%) were engaged in whole sale enterprises dealing in farm produce with 20% engaged in farm produce processing. Another 19% are in farming based activities. Hotel businesses and agrovets had the least actors comprising only 19% of the youth enterprises sampled.

The study further sought to find out the duration of time the youth entrepreneurs had been in operation. Most of the respondents 42% indicated they have had businesses for 2-3 years and 36% for 3-4 years. This shows that most of the youth run agro-based enterprises in Ngoliba Ward, Thika Sub-County are surviving the formative years, especially after running a previous business.

The study sought to find out from the youth entrepreneurs whether they had prior business before current one. The findings, from the study most of the respondents (52%) had no prior business before current one and 48% had operated a business before the current one. This shows that most of the youth had no previous experience of running a business and this may be the reason why they are mostly particular with the agro-based sector due to prior knowledge and experience.

The respondents were asked to state the length of time they had operated the previous business and the findings were showed that 69 (81%) of the respondents had run their previous enterprise for between 1-2 years, 10 (12%) of the respondents had run their enterprise for 2-3 years, 4 (5%) for over 3 years while 2 (2%) run their enterprise for less than a year. The statement complements UNCTAD (2013) statement that 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 enterprises survive, thrive and grow to maturity. The study further sought to find out the legal status of enterprises run by the youth entrepreneurs. From findings, majority of the enterprises run by the youth

Table 2: Correlation matrix of variables

		Entrepreneurial competencies	Entrepreneurial skills
Performance of enterprises	Pearson Correlation	.350**	.520**
	Sig. (2-tailed)	.004	.000
	N	85	85

Table 2 indicates the correlation co-efficient between performance of enterprises and entrepreneurial skills and entrepreneurial competencies. The findings revealed that there is statistically significant positive

in Ngoliba Ward (61%) are established as sole proprietorship with 35% as partnership and 4% as limited liability establishments. This implies that majority of the youth entrepreneurs operate as sole proprietors due to among other factors the registration and statutory requirements of running limited liability companies.

The respondents were requested to state the skills they had acquired during training. The findings indicated (54%) of youth entrepreneurs acquired technical skills during training, (33%) acquired entrepreneurship skills and (13%) acquired business management skills. The findings imply that there is limited entrepreneurial training for the youth entrepreneurs in the Sub-County.

Correlation of study variables

Correlation analysis of the entrepreneurial factors influencing the performance of youth run agro-based enterprises

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

relationship between, performance of enterprises and entrepreneurial competencies ($r=0.350, p<0.01$). There is a strong significant positive relationship between performance of enterprises and entrepreneurial skills ($r=0.520, p<0.01$).

Descriptive and qualitative analysis of the study variables

The descriptive study was anchored under two independent variables, namely entrepreneurial competencies and entrepreneurial skills against the dependent variable which was the performance of youth run enterprises.

Entrepreneurial skills and performance of youth run agro-based enterprises

The respondents were requested to state the entrepreneurial skills employed by the youth in the performance of their enterprises. From the findings in the table majority (74%) of the respondents stated that they found ways of surviving the tough situations with 72% stating that they took regular breaks to reduce burn out. 99% of the respondents said they were flexible and ready to adapt to changing business climate with 95% responding that they were passionate and obsessive about making business opportunity work. All the respondents, 100%, stated that they had a strong will to succeed. However, 75% of the respondents stated that they were not attracted to challenges. At the same time, 98% responded that they were not discouraged by risks and setbacks with 72% pointing that they had relentless in pursuit of goals. 62% of the respondents argued that they were not risk takers with 65% stating that they approached risks cautiously.

Majority of the findings agreed with Mokaya (2010) views that successful 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 their pursuit of goals. Being a risk taker for them is a natural trait. This implies that the youth entrepreneurs to some extent felt that they had the flexibility

and adaptation to enhance performance in their agro-based enterprises.

The respondents were asked to state the entrepreneurial skills that influence performance of youth run agro-based enterprises. From the findings, majority of the respondents, (53%), disagreed that they possess survival tactics for their enterprise with 72% agreeing that they avoided burn out by taking regular breaks. Another 99% of the respondents also agreed that they are flexible and adapt easily to changes in the business environment and have passion to make their business work. Majority (96 %) of the respondents agreed that they have determination to succeed while 68% of the respondents disagreed that they are attracted to challenges. Majority (93%) of the respondents agreed that setbacks and risks do not discourage them while 85% agreed that they have conviction and belief to succeed.

However, 67% of the respondent strongly disagreed that they are strategic planners while 64% of the respondents agreed that they delegate duties to their employees. Another majority (87%) of the respondents agreed that they handle complaints with tact and diplomacy and also set high standards of performance. Finally, 63% agreed that they are hardworking and committed to the success of their enterprises. The findings agreed with Rasmussen & Sorheim (2006) and Mokaya (2010) who stated that entrepreneurs have a way of surviving the tough situations through taking regular breaks from work and they are passionate and obsessive about making their business opportunity work with a strong vision. Their determination to succeed is due to their strong will and setbacks and risks do not discourage them. The implication is that if the entrepreneurial skills are well grounded among the youth entrepreneurs in the Sub-County, they will embrace risk taking and

strategic planning which may be the only missing link to better performance of their agro-based enterprises.

Entrepreneurial competencies and performance of youth run agro-based enterprises

The entrepreneurial competencies and their relationship to performance of youth run agro-based enterprises are discussed in this section. The respondents were requested to state the individual attributes that influence the performance of their current enterprises. The findings indicates that 42.2% of the respondents stated that age (may be to acquire financial base and collateral) was a hindrance in their ability to perform optimally in their enterprises. Similarly, 21.2% and 16.4% pointed at their education levels and gender as hindrances to performance of their enterprises.

The findings complements Kiruja (2013) who argued that youth below 30 years in agro-based enterprises lack management experience or the knowledge needed to

conduct a strong growth oriented agro-based enterprises firm, but middle aged founders benefiting from some experience yet retaining the energy necessary to drive a business forward were more likely to grow their business. The implication is that identification of gaps in the levels of entrepreneurial competencies among the youth entrepreneurs in the Sub-County is paramount so that they can be assisted with the necessary skills that will spur innovation, creativity and enhanced performance in their enterprises.

The respondents were asked to state the entrepreneurial competencies that influence performance of youth run enterprises in a scale of (5=strongly agree 4=agree 3=undecided 2=disagree 1=strongly disagree).

Table 4: Entrepreneurial competencies influencing performance of enterprises

Item	SD	D	U	A	SA
My enterprise performance is influenced by my ability to innovate	(0%)	(15%)	(2%)	(82%)	(0%)
My enterprise is performing well since I have ability to spot and seize opportunities	(0%)	(0%)	1(1%)	8(96%)	(2%)
My ability to network influences my enterprise performance	(0%)	(0%)	(0%)	(96%)	(4%)
My ability to make good decisions has influence on the performance of my business	(0%)	(5%)	(0%)	(93%)	(2%)
Education does not dictate the performance of an enterprise	(0%)	(85%)	(5%)	(11%)	(0%)
My parents support helps in better performance in my enterprise	(1%)	(62%)	(2%)	(35%)	(0%)

My past experience in business has influenced the performance of my business enterprise.

(1%) (50%) (5%) (42%) (2%)

The study sought to examine the respondent's level of agreement with the variable that relates to entrepreneurial competencies. From the findings, majority of the respondents (82%) agreed enterprise performance is influenced by their ability to innovate. Another 96% of the respondents agreed that their enterprises are performing well since they have ability to spot and seize opportunities. Similarly, 96% of the respondents also agreed that ability to network influences their enterprise performance. In addition, 93% of the respondents agreed that ability to make good decisions has influenced on the performance of their enterprises. However, 85% of the respondents stated that education does not dictate the performance of an enterprise with 62% of the respondents disagreeing that parents support helps in enhancing performance of their enterprises. Finally, 50% of the respondents disagreed that past experience in business has influenced the performance of their enterprises.

Majority of the findings supports Ihua (2009) argument that work experience and competency 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. Similarly, the entrepreneur's age can be a determinant of enterprise performance because entrepreneurship is particularly challenging for many youth start-ups. This implies that identification of the entrepreneurial competencies inherent in individual youth entrepreneur will be key in spurring entrepreneurial innovation that will lead to improved performance of the

enterprises. Entrepreneurial innovation will play a major role in conversion of the small youth enterprises to medium enterprises that will expand beyond the village to the county and regional levels, creating more youth employment by increasing the number of employees.

Performance of youth enterprises

The respondents were asked to indicate the performance their enterprises performance in terms of the sales margins over the last one year. The findings indicate that 57% the respondents stated that an increase of 20-50% of sales were realised in their enterprises in the duration of one year with 31% indicating an increase of 1-19%. Only 10% of the enterprises realised a sales increase of above 50%. The findings add weight to Giroux (2007) argument that positive index on the sales and profit margins is an indicator of performance of the enterprises.

The respondents were asked to state the performance of their enterprises in terms of the gross profit margins over the last one year. The results indicate that 55.3% of the enterprises had a gross profit margin of 20-50% with 31.8% realising an increase of 1-19%. Only 9.4% of the enterprises had a gross profit margin of over 50%. The findings complements Giroux (2007) argument that positive index on the sales and profit margins is an indicator of performance of the enterprises.

The respondents were asked to state whether they have increased the number of employees since the start of the enterprise. From the findings of the study, majority, (76.5%), of the respondents stated that they had not increased the number of employees in their business. A few (23.5%) had

increased the employee's numbers. Rasmussen and Sorheim (2006) asserted that successful entrepreneurs, being strategic planners, aims at increasing the manpower by employing the best employees to support them in their venture. Majority of the youth agro-based enterprises in the Sub-County are not increasing employment hence the need to take corrective interventions.

The respondents were asked to state whether they had perceptions on expansion of their business into other centres/ towns and findings. Majority, (69.0%), of the respondents stated that they had not expanded their enterprises in terms of opening new branches in other towns. A few (31.0%) had opened new branches. The findings support Leintz and Rea (2012) statement that a mark of enterprise performance and growth, is the expansion of the enterprise through penetrating into new markets.

The respondents statements on how youth entrepreneurship be improved to gain more acceptances in the society. From the findings of the study, majority, (63.0%), of the respondents were of the opinion that entrepreneurship education and training would improve performance of youth run agro-based enterprises. The other 18.0% and 17.0% pointed at entrepreneurial financial management and entrepreneurship mentorship programmes respectively as the other ways of improving performance of youth enterprises. According to Giroux, (2007), one of the primary ingredients in small business success must be the funding and entrepreneurial competence of the owner-manager that is enhanced through entrepreneurship training. It can be deduced that current entrepreneurial training and mentorship programmes require improvement in order to enable the

youth within the Sub-County to record enhanced sales and gross profit margins.

The respondents were requested to outline the major problems youth owned face in running their enterprise. From the findings of the study, majority (63%) of the respondents lacked sufficient funds to operate their enterprises. The other (21%) of the respondents had insufficient management and (16%) of the respondents had limited entrepreneurial training to operate their enterprises. The findings supports Odeng' (2007) assertion that lack of managerial skills, funding and capacity building are 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. This implies that majority of the youth enterprises in the Sub-County encounter similar challenges facing youth enterprises in Kenya.

The respondents were asked to rank the performance of enterprises in a number of the performance aspects. From the findings, majority of the respondents, (65%), stated that their financial management was satisfactory with 30% indicating was good. Similarly, 78% stated human resource management was satisfactory as well as another 59% who said that marketing was also satisfactory. At the same time, 60% of the respondents stated there was good innovation in business products with 54% stating networking was good. Finally, 56% of the respondents felt that business knowledge in the enterprises was good. This implies that a good proportion of youth entrepreneurs have a reservation of the general performance of their enterprises. Entrepreneurship measures like training will go a long way in reversing the trend for the enterprises to start realizing growth in sales and profit margins.

Regression analysis

Table 5: Summary of overall model

Model	R	R ²	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.918 ^a	.842	.832	.38586	2.027

a. Predictors: (Constant) entrepreneurial skills and entrepreneurial competencies

b. Dependent Variable: Performance of enterprises

The Multiple Regression Analysis describes the effect of the four explanatory variables acting jointly on performance of youth run enterprises. The R² value is the co-efficient 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 0.842 implies that 84.2% of the variations in the dependent variable (performance of youth run enterprises) are explained by the variations in independent variables

(entrepreneurial competencies, skills). The adjusted R² is an indicator of generalizability as it is used to estimate the expected shrinkage in R² that 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, R² = 0.842 and Adjusted R² = 0.832. These values are very close, anticipating minimal shrinkage based on this indicator.

Analysis of Variance (ANOVA)

Table 6: Analysis of variance (ANOVA)

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	48.481	2	12.120	81.406	.000 ^b
	Residual	9.082	63	.149		
	Total	57.563	65			

Dependent variable: performance of enterprises

Predictors: (constant) entrepreneurial skills, entrepreneurial competencies

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 57.563. The model was able to explain 48.481 of the total sum of squares while 9.082 of the total sum of squares was not

explained. The F ratio (in the Analysis of Variance Table) is 81.406 and significant at sig= .000. This provides evidence of existence of a linear relationship between the response (performance of youth run enterprises) and the two explanatory variables (entrepreneurial competencies, skills). In other words the entire model was

a good fit since F calculated (81.406) is greater than the F critical (57.563), this

shows that the overall model is significant.

Co-efficient

Table 4.1 Co-efficients

	Model	B	T	Sig.
	(Constant)	.097	2.025	.047
1	Entrepreneurial competencies	.202	3.502	.001
	Entrepreneurial skills	.399	7.920	.000

Dependent Variable: performance of enterprises

The beta co-efficients column in the co-efficient table were used to obtain the overall equation. When these beta co-efficients are substituted in the equation, the plot of performance of youth run enterprises against entrepreneurial competencies and skills show that there could be a linear relationship.

The independent variables are all positive meaning that as the magnitude of the independent variable increases (entrepreneurial competencies, skills) so does the magnitude of the dependent variable (performance of youth run enterprises). For the constant, if all the independent variables are held constant then the Performance of enterprises will be 0.097. The co-efficient of the constant is significant since t-value=2.025 (p-value=0.047<0.05 level of significance). The regression co-efficient of entrepreneurial competencies is 0.202 with a t-value =3.502 (p-value=0.001<0.05 level of significance). This shows that one unit change in entrepreneurial competencies results in 0.202 unit increase in performance of enterprises.

The regression co-efficient of entrepreneurial skills is 0.399 with a t-value =7.920 (p-value=0.000<0.05 level of

significance). This shows that one unit change in entrepreneurial skills results in 0.399 unit increase in performance of enterprises. **Order of importance of predictors**

Entrepreneurial skills (beta=0.399) and lastly Entrepreneurial competencies (beta =0.202).

SUMMARY OF THE FINDINGS

The summary of the major findings of the study was presented in this section:

Findings based on influence of entrepreneurial skills on performance of youth run agro-based enterprises

Majority, 75%, of the respondents stated that they were not attracted to challenges with 62% arguing that they were not risk takers with 65% stating that they approached risks cautiously. This implied that the youth entrepreneurs to some extent fail to portray entrepreneurial skills to forge flexibility and adaptation to enhance performance in their agro-based enterprises.

From the findings, majority of the respondents (53%) disagreed that they

possess survival tactics with 72% agreeing that they avoided burn out by taking regular breaks. Another 99% of the respondents also agreed that they are flexible and adapt easily to changes in the business environment and have passion to make their business work. Majority (96%) of the respondents agreed that they have determination to succeed while 68% of the respondents disagreed that they are attracted to challenges. Majority (93%) of the respondents agreed that setbacks and risks do not discourage them while 85% agreed that they have conviction and belief to succeed. Without passion, perseverance and determination to succeed, an entrepreneur can not be able to start and run a successful enterprise due to the many business and environmental challenges faced.

67% of the respondent strongly disagreed that they are strategic planners while 64% of the respondents agreed that they delegate duties to their employees. Another majority (87%) of the respondents agreed that they handle complaints with tact and diplomacy and also set high standards of performance. Finally, 63% agreed that they are hardworking and committed to the success of their enterprises. The implication is that if the entrepreneurial skills are well grounded among the youth entrepreneurs in the Sub-County, they will embrace risk taking and strategic planning which may be critical in the realization of enhanced performance of their agro-based enterprises.

Findings based on the influence of entrepreneurial competencies on performance of youth run enterprises

From the findings, majority of the respondents (82%) agreed enterprise performance is influenced by their ability to innovate. Another 96% of the respondents

agreed that their enterprises are performing well since they have ability to spot and seize opportunities. Similarly, 96% of the respondents also agreed that ability to network influences their enterprise performance. In addition, 93% of the respondents agreed that ability to make good decisions has influenced on the performance of their enterprises.

85% of the respondents stated that education does not dictate the performance of an enterprise, while 62% of the respondents disagreed that parents support helps in improving performance of their enterprises. Finally, 50% of the respondents disagreed that past experience in business has influenced the performance of their enterprises. This implies that identification of the entrepreneurial competencies inherent in individual youth entrepreneur will be key in spurring entrepreneurial innovation that will lead to improved performance of the enterprises. Entrepreneurial innovation will play a major role in conversion of the small youth enterprises to medium enterprises that will expand beyond the village to the county and regional levels, creating more youth employment by increasing the number of employees. Finally, the findings indicate that most of the respondents, (42.4%), had other entrepreneurs as their mentors with 35.3% stating that the siblings in the family influenced their entry into entrepreneurship. The implication for the youth entrepreneurs in the Sub-County is that more mentorship programmes combined with business incubation services will go a long way in awakening innovation and visionary entrepreneurial practices among the youth.

Conclusions from the study

The study further concluded that entrepreneurial skills have a significant influence on the performance of youth run

agro-based enterprises. Entrepreneurship skills are vital as skilled entrepreneurs have what it takes to pursue their dreams and achieve their objectives. They have the adaptation and flexibility of surviving the tough situations. The study finally concluded that entrepreneurial competencies had the least but significant influence on the performance of youth run agro-based enterprises. Entrepreneurial competencies such as ability to innovate and spot opportunities are vital in ensuring that youth run agro-based enterprises perform better.

Study recommendations

Based on the major findings of the study and conclusions, the study recommended that institutions involved in empowering and funding the youth should ensure that the potential youth are equipped with the necessary entrepreneurial skills. These skills enable the youth entrepreneurs to be flexible and adaptable to changing business environment hence leading to improved performance of their agro-based enterprises. Identification of gaps in the levels of entrepreneurial competencies among the youth entrepreneurs should be

paramount before financial assistance is provided in order to spur innovation, creativity and enhanced performance.

Areas for further research

A study should be undertaken to investigate the lack of significant enterprise expansion and increase in employees among the youth run agro-based enterprises in Ngoliba Ward, Thika Sub-County. This is because, although there is a significant performance of enterprises in terms of gross profit and sales turnover, there is no marked expansion in terms of new outlets and increase in the number of employees among the enterprises in the study area.

Another area for further study is a research on the impediments of entrepreneurial training since majority of the respondents in the study area indicated that they had not attended any entrepreneurial training. This is crucial because the study found out that entrepreneurial training is the predictor variable that had the highest influence on performance of the youth run agro-based enterprises in Ngoliba Ward, Kiambu County.

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