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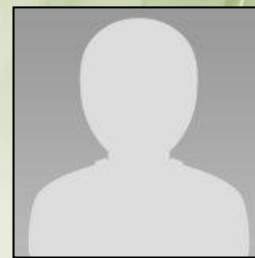
**“INFLUENCE OF ENTREPRENEURSHIP SKILLS ON  
PERFORMANCE OF YOUTH MSMES IN KITALE TOWN, TRANS  
NZOIA COUNTY”**



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## **Abstract**

Success of youth owned enterprises is a concept that needs to be natured through best practices such as implementation of strategic choices, incorporation of entrepreneurial skills and identifying business opportunities among other internal and external factors. This study aimed at investigated the influence of performance of youth owned MSME in Kitale town, Trans Nzoia County. The hypothesis was that Entrepreneurship skills had no significant effect on performance of youth MSMEs in Kitale Town, Trans Nzoia County. The study adopted descriptive research design using owners for 375 registered youth enterprises in Kitale Town. A sample of 190 youth enterprises. SPSS was used to run descriptive statistics such as frequencies and percentages so as to present the quantified data in form of research questions. The study established that entrepreneurial skills were relevant in the success of MSMEs as indicated by 63.2% of the respondents. The study recommends the provision of entrepreneurial skills to youth entrepreneurs through vocational trainings, entrepreneurship forums, entrepreneurship incubation and mentorship programs. The study further recommends a more comprehensive study in other counties incorporating other stakeholders to validate the findings of this study across the country for comparison with other counties with different culture and economic activities.

**Key Words: Youth Enterprise Scheme, Micro Small and Medium Enterprises, Performance, Youth Enterprise Development Fund, Youth Enterprise Promotion, Youth Owned Enterprise**

## **1. Introduction**

Performance was most often compounded into hard criteria such as increased turnover or wider profit margins (Olawale, 2010). Sandberg et al. (2002) defined the performance of youth owned enterprises as their ability to contribute to job and wealth creation through business start-up, survival and growth (Sandberg et al. 2002). Success was often equated with the achievement of clearly defined and measurable goals and objectives in all sectors of human life (Olawale, 2010), which, on the other hand, may be of a subjective as well as a financial nature. Youth enterprise performance was substantially influenced by the individual characteristics and behavior of the owner, and task environment characteristics. Performance referred to outcomes that came from undertaking entrepreneurial activities. It had been noted that performance was a multidimensional concept (Naidu, & Chand, 2012). Therefore, single

performance indicators were likely to produce biased results. Performance was measured in several ways, but a useful dividing line could be drawn between objective performance measures and perceptual ones. Objective measures consisted mainly of sales growth or employment growth. Perceptual measures included non-financial goals and global success ratings made by business managers. There was evidence that perceptual performance measures were more highly related to business owner's personality characteristics than organizational outcomes (Rauch et al, 2006).

Enterprise performance was constrained by internal factors, such as resources and strategic choices, and external factors, such as the carrying capacity of the environment or competition. The resource-based view of the enterprise suggested that competitive advantage stemmed from the possession and deployment of resources that were in some way superior to those of its competitors.

The UN, for statistical consistency across regions, defined 'youth', as those between the ages of 15 and 24 years , It could be based for instance on the definition given in the African Youth Charter where "youth" meant "every person between the ages of 15 and 35 years"

Many research including Bwisa (2010) and Rauch at al, (2006) had linked low survival rate of youth enterprises with little accessibility of credit facilities and poor entrepreneurial skills. Youths were driven by their unemployment state to start up a business. The provisions of youth funds in most developing countries had also motivated most youths to venture in entrepreneurship. However, they lacked skills and knowledge to apply in business operations hence copying what other business entrepreneurs were doing resulting to market saturation.

Globally, there was increasing recognition of youth enterprises as a source of job creation, empowerment and economic dynamism. Through government strong initiatives such as empowering youth people with entrepreneurial training and funding, youth enterprises had moved to another level of competing with large business firms and even networking with them thus enhancing better marketing of their products and accessibility to financial resources. According to ILO (2010), success of most young entrepreneurs in Switzerland had been attributed to strong networks of trust and interdependence. Through this trusted networking, youth seeking loan funds were not asked for securities other than just genuine

commitment, appropriate business training, a valid business plan and an agreement to a mandatory mentor programme (ILO, 2010).

Most small and medium enterprises in Africa had been hindered by lack of vocational training among youth entrepreneurs, lack of financial accessibility and poor managerial skills hence leading to low survival rate. The mortality rate of these small and medium enterprises remained very high, for example Mead (2010) in the study of five African countries found that most firms started with 1-5 employees and never expanded. Furthermore less than 1 percent grew to a size of about 10 employees. Friedman (2009) in his study of 214 small enterprises in the northern region of Nigeria within an eight year period reported that only 4 had graduated into medium firms.

In Kenya, youth enterprise operated in highly competitive industries with low barriers to entry, it is perhaps unsurprising that many businesses run by young people did not necessarily grow, survive or provide sustainable incomes. This reflected the wider difficulties that most small-scale businesses had in growing and surviving. Businesses run by young entrepreneurs had lower survival rates than those of older entrepreneurs (Van Praag, 2003). Statistics however showed that in Kenya, three out of five of these businesses failed within the first three years of operations (ROK, 2007), and those that continued 80 percent failed before the fifth year. This failure of business performance was marked by discontinuance of a business for any reason, or through formal bankruptcy proceedings, (Saleemi, 2009).

Kenya had embraced entrepreneurship development through formulation of policies favorable to development of small enterprises particularly in the recent years. Such policy initiatives included Sessional Paper number 2 of 2005 on development of MSEs for wealth and employment creation (Government of Kenya, 2005); Sessional Paper number 2 of 1992 for small enterprise and jua kali development in Kenya; Sector Plan for labour, youth and human resource development 2008-2012 (Republic of Kenya, 2008c); Poverty Reduction Strategy Paper 1999-2015 and MSE bill 2006 which led to the establishment of a council to facilitate the development of MSEs and creation of MSEs development fund (Government of Kenya, 2006). In addition, the Ministry of Youth Affairs (MoYA) established Youth Enterprise Development Fund (YEDF) in the year 2007 (MoYA, 2008) as a source of capital for registered youth groups in Kenya to start and/or boost their MSEs (Onugu, 2005). Most

commercial banks and financial institutions had also developed MSE tailored strategies to give loans to young entrepreneurs in groups or as individuals (Saleemi, 2009).

In Kenya, performance of youth enterprises had been low with many of them closed after few months of operation (ROK, 2007). Internal and external factors such as lack of market linkage, poor managerial skills and inability to make strategic choices had been attributed to the failure of these enterprises (Kariuki, 2010). Youths in Trans Nzoia County operated income generating enterprises including; rearing and selling of chicken (poultry), growing and selling horticultural produce (vegetables) from group owned farm plots, planting and selling seedlings from group owned tree nurseries, growing of cereals during the rainy seasons in jointly owned plots, operating tailoring business for the groups, making building bricks, garbage collection & cleaning, cattle and goats keeping, Carpentry and operating Boda boda (Kariuki, 2010).

### **1.1 Statement of the Problem**

Ideally, success of youth owned enterprises was a concept that needed to be natured through best practices such as implementation of strategic choices, incorporation of entrepreneurial skills and identifying business opportunities among other internal and external factors. Youth business owners ought to identify factors that inhibited sustainable growth and success of their enterprise and renew its way of operations.

Past researches revealed that the established enterprises had a very low survival rate, with serious challenges leading to 60 percent failures in performance within the first three years of operation, (Bwisa, 2010, ROK, 2007). This poor performance had hampered their ability to contribute to the growth of Kenya's GDP as required. It also made them unable to compete with other larger businesses including multinational corporations, or take full advantage of the economy and access the global markets for profitability and sustainability (Bwisa, 2010). This business failure rate of youth owned MSMEs was quite alarming and unjustified. However, despite the government effort to facilitate and promote the development of youth initiated projects; little had been achieved as witnessed from the performance of these projects. Some had ceased operating, others had stagnated and only a few of them seemed to be self-sustainable.

To address this problem, several studies had been carried out in this area of study; the

factors that affected performance of youth group YREs that include; Availability of resources, family income, experience and training, business association and networking, leadership styles, environment factors among others. However it was critical to research and identify the critical influencers to get information that would provide the best policy support to youth entrepreneurs and enable them participate effectively in meeting Kenya’s vision 2030.

### 1.2 Objectives

To establish if entrepreneurship skills influenced the performance of youth MSMEs in Kitale Town, Trans Nzoia County.

### 1.3 Research Hypotheses

**H<sub>01</sub>:** Entrepreneurship skills had no significant effect on performance of youth MSMEs in Kitale Town, Trans Nzoia County.

### 1.4 Conceptual Framework

This framework conceptualized entrepreneurship skills as independent variable while business performance as dependent variable measured by profitability, growth and business value in Trans Nzoia County.

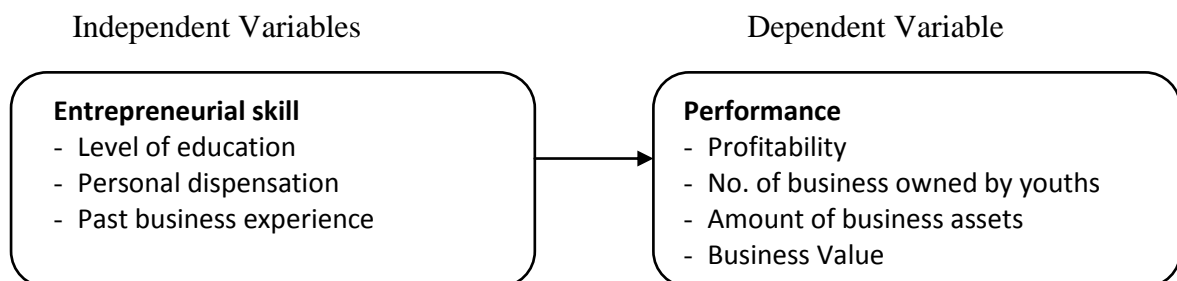


Figure 1.1 Conceptual Framework

## 2. Literature Review

### 2.1 Theoretical Framework

A Theory is a set of statements or principles devised to explain a group of facts or phenomena especially one that has been repeatedly tested or is widely accepted and can be used to make predictions about natural phenomena (Popper, 2009). Theories are analytical tools for understanding, explaining, and making predictions about a given subject matter (Hawking, 2005). A formal theory is syntactic in nature and is only meaningful when given

a semantic component by applying it to some content (i.e. facts and relationships of the actual historical world as it is unfolding (Zima, 2007).

Today entrepreneurship has evolved beyond classic start up notion to include companies and organizations of all types in all stages. The entrepreneurship can occur or fail to occur in firms that are new and old; Small and large; fast and slow growing; in all geographical points; and in all styles developing nation regardless of politics. There are several theories that have been advanced for entrepreneurship. This study was based on the following theories.

### **2.1.1 Psychological Entrepreneurship Theories**

The level of analysis in psychological theories is the individual (Landstrom, 1998). These theories emphasize personal characteristics that define entrepreneurship. Need for achievement, Personality traits and Locus of control are reviewed and empirical evidence presented for three other new characteristics that have been found to be associated with entrepreneurial inclination. These are risk taking, innovativeness, and tolerance for ambiguity.

### **2.1.2 Need for Achievement theory**

While the trait model focuses on enduring inborn qualities and locus of control on the individual's perceptions about the rewards and punishments in his or her life, (Pervin, 1980,), need for achievement theory by McClelland (1961) explained that human beings have a need to succeed, accomplish, excel or achieve. Entrepreneurs are driven by this need to achieve and excel. While there is no research evidence to support personality traits, there is evidence for the relationship between achievement motivation and entrepreneurship (Johnson, 1990). Achievement motivation may be the only convincing personological factor related to new venture creation (Shaver & Scott, 1991).

Risk taking and innovativeness, need for achievement, and tolerance for ambiguity had positive and significant influence on entrepreneurial inclination Mohar, Singh and Kishore (2007). However, locus of control (LOC) had negative influence on entrepreneurial inclination. The construct locus of control was also found to be highly correlated with variables such as risk taking, need for achievement, and tolerance for ambiguity. The recent finding on risk taking strengthens earlier empirical studies which indicate that aversion to risk

declines as wealth rises, that is, one's net assets and value of future income (Szpiro, 1986). In complementing Szpiro's observation, Eisenhauer (1995) suggests that success in entrepreneurship, by increasing wealth, can reduce the entrepreneur's degree of risk aversion, and encourage more venturing. In his view, entrepreneurship may therefore be a self-perpetuating process. Further evidence suggests that some entrepreneurs exhibit mildly risk-loving behavior (Brockhaus, 1980). These individuals prefer risks and challenges of venturing to the security of stable income.

### **2.1.3 Personality Traits Theory**

Coon (2004) defines personality traits as "stable qualities that a person shows in most situations". To the trait theorists there are enduring inborn qualities or potentials of the individual that naturally make him an entrepreneur. The obvious or logical question on your mind may be "What are the exact traits/inborn qualities?" The answer is not a straight forward one since we cannot point at particular traits. However, this model gives some insight into these traits or inborn qualities by identifying the characteristics associated with the entrepreneur. The characteristics give us a clue or an understanding of these traits or inborn potentials. In fact, explaining personality traits means making inference from behavior. Some of the characteristics or behaviors associated with entrepreneurs are that they tend to be more opportunity driven (they nose around), demonstrate high level of creativity and innovation, and show high level of management skills and business know-how. They have also been found to be optimistic, (they see the cup as half full than as half empty), emotionally resilient and have mental energy, they are hard workers, show intense commitment and perseverance, thrive on competitive desire to excel and win, tend to be dissatisfied with the status quo and desire improvement, entrepreneurs are also transformational in nature, who are lifelong learners and use failure as a tool and springboard. They also believe that they can personally make a difference, are individuals of integrity and above all visionary.

The personality trait theory held that entrepreneurs were born, not made (Cohen, 1980). Other researchers had added innovative, action oriented, high need for personal control and highly autonomous to the Cohen's list of what they saw as uniquely entrepreneurial characteristics (Schein, 1994).



#### **2.1.4 Locus of Control**

Locus of control is another important aspect of personality. The concept was first introduced by Julian Rotter in the 1950s. Rotter (1966) refers to Locus of Control as an individual's perception about the underlying main causes of events in his/her life. In other words, a locus of control orientation is a belief about whether the outcomes of our actions are contingent on what we do (internal control orientation) or on events outside our personal control (external control orientation).

In this context the entrepreneur's success comes from his/her own abilities and also support from outside.

The former is referred to as internal locus of control and the latter is referred to as external locus of control. While individuals with an internal locus of control believe that they are able to control life events, individuals with an external locus of control believe that life's events are the result of external factors, such as chance, luck or fate. Empirical findings that internal locus of control is an entrepreneurial characteristic have been reported in the literature (Cromie, 2000, Ho and Koh, 1992; Koh, 1996; Robinson et al., 1991).

In a student sample, internal locus of control was found to be positively associated with the desire to become an entrepreneur (Bonnett & Furnham, 1991). Rauch and Frese (2000) also found that business owners have a slightly higher internal locus of control than other populations. Other studies have found a high degree of innovativeness, competitive aggressiveness, and autonomy reports (Utsch et al., 1999). The same is reported of protestant work ethic beliefs (Bonnet and Furnham, 1991), as well as risk taking (Begley & Boyd, 1987).

#### **2.2 Resource-Based Entrepreneurship Theories**

The Resource-based theory of entrepreneurship argues that access to resources by founders is an important predictor of opportunity based entrepreneurship and new venture growth (Alvarez & Busenitz, 2001). This theory stresses the importance of financial, social and human resources (Aldrich, 1999). Thus, access to resources enhances the individual's ability to detect and act upon discovered opportunities (Davidson & Honing, 2003). Financial, human capital and social represents three classes of theories under the resource – based entrepreneurship theories.

### **2.2.1 Financial Capital/Liquidity Theory**

Empirical research has showed that the founding of new firms is more common when people have access to financial capital (Blanchflower et al, 2001, Evans & Jovanovic, 1989, and Holtz-Eakin et al, 1994). By implication this theory suggests that people with financial capital are more able to acquire resources to effectively exploit entrepreneurial opportunities, and set up a firm to do so (Clausen, 2006).

However ,other studies contest this theory as it is demonstrated that most founders start new ventures without much capital, and that financial capital is not significantly related to the probability of being nascent entrepreneurs (Aldrich,1999, Kim, Aldrich & Keister, 2003, Hurst & Lusardi, 2004, Davidson & Honing, 2003).This apparent confusion is due to the fact that the line of research connected to the theory of liquidity constraints generally aims to resolve whether a founder's access to capital is determined by the amount of capital employed to start a new venture Clausen (2006). In his view, this does not necessarily rule out the possibility of starting a firm without much capital. Therefore, founders access to capital is an important predictor of new venture growth but not necessarily important for the founding of a new venture (Hurst & Lusardi, 2004). This theory argues that entrepreneurs have individual-specific resources that facilitate the recognition of new opportunities and the assembling of new resources for the emerging firm (Alvarez & Busenitz, 2001).

Research shows that some persons are more able to recognize and exploit opportunities than others because they have better access to information and knowledge (Aldrich, 1999, Anderson & Miller, 2003, Shane 2000, 2003, Shane & Venkataraman, 2000).

### **2.2.2 Human Capital Entrepreneurship Theory**

Underlying the human capital entrepreneurship theory are two factors, education and experience (Becker, 1975). The knowledge gained from education and experience represents a resource that is heterogeneously distributed across individuals and in effect central to understanding differences in opportunity identification and exploitation (Anderson & Miller, 2003, Chandler & Hanks, 1998, Gartner et al, 2005, Shane & Venkataraman, 2000).

Empirical studies show that human capital factors are positively related to becoming a nascent entrepreneur(Kim, Aldrich & Keister, 2003,Davidson & Honing,2003, Korunka et

al, 2003), increase opportunity recognition and even entrepreneurial success (Anderson & Miller, 2003, Davidson & Honing, 2003).

### **2.2.3 Social Capital or Social Network Theory**

Entrepreneurs are embedded in a larger social network structure that constitutes a significant proportion of their opportunity structure (Clausen, 2006). Shane and Eckhardt (2003) says “an individual may have the ability to recognize that a given entrepreneurial opportunity exist, but might lack the social connections to transform the opportunity into a business startup. It is thought that access to a larger social network might help overcome this problem” (pp.333).

In a similar vein, Reynolds (1991) mentioned social network in his four stages in the sociological theory. The literature on this theory shows that stronger social ties to resource providers facilitate the acquisition of resources and enhance the probability of opportunity exploitation (Aldrich & Zimmers, 1986). Other researchers have suggested that it is important for nascent founders to have access to entrepreneurs in their social network, as the competence these people have represents a kind of cultural capital that nascent ventures can draw upon in order to detect opportunities (Aldrich & Cliff, 2003., Gartner et al, 2004., Kim, Aldrich & Keister, 2003).

## **2.3 Influence of Entrepreneurship Skills on the Performance of MSMEs Youth Owned Enterprise**

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 you do not burn out quickly. Most successful entrepreneurs exhibit the following entrepreneur skills (Rasmussen & Sorheim, 2006).

Successful entrepreneurs exhibit entrepreneurial traits and 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. They are attracted to challenges and approach risks cautiously.

Common sense prevails and this makes them cautious around the tough bends. Their

willingness to persevere helps them against the odds. 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 strategy 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, 2011).

Hard work and commitment are their strong entrepreneurial traits. Entrepreneurs are able to work long hours, are not afraid to get their hands dirty 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. Enhance your marketing skills by acquiring knowledge and practice. Being customer oriented 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. Remember, it is easy to keep your regular customers happy rather than try to woo new customers (Buckley, 2008). 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 appears to be the most important for entrepreneurs (Hisrich, et.al, 2005).

Allied to the question of entrepreneurship skills and development is earned through training. Training and development lies equally with where does one train and the overall success of an enterprise. According to Cole (1997), Training is a learning activity, which is directed towards acquisition of specific skills for purpose of occupation. It can be both formal and informal and is usually carried out to assist the person understand and perform his/her own job better (Kanyari & Namusonge, 2013). Armstrong (1999) concurs with Cole that training is a systematic modification of behavior through learning, which occurs as a result of education and instruction.

Given that past research results have occasionally found SME Training to result in better company performance, even under different cultural settings such as Netherlands, Spain, Hungary, and China (Mulley,1999), it is expected that promotion of YOE related training programs will lead to higher enterprise performance youth SMEs. This statement underpins the importance of training in skill development and in the national economic development process.

### **3. Research Methodology**

The researcher adopted descriptive research design and targeted a population of all 375 youth owned enterprises registered with Trans Nzoia County Department of Social Services. Primary and secondary data was used. In-depth interviews were used to verify data. The data was analyzed using both qualitative and quantitative techniques. Qualitative analysis assisted in analyzing the interview schedules responses while quantitatively, descriptive statistics was employed in analyzing the questionnaire data. The Regression analysis technique was used to determine the relationship between the independent variables and the dependent variable. The Statistical Package for Social Sciences (SPSS version 20) was used to run descriptive statistics such as frequencies and percentages so as to present the quantified data in form of research questions. The qualitative data generated from open ended questions was categorized in themes in accordance with research objectives and reported in narrative form

along with quantitative presentation. The qualitative data was basically used to reinforce the quantitative data.

Regressions was used to test hypotheses of the study.  $Y = \beta_0 + \beta_1 X_1 + e$

Y- Was the dependent variable (Performance)

$\beta_0$  - the constant

$X_1$ —entrepreneurship skill set

e - Error

The model was adopted because the study sample was representative of the population for the inference prediction (Armstrong, 2012). Factor analysis was also used for segregation of the variables. Variables under each factor were then fitted with regression equation.

## 4. Research Findings And Discussions

### 4.1 Relevance of Entrepreneurial Skills for Success of Youth MSMEs

The respondents were required to indicate the extent to which they thought entrepreneurial skills were relevant for the success of youth MSMEs. The response was as indicated in table 4.1 below

Table 4.1 Relevance of Entrepreneurship Skills

	Frequency	Percent
Very Relevant	70	36.8
Relevant	120	63.2
Total	190	100.0

Majority of respondents (63.2%) indicated that entrepreneurship skills are relevant in the success of youth MSMEs, while only 36.8% of them indicated that entrepreneurship skills are very relevant in the success of youth MSMEs according to table 4.1 above.

Table 4.2 Higher Education Is Important In Handling Entrepreneurship Challenges

	Frequency	Percent
Agree	35	18.4
Somewhat Agree	121	63.7
Disagree	34	17.9
Total	190	100.0

According to table 4.2 above, Majority of respondents (63.7%) somewhat agreed that

higher education played an important role in handling entrepreneurship challenges, 18.4% totally agreed that higher education played an important role in handling entrepreneurial challenges, while 17.9% of them did not agree with the idea that higher education was important in handling entrepreneurial challenges.

**Personal Dispensation helps in operating a business**

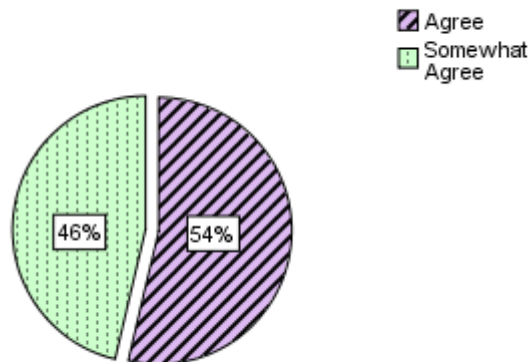


Figure 4.1 Personal Dispensation helps in operating a business

Figure 4.1 indicated that 54% of the respondents agreed that personal dispensation was helpful in operating a business, while 46% of them somewhat agreed that personal dispensation was helpful in operating a business.

Table 4.4 Past Experience Helps in Dealing with External Factors

	Frequency	Percent
Agree	53	27.9
Somewhat Agree	120	63.2
Neutral	17	8.9
Total	190	100.0

On the importance of past experience in dealing with external factors, majority of the respondents (63.2% ) somewhat agreed, 27.9% totally agreed, while 8.9% were neutral on whether past experience was helpful in dealing with external factors facing the business according to table 4.4 above.

## 4.2 Results of Study Findings

A multiple regression was run to test the set hypothesis and results are presented in Table 4.5 below.

Table 4.5 Coefficients<sup>a</sup>

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B	
	B	Std. Error	Beta			Lower Bound	Upper Bound
(Constant)	.752	.724		1.039	.300	-.676	2.180
Entrepreneurship Skills	.238	.303	.153	.787	.432	-.359	.835

a. Dependent Variable: Performance

Hypothesis 1 ( $H_{01}$ ) stated that entrepreneurship skills had no significant effect on performance of youth MSMEs in Trans Nzoia County. The results ( $\beta = .238$ ,  $p < .05$ ) suggested that entrepreneurship skills had a positive significant effect on performance of youth MSMEs, hence the hypothesis ( $H_{01}$ ) was rejected.

From the estimated relationships, the model created took the following form:

$$Y = .754 + .238X_1 + .724$$

Y- is the dependent variable (Performance)

$X_1$ —entrepreneurship skills

## 5. Summary, Conclusions And Recommendations

### 5.1 Summary of Findings

Virtually all respondents, 63.2% and 36.8% agreed that entrepreneurship skills was relevant and very critical in the success of MSMEs respectively. These entrepreneurial skills were manifested through past experience, personal dispensation and higher level of education as reported by 63.2%, 63.7%, 54% of respondents who indicated that past experience in business environment provided one with tactics of dealing with external factors; higher education provided one with ability to handle entrepreneurial challenges; personal dispensation enables an entrepreneur to operate a business respectively.

### 5.2 Conclusion

Young people are the realm of the future and their meaningful engagement and contribution in nation building is very crucial. In the face of high rate of unemployment facing our country, entrepreneurship has continued to be promoted as a way of providing hitherto



required meaningful engagement for the youth. However, it is worth noting that starting a business enterprise is one thing and making it succeed is a different affair.

As shown in the study findings, entrepreneurial skills are paramount for the success of MSMEs. These entrepreneurial skills included personal dispensation, past experience and higher level of education. In addition to this, internal institutional factors such as access to credit, government support and procurement regulations. On the other hand, operating business environment comprising of licensing policies, competition and marketing infrastructure also had adverse effects on the performance of youth owned enterprises.

### **5.3 Recommendations**

Youth involvement in nation building through entrepreneurship is a noble idea that need to be supported by all and sundry if we were to achieve meaningful steps in the fight youth unemployment, eradication of poverty and elimination of social vices. From the study findings, entrepreneurial skills are the most critical factor that need to be inculcated for the success of youth MSMEs. It is recommended that both County, National government and other development partners should device strategies aimed at ensuring that both youth entrepreneurs and the aspiring ones are provided with relevant entrepreneurial skills. This can be done through provision vocational trainings, organizing entrepreneurship forums, mentorships and entrepreneurship incubation practices.

### **5.4. Suggestion for Further Study**

A more comprehensive study in other counties, on other factors and involving other relevant stakeholders ought to be done to validate the findings of this study across the country for comparison with other counties with different culture and economic activities.

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