ORGANIZATIONAL FACTORS INFLUENCING THE GROWTH OF YOUTH OWNED ENTERPRISES AS MODERATED BY GOVERNMENT POLICIES IN KABARNET TOWN, BARINGO COUNTY

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A RESEARCH REPORT SUBMITTED TO THE SCHOOL OF BUSINESS AND ECONOMICS IN PARTIAL FULFILLMENT OF THE REQUIREMENT FOR THE CONFERMENT OF THE DEGREE OF MASTER OF BUSINESS ADMINISTRATION (ENTREPRENEURSHIP) KISII UNIVERSITY

AUGUST, 2019

DECLARATION AND RECOMMENDATION

Student declaration

This research report is my original work and has never been submitted an award any degree in any university.

Sign. ........................................... Date ..............................

Gabriel Kipruto Cherop
CMB12/10266/15

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DEDICATION

This research report is dedicated to the almighty God for giving me good health and strength to attain this level of education. I also dedicate it to my Wife Tabitha and children Galton, Precious, Patience and Prudence for their prayers and continued support.
ACKNOWLEDGEMENT

I wish to acknowledge all those who accorded me support throughout my studies. I am indeed grateful to my supervisors Prof. Christopher Ngacho and Dr. Wafula Chesoli for their support in this journey. Their constructive criticism shaped this research report. I also acknowledge all my lecturers who covered all the course work required to complete this program. My sincere thanks go to all my colleagues for encouraging me during my study period. Finally I would like to highly appreciate the immense assistance that I received from my family and all those people whom I have not mentioned here, may the almighty lord bless you exceedingly.
ABSTRACT

Youth enterprise is the application of entrepreneurial skills, innovation and creativity into the world of business. In Kenya many youth enterprises continue facing many challenges due to ineffective promotion mechanisms. The purpose of the study was to establish the organizational factors influencing growth of YOEs (YOEs) in Baringo County. The objectives of the study were to explore the influence of financial support on the growth of YOEs; determine the influence of entrepreneurship training on the growth of YOEs; determine the influence of information communication technology on the growth of YOEs and to establish the influence of government policies on the growth of YOEs in Baringo County. The study was guided by two theories namely the resource based theory and the human capital theory. The study employed the descriptive research design. The study population comprised of 270 YOEs operators in Kabarnet town, Baringo County. Stratified random sampling was applied in selecting the sample size. A sample size of 73 respondents was determined using Yamane’s formula. Primary data was collected using questionnaire. Quantitative data was analyzed using descriptive statistics and inferential statistics based on the study’s objectives. Frequency tables, figures and charts were used to represent the results and the study findings. Based on the study findings, the study concludes that there was a positive relationship between financial support and growth of YOEs in Kabarnet town. It is also concluded that entrepreneurial training such as business seminars and workshops influenced youth awareness on how to improve performance of their businesses; hence, there was a positive relationship between entrepreneurship training and the growth of YOEs. The study also concludes that the growth of YOEs depended on favourable policies such as taxation, patenting laws and licensing regulations on YOEs. It is also concluded that the internet connection helped many youth businesses to enhance their success. Hence, there was a positive relationship between information communication technology and growth of YOEs in Kabarnet town. Generally, the study concludes that financial support, entrepreneurship training, information communication technology and government policies accounted for the variance in the growth of YOEs in Kabarnet town. The study recommends that financial support programmes should be redesigned to overcome the weaknesses that hinder their accessibility by the youth. The government should also relax rules regarding business policies aimed at supporting youth businesses. Entrepreneurship training programmes should be rolled out mostly for the youths to equip the youth with skills to run their own enterprises.
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<th>Description</th>
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<tbody>
<tr>
<td>HRM</td>
<td>Human Resource Management</td>
</tr>
<tr>
<td>ICT</td>
<td>Information Communication and Technology</td>
</tr>
<tr>
<td>K-Rep</td>
<td>Kenya Rural Enterprise Programme</td>
</tr>
<tr>
<td>MSMEs</td>
<td>Micro, Small and Medium Enterprises</td>
</tr>
<tr>
<td>NACOSTI:</td>
<td>National Commission for Science, Technology and Innovations</td>
</tr>
<tr>
<td>RBT</td>
<td>Resource Based Theory</td>
</tr>
<tr>
<td>SCA</td>
<td>Sustained Competitive Advantage</td>
</tr>
<tr>
<td>SMEs</td>
<td>Small and Medium Enterprises</td>
</tr>
<tr>
<td>SPSS</td>
<td>Statistical Package for Social Scientists</td>
</tr>
<tr>
<td>US</td>
<td>United States</td>
</tr>
<tr>
<td>YEDF</td>
<td>Youth Enterprise Development Fund</td>
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<td>YOE(s)</td>
<td>Youth Owned Enterprises</td>
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CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

Organizational factors are factors that determine the operations of an organization (Henrick, 2018). According to James (2017) Youth Owned Enterprises (YOEs) are businesses run by young people. Recently, entrepreneurial development as a way of job creation, empowerment and economic development has drawn increasing policy and research attention. However, systematic attempts to study entrepreneurship by the youth are inadequate based on the general tendency to either lump the youth in the rest of the population or to ignore their unique determinations to eke a living via enterprise business activities. This has led to inadequate comprehension of the latent merits of youth entrepreneurship as a way of improving the living conditions of young business people (Chigunta, 2013). In developed countries such as Germany there is overreliance on YOEs as a deliberate use of creative qualities of initiativeness, innovation and creativity in using available skills to generate wealth (Schnurr & Newing, 2016).

Youth enterprises can only be of value when they grow. There are various ways in which growth of enterprises can be measured including growth in sales, increase in the number of employees, growth in assets, increase in market share and growth in profit and business efficiency (Akwalu, 2014). However, profit measurement is relevant when the growth is measured over a long period of time (Akwalu, 2014). To facilitate faster growth, it requires the entrepreneur to be highly experienced in developing new ventures (Johnson, 2014). Entrepreneurs therefore must equip themselves with special skills to maneuver the challenges
associated with startups if growth and survival in early years is to be achieved (Onueke, 2014).

According to Chimombo (2017) growth is used to describe a development process of enterprise from small to big and from weak to strong. However, enterprise growth takes the balance of adjustments of various relations in the interior and the exterior environments of the enterprise (Sun, 2018). Generally, the growth of quality is embodied in the enhancement of the enterprises and includes quality, technological innovation, optimal efficiency of investment and output and organizational reform (Sun, 2018).

Since the beginning of the 1990s, business enterprises have remained one of the main avenues for building a vibrant and competitive youth owned private sector in many countries. Support for the YOEs sector has also become an increasingly important part of the industrial policy of the European Union (EU) over the last 10 years. The YOE, has been a central pillar for the creation of the world’s most dynamic and competitive European economy. According to data from the European observatory (ENSR), YOE employing up to 100 people accounting for 68 million jobs in the European Union in 2015.

Many authors have fronted various factors that affect growth of YOE. For instance, Smelser (2018) suggested that access to financial support, skills and business development and government identification and promotion are the panacea of business growth and development. In Asia Hansen (2017) suggested that sound government policy can help in expansion of youth entrepreneurship. For instance, Vietnamese government has invested in promotion of YOE through establishment of sound policies. In the United Kingdom, mostly government has come up with policies to develop YOE by increasing access to financial
support so that they may continue to impact positively on the economy of the country. In Asian countries, governments usually work in collaboration with large companies, credit and financial institutions to provide a business friendly environment for startups to grow and be sustainable (Yurile, 2014).

In African counties, it is now considered a reality that there are immense reasons to promote youthful entrepreneurship. While caution is required so that entrepreneurship is not seen as an instant cure for joblessness, Curtain (2014) agrees that there are many benefits associated with youthful entrepreneurship. Apart from facilitating job creation, entrepreneurship enables young business people to own business (Schnurr & Newing, 2016). This is a common phenomenon in economic dispensations replete with economic rationalization, transformation and restructuring occurring in many countries in Africa. Many experts argue that this is a reliable process of endowing the alienated and marginalized youth into the economic mainstream (Curtain, 2014; White & Kenyon, 2014). There is also the direct effect on easing unemployment when youthful business people hire fellow youths (Curtain, 2014). Consequently, youth enterprise could help address some of the socio-economic problems emanating from joblessness. For example, in Nigeria YOEs account to 55 percent of formal manufacturing activity and 45 percent of individual jobs. In South Africa YOEs provided more than 45 percent of total employment and 20 percent gross domestic product (GDP) in 2014(OECD, 2017). In Botswana YOEs employs majority of youth and women which youth accounts for 39 percent. In bid to improve YOE government of Botswana created government credit schemes for youth development fund to provide credit to YOEs at affordable interest and also provide capacity building (Friedman, 2016).
Therefore, the promotion of YOEs is fundamental to the achievement of MDG in Africa by focusing on developing decent and productive work for youth. This has a significant effect of bringing back the alienated and marginalized youth into the economic mainstream thereby addressing some of the socio-psychological problems and delinquency which occur due to joblessness (Welter & Smallbone, 2014). Action on youth unemployment must be integrated as a central platform for achieving MDG on poverty reduction and hunger. The achievement of MDG goals has a bearing on increasing the share of the youth women on wage employment in Nonagricultural particularly in Africa where socio-cultural constraints tend to affect the participation of youth in self-employment.

In Kenya, YOEs have played a significant role in providing valuable goods and services (OECD, 2015). This has resulted into the revitalization of the local industries and raised the degree of competition in the economy, thereby bringing gains to consumers in rural Kenya (Curtain, 2014). In addition, YOEs have created connections between youth entrepreneurs and other economic actors via sub-contracting and franchising (White & Kenyon, 2014).

The YOE contribution to the Kenyan economy is widely acknowledged as they cut across all sectors of the economy and provide many employment opportunities and generate widespread economic benefits (GOK, 2014). The National Census Survey of Kenya of 2009 revealed that 64 percent of its population was engaged in business enterprise. The SMEs sector accounted for 69.2% of the total persons engaged in employment and contributed up to 18.4% of the Kenya’s GDP in 2003. Economic recovery strategy for wealth and employment creation 2003-2007 recognized the need to establish and maintain a favorable
environment for the growth and transformation of small businesses into medium sized enterprises that can have capacity to create more employment opportunities (GOK, 2014).

Current statistics show that in Kenya today, businesses employing between 1 to 99 people account for about 48 percent of all businesses; with a majority of these being managed or owned by the young people (25-34 years) (Njonjo, 2013). In Kenya, three out of five of these businesses fail within the first Three years of operation and those that continue 73 percent fail before the fifth year. This failure of enterprises performance is marked by poor return and bankruptcy proceedings (Saleemi, 2017), having noted how important the contribution of SMEs sector is in Kenya; despite their poor performance. Leadership must be increased to effectively respond to the challenges of creating productive and sustainable employment opportunities in the country amongst the youths (Kariuki, 2013). Although generally in Kenya there has been an increase in the promotion of youths owned enterprises, not much has been achieved. These promotions have been done through the affirmative action like establishment of Youth Enterprise Development Fund (YEDF) in 2007. Budget of 2014/2014 set an ambitious youth and women empowerment programme (Uwezo fund) by allocating 6 billion as revolving fund to be loaned to the youths and women, the presidential directive of thirty (30) percent access to government procurement opportunities to youth, women and persons with disabilities (GOK, 2014).

In Baringo County, the youth represent 30% of the population and the level of youth unemployment is twice the County’s average. This implies that about a third of locals are between 15 and 35 years. The number of YOE s is historically high in absolute and relative terms. However, the youthful business people in Baringo County are confronted with many
problems including high rates of joblessness and underemployment. The overall youthful unemployment rate stands at about 21 percent. Statistics on unemployment point to the fact that the problem is acute with 38 percent of YOEs being out of either school or employment. In addition, there is high rate of failure and stagnation among many start-up YOEs. Only 38% of the businesses are expanding while 58% have not added workers and more YOEs are most likely to close in their first three years of operation (Langat, 2014). This is happening yet the development plans for the county government of Baringo has consistently been putting special emphasis on the contribution of YOEs in the creation of employment in the country (RoK, 2013). In addition, the violence witnessed early in 2014 highlighted the urgency with which the problem of poverty and inequality among the idle youth needed to be addressed. In addition, World Bank (2016) revealed that youth unemployment was a chief cause of frustration and tension in urban areas particularly in Baringo County.

Generally, Baringo county has a total population of 555, 125, out of which 182,361 are aged between 15-35 years representing approximately 32.9% of its total population (KNBS, 2016). The sub-county is characterized by high potential of both agricultural and non-agricultural activities as well as multiple of small and medium businesses. Data from the sub-county youth office indicates that the youth owned enterprises are in both the informal sector like agriculture, kiosk, building and construction and formal sector like legal, medical, business consultancy services. It is against this background that the study of the factors influencing performance of youth owned Small and Medium enterprises is necessary.

1.2 Statement of the Problem

Youth owned enterprises (YOEs) play an important role in income and employment creation as well as poverty alleviation. Generally, YOEs contribute many new jobs opportunities,
income generation and economic development. In order to grow, YOEs need organizational support. However, statistics show that three out of five of the youth run small enterprises fail within the first three years of operations in most counties in Kenya including Baringo County and those that continue 73 percent fail before the third year (Odhiambo, 2014). This is because YOEs are notoriously volatile and experiences a high degree of business closure and shrinkage (Omondi, 2013). Nyaga (2013) observed that inability to engage the youthful persons in gainful employment has forced them into criminal activities. Essentially, without engaging youthful business people in economic activities, full economic potential may not be realized. Although the factors influencing performance of YOEs have been studied, the concentration has been on general factors such as access to finance, markets and competition with inadequate attention to entrepreneurial factors. In addition, studies relating to youth entrepreneurship in Kenya remain scanty. For example, Karugu (2014) studied the effects of financial support on the cost of operation of YOEs in Kenya and reported that lack of financial support imposed a great impact on cost of operation and therefore a threat to viability and growth of YOEs. Chigunta (2014) identified lack of business information communication skills as a key barrier to youth’s entrepreneurship. These studies have addressed some determinants of growth of youth enterprises, but little about organizational factors influencing growth of YOEs in Baringo County. Most of youths in Baringo lack training on operating a business. Based on this gap in knowledge, this study seeks investigates the organizational factors influencing growth of YOEs as moderated by government policies in Baringo County.

**1.3 Objectives of the Study**

This section presents the general and specific objectives of the study.
1.3.1 General Objective

The general objective of the study was to establish the organizational factors influencing the growth of YOEs as moderated by government policies in Baringo County.

1.3.2 Specific Objectives of the Study

The following were the specific objectives of the study;

i. To explore the influence of financial support on the growth of YOEs in Kabarnet Town, Baringo County

ii. To determine the influence of entrepreneurship training on the growth of YOEs in Kabarnet Town, Baringo County

iii. To determine the influence of information communication technology on the growth of YOEs in Kabarnet Town, Baringo County

iv. To establish the moderating influence of government policies on the relationship between organizational factors and growth of YOEs in Kabarnet Town, Baringo County

1.4 Hypotheses of the Study

This research was based on the following hypotheses:

H₀₁: There is no statistically significant influence of financial support on the growth of YOEs in Kabarnet Town, Baringo County

H₀₂: There is no influence of entrepreneurial training on the growth of YOEs in Kabarnet Town, Baringo County

H₀₃: There is no significant influence of information communication technology on growth of YOEs in Kabarnet Town, Baringo County.
**Ho4:** Government policies do not have moderating influence on the relationship between organizational factors and growth of YOEs in Kabarnet Town, Baringo County

### 1.5 Significance of the study

The study may enable the government of Kenya to assess whether the funds and training are worthwhile to its youths in Kabarnet Town, Baringo County. The government may also use the results of the study to guide decisions regarding youth enterprise. The results of this study may assist the policy makers to articulate relevant policies to help standardize and facilitate participation of youths in informal settlement in the entrepreneurship sector.

The study may also bring into light the various factors that youths need to focus on when forming groups, applying for the fund and utilizing the funds. The likely outcome of this study may benefit youths who aim at starting own enterprises across the country.

The results of this research may also be valuable to researchers and scholars as it can form a basis for further research. Research on youth affirmative funds has been undertaken in the past and this study would be an additional resource to update the studies done by previous scholars.

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


1.6 Scope and Justification of the Study

The study was situated in Kabarnet town in Baringo County, Kenya. Though the number of youth owned enterprises have increases in Kabarnet town, the failure rate of these enterprises is also high. Many enterprises do not go beyond five years and majority which seem to triumph through are faced by lots of challenges. Therefore, this study sought to unveil the organizational factors influencing growth of YOEs.

1.7 Limitation of the Study

Several limitations are likely to be encountered during the study. For instance, the study was based on a descriptive research design but other scholars can use other research designs. Only two theories were used in the study, however, there are many other theories relevant to the study that can be used to expand knowledge in the area of study. The study was limited to YOEs in Kabarnet town. However, other researchers can carry out research in other towns. Some YOEs were not willing to provide full information on their growth strategy due to fear of competition. Hence, the findings may not reflect the true picture on the growth of YOEs. However, the researcher assured the respondents of confidentiality in order to encourage them to provide reliable data. The informants were also assured of anonymity during reporting.

1.8 Assumption of the Study

The study assumes that that the informants shall provide honest responses to the provided questions. It is also assumed that research tools would be valid and reliable based upon previous application.
1.9 Operational Definition of terms

<table>
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<tr>
<th>Term</th>
<th>Definition</th>
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<tr>
<td><strong>Youth</strong></td>
<td>A youth is defined as all individuals who have attained the age of 18 years but have not attained the age of 35 years who are involved or engaged in business activity (ROK, 2013).</td>
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<tr>
<td><strong>Financial support</strong></td>
<td>This was used to refer to financial resources provided to facilitate the running of the business (Mao, 2017).</td>
</tr>
<tr>
<td><strong>Information communication technology</strong></td>
<td>This referred to technologies that enable the youth to access to information through telecommunications including internet, wireless networks, cell phones, and other communication mediums to promote business growth.</td>
</tr>
<tr>
<td><strong>Growth of YOEs:</strong></td>
<td>This referred to the increase in assets, profitability, market share, profits and sales output, employment and expansion of youth owned businesses (Ofafa, 2014).</td>
</tr>
<tr>
<td><strong>Entrepreneurship:</strong></td>
<td>This referred to the process of taking riskier decisions for greater rewards, exploiting business opportunities that others have not noticed (Osunde, 2014).</td>
</tr>
<tr>
<td><strong>Entrepreneurship training:</strong></td>
<td>This referred to the process of strengthening the development of an enabling environment and the institutional or human resources of managerial systems of organizations through enhanced business knowledge and skills (Mao, 2017).</td>
</tr>
<tr>
<td><strong>Government Policies:</strong></td>
<td>This was used to refer to the legal and regulatory requirements dictating how businesses should operate (Geringer, 2013).</td>
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2.1 Theoretical Framework

2.1.1 Resource Based Theory

Resource Based Theory (RBT) is one of principle theories concerning a company’s performance as it emphasizes on its internal strengths and weaknesses based on its resources (Barney, 2014). Superior human resource management strategies and the recruitment of qualified personnel in the quest for improved business performance are essential elements under the RBT (Barney & Hesterly, 2013). RBT is generally recognized as a standout amongst the most noticeable and effective theories for depicting, clarifying, and forecasting organizational relationships as well as organizational factors influencing growth of YOE's.

Barney and Hesterly (2013) propose four major resource categories namely organizational, physical, financial and human. Coordination of resources is more paramount in realizing the firm’s capabilities and subsequent realization of economic value (Barney & Hesterly, 2013). According to Newbert (2016) precious and scarce resource may attain competitive advantage in the short term as RBT is able to distinguish a firm’s resources from capabilities. Capabilities are subsets of the organizational resources representing immovable firm specific resource that improves the productivity of the other resources owned by the firm (Makadok, 2017). For a stable industry effective dynamic capabilities count on the current knowledge (Eisenhardt & Munroe, 2014). However in case of market instability the dynamic capabilities are highly reliant on new knowledge that is based on the situation (Rodklif, 2016). Enhanced growth can be achieved once a company is able to generate more economic compared to its competitors dealing in similar goods and services (Peteraf & Barney, 2003). However, the
enterprise can realize exponential growth the moment it begins creating value as compared to other industry players (Barney & Clark, 2016). The theory has been adopted to guide the study since. The theory also notes that external resources critical for the success of business enterprises include relationships with and knowledge acquired through suppliers and customers, competitors and institutions like universities (Simpeh, 2014).

2.1.2 Human Capital Theory (HCT)

The human capital theory was pioneered by Becker in 1993. The theory maintains that firms with superior human capital perform better in carrying out relevant tasks. This theory is currently the most commonly used supporting theory in career research (Seibert & Karimer, 2017). From an individual perspective, HCT focuses only on the talents and skills components and uses economic logic to study an individual’s investment in productivity enhancing skills and talent, as well as to understand individual success (Becker, 1964). This theory further observes that organizational factors influencing growth of YOE.

Entrepreneurs with superior human capital tend to perform better. Human capital pertains to employee’s knowledge and talents that allow for changes in actions that facilitate economic growth. However, formal training can be used to develop human capital in order to do well in society. The most influential tenet of theory is the distinction drawn between specific and general human capital. According to Florin and Schultze (2014) specific human capital entails knowledge and skills appropriate to a particular context. Similarly, general human capital involves knowledge and skills that can be applied to a broad range of activities. Gimeno (2014) concurs that the concept has been used extensively to provide comparative insights into the incentives for accumulation of capabilities.
The relevance of HCT as a source of economic growth lies in its historic usage to justify various concepts in economic literature. For instance Adam Smith (1776) postulated that human capital was necessary for the wealth of individuals the society. However, the contemporary concept of HCT was not fully developed until the 1960s with the emergence of HCT as formalized by Becker (1964). The former analyzed educational expenditure as a form of investment, while the latter developed a theory of human capital formation and analyzed the rate of return to investment in education and training. This theory therefore is relevant in explaining the organizational factors influencing growth of YOEs.

2.2 Empirical Review

2.2.1 Influence of financial support on the growth of YOEs

Recent studies show that many businesses depend entirely upon personal saving for capital while others rely on savings, commercial banks and resources from partners, shareholders and other resources. While business owners often claim insufficient credit as their pressing obstacle, the financial growth of business enterprises may not always correspond to actual growth trends (Okirenke, 2015). Therefore, access to finance may be necessary but is not a sufficient condition for growth.

Ahiawodzi and Adade (2013) studied the potential effect of credit access on the Growth of YOEs in Ghana. The study was based on both survey and econometric methods and included a sample of 78 SMEs in the manufacturing sector. The specified econometric model involved a firm’s growth as the predictor variable and the criterion variables included access to credit, total current investment, age of the firm, start-up capital, education level and annual turnover. The results showed that access to credit exerted a significant positive effect on
Growth of YOEs. Although this study is significant it did not focus exclusively on youth owned enterprises.

Matovu and Birungi (2014) also sought to examine the types of shocks and risks experienced by vulnerable groups and the coping mechanisms used to address different types of shocks. Using the probit model to achieve their objectives, the study further explored sources of financing enterprises owned by women. The results showed that accessibility to social assistance protections increased probability of women owned enterprises as well as asset accumulation. From the study, social protection was seen to be an integral part of government effort to reduce economic inequality, vulnerability and poverty. However, the study differed from the present study because it focused on women but not the youth.

In a study by Kiiti and Hennink (2016) on the use and influence of M-Shwari financial platform in the jua kali sector found the service being used either for savings or loans or both. The study used mixed method design and revealed that loan services were beneficial to boost businesses and to address personal financial needs. The study, however, failed to point out whether those benefiting from the facility to obtain financial support were youth.

Macharia (2013) carried out a study to determine the effects of accessibility to seed capital on SMEs’ investment growth. The overall aim of the study was to ascertain whether accessibility finance impacted on their growth in investments. The study employed a descriptive design and the results revealed an increase in the volume of stock and cash, expansion of business space, buying fixed assets, venture in real estate and acquisition of business premise as the effects of credit access. The study revealed that friends, family
members, relatives, other organizations, financial institutions and other external sources were the main sources of credit facility.

In another study on the factors affecting the performance of SMEs in the Jua Kali Sector, Kinyua (2014) sought to ascertain whether in retrospect infrastructure, finance, management skills and macro-environment factors heavily affected the performance of SMEs. The findings revealed with clear certainty that financial access particularly in situation involving macro milieu factors tended to unwarrantedly determine SMEs’ financial performance. Similarly the study clearly showed that management skills positively and significantly affected performance of SMEs. Moreover, infrastructural aspects affected performance of SMEs in the study area. While this study offers a plausible explanation on the influence of financial support on business growth, it did not address the issue within the ambit of YOE

Maisiba (2014) looked at the role of YEDF in job creation and asserted that the youth, in addition to being equipped with skills, needed to be given access to capital so that they could start or expand their own business enterprises and change from being job seekers to job creators and that the Fund did not have adequate structures to disburse funds. The study indicated that the government played a critical role in ensuring a plain ground for enterprises to do business. However, the average nominal loan values disbursed was found to be low, insufficient and unsustainable, resulting into massive loan default, with many youth enterprises becoming shadows of their true potential.

From the reviewed literature, there existed an empirical gap where most of the literature concentrates on SMEs, growth and development of youth enterprises, management strategies, business performance, role of youth enterprises and supply performance of small
and medium enterprise. To fill this gap, this study explored the organizational factors influencing growth of YOEs in Kabarnet town.

2.2.2 Influence of entrepreneurial training on the growth of YOEs

Similor (2017) defined entrepreneurship education as a formal structured instruction that conveys entrepreneurial knowledge and develops focused awareness relating to opportunity, recognition and the creation of new ventures among students. The major objective of enterprise education is to develop enterprising people and inculcate an attitude of self-reliance using appropriate learning processes. The role of entrepreneurship education is mainly to build an entrepreneurial culture among young people and in turn improve their career choices towards entrepreneurship (Deakins, 2015). Entrepreneurship education should be mainly focused on starting a business and subsequent sustainability of such business. Entrepreneurship is not an easy option for everyone; it is only best suited to those with the necessary skills and acumen.

It has been acknowledged that business owners with adequate entrepreneurial skills often manage their businesses effectively. A survey by Osei-Assibey (2014) on whether entrepreneurial skills were critical components of microenterprise growth concluded that businesses whose owners received technical and managerial skill training were likely to stimulate productivity and growth. While Osei-Assibey (2014) studied the justification for adequate training and managerial skills, some SMEs may report biased growth or productivity even in instances where the owners have adequate training.

Karlan and Vildiva (2013) studied the role of entrepreneurship training on growth of enterprises in Pakistan using a sample size of 350 self-employed youth. The study adopted a
cross section survey design and regression analysis for data analysis. The study found that entrepreneurship training of youth entrepreneurs was critical since majority of self-employed poor youths rarely had formal training in business skills. Besides ensuring that the youth had adequate skills, entrepreneurship training would also assist them in identifying and tapping into business opportunities, while embracing modern business techniques. The study recommended a need for the youths to be trained in area relevant to the businesses they were engaged in.

Omondi (2013) studied the possible relationship between training and performance of YOEs in Nyakach Sub County, Kisumu County and observed that in order to enhance SMEs’ capacity to achieve growth mandate, institutions needed to tailor the training programmes to the needs of the clients. This is because enterprise training is essential for entrepreneurial development as it enables entrepreneurs to realize business success through innovation in products and delivery mechanisms based on research. The study averred that providing entrepreneurs with skills gave them the ability to comply with the demands and expectation of the formal sector.

Oduol (2014) sought to establish although vaguely the effect of training of beneficiaries of YEDF on the performance of youth based enterprises in Siaya County. In its sampling arrangement, the study employed 450 youth groups, YEDF officers and financial institutions directly involved in the management and disbursement of the Fund to the youth entrepreneurs in Ugunja Sub County, Siaya County. After carefully studying the findings, it was emergent from the results that the youthful business people needed urgently enterprise education which in the long run would help them benefit adequately from YEDF. The study
further recommended improvement in the viability of YEDF by enhancing youth engagement in entrepreneurship education particularly on loan products.

Kanyari and Namusonge (2014) studied the impact of training on the performance of YOEs based on a sample of 310 respondents. The study was based on a descriptive survey design and relied on secondary data. The study suggested the need to provide business skills to sensitize and inculcate entrepreneurial culture among the youth to help them identify emerging business opportunities. It added that the provision of continuous and relevant entrepreneurship training to young entrepreneurs would have a positive impact on the success of enterprise development initiatives. Korir (2013) studied the effect of entrepreneurship training on the successful performance of YEDF funded enterprises. The study revealed that ensuring success of SMEs through entrepreneurship training was viewed as having a positive impact on enterprise performance. The study further showed that training not only benefited business owners through increased profits, investments, innovation and access to credit, but it also lowered default rates.

Maina (2014) studied 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 initiated a number of capacity building programmes as a way of supporting the youth towards sustainability of business enterprises. These programmes included 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.
From the reviewed literature, there existed an empirical gap where most of the literature concentrates on SMEs, growth and development of youth enterprises, management strategies, performance, role of youth enterprises and supply performance of small and medium enterprise. To fill this gap, this study explored the organizational factors influencing growth of YOEs in Kabarnet town.

2.2.3 Influence of ICT on the growth of YOEs

The role of ICT in influencing business development has attracted a myriad of studies. For instance, Okwuonu (2014) conducted a survey on globalization and the adoption of ICT in Nigerian SMEs and discovered that poor physical infrastructure was a major factor inhibiting ICT diffusion. The study concluded that poor communications infrastructure led to limited access and higher costs. Consequently, many SMEs still used outdated equipment and state owned monopolies, which often lead to expensive charges and limited coverage, especially in the rural areas. This discourages SMEs from adopting even the basic ICT application. Arendt (2014) noted that the cost of ICT equipment and networks, software, and re-organization were barriers to ICT adoption in most SMEs.

Ochola (2014) conducted a study on the factors that influence adoption and frequency of use of e-loan by MSEs in Kisumu. The study was based on a survey design and the findings established that e-commerce had been adopted and implemented in SMEs at various levels because many business owners had knowledge of benefits of e-commerce, cost of implementing e-commerce, infrastructure and technical skills needed in implementing and sustaining e-commerce in the businesses. The research recommended that workshops should be conducted for business operators to educate them on the importance of and benefits of e-commerce in business.
Connell and Rebecca (2013) conducted a descriptive survey study on the factors affecting adoption of electronic commerce among SMEs through a survey of tours and travel firms in Kenya. The target population was selected using simple random sampling. The study used semi-structured questionnaires to collect data from the respondents. It was evident from the survey that electronic commerce was common in hotel booking, safari tours, e-mails and advertising. However, it was noted that there was low use of electronic commerce in marketing. This implied a need for SMEs to utilize electronic commerce for marketing their products and services in order to realize growth opportunities. The study recommended the importance of innovation in product positioning as an influence to the uptake of electronic commerce.

Kiveu and Ofafa (2014) conducted a research on augmenting market expansion in Kenyan SMEs through ICT. The study was based on a desk top research using secondary data. The study established that massive chances existed for SMEs to enhance growth through application of ICT in their operations. The researchers argued that the businesses should adopt ICT in online selling, market research, production processes, networking amongst others to avert the problems of limited market access.

Nabintu (2014) studied issues affecting the performance of SMEs operators in Nairobi City Kenya. The study was based on the descriptive design and targeting 200 YOErs. The factors examined included the effect of accessibility of business information services, funding as a factor for SMEs growth, technological input in payment systems and managerial experience on SMEs performance. The study indicated that business information affected business opportunities.
Njoroge (2017) conducted a research on the determinants of modern automobile technology adoption among mechanics in micro and small enterprises, Kirinyaga County, Kenya. The main objective of the study was to establish the role of relative advantage, compatibility, complexity and observability in the adoption of technology. In the study technology adoption was the dependent variable. The study adopted a descriptive cross sectional survey design and employed both probability and non-probability sampling techniques to collect quantitative and qualitative data from 132 mechanics sampled from an estimated population of 5,000 mechanics operating in the micro and small enterprises. The research findings indicated that along with formal education, technical training and experience levels of the mechanics, the conceptualized variables notably relative advantage, compatibility, complexity and observability of a particular innovation play a significant role in technology adoption among automobile mechanics in micro and small enterprises.

Renny (2014) conducted a study on MSEs sector and existing systems with emphasis on high-tech oriented entrepreneurship in Kenya. The study objective was to document the existing government support services to MSEs and draw policy implications for future support efforts. The broad objective of the research was to document the exiting government support services to MSEs and draw policy implications for future support efforts. The study specific objective was to investigate the extent of government support services to MSEs and identify the technological gaps facing MSEs in Kenya. The study findings indicated that technological situation of MSEs in Kenya remained an uphill task and more needed to be done in technology development. The study sited high cost of technology adoption as the major challenge facing ICT adoption.
From the reviewed literature, there existed an empirical gap where most of the literature concentrates on SMEs, growth and development of youth enterprises, management strategies, organizational performance, role of youth owned enterprises and supply performance of small and medium enterprise. To fill this gap, this study explored the organizational factors influencing growth of YOEs in Kabarnet town.

2.2.4 Influence of government policies on the growth of YOEs

In many countries in the world, government policies are known to influence the trend in growth of business including those owned by the youth. Praag and Versloot (2016) studied the relationship between business enterprises and economic growth and concluded that entrepreneurs played a very important role in the economy by creating employment opportunities, economic growth and produced commercial innovations of high quality. Consequently, there is a growing appreciation within state agencies and civil society that the youth needed to be involved in policy formulation and in decision making.

Previous studies have examined the influence of government policies on the growth of YOEs. For instance, a study by Sharu and Guyo (2015) highlighted the administrative and regulatory framework as obstacles to growth of new business. The study observed that government procedures and policies were not friendly to YOEs. This was sufficient evidence that favourable government policies would play a significant positive role in the growth of enterprises. Kimando, Njogu and KiHorO (2013) concurred that the process of business registration and licensing policies also influenced the growth of YOEs. Hochwarter (2016) suggested five key obstacles to youth entrepreneurship which included among others unsound administrative and legal frameworks. Similarly, Ronge, Ndirangu and Nyangito (2015) carried out a study to review the government policies and how they promoted SMEs.
The study found that the supportive policies included sustainable subsidies. In addition, the trade liberalization policies formulated by government played a significant role in opening up new opportunities.

In Algeria, Bouazza, Ardjouman and Abada (2015) have attempted to establish the providential factors affecting the Growth of YOEs in Algeria. The study divided the factors into internal and external and made effort to analyze their effect on the Growth of YOEs. The output of the study appeared to suggest that unfair competition from the informal sector, cumbersome and costly bureaucratic procedures, burdensome laws, policies, and regulations and inefficient tax system were the key business environmental factors affecting Algerian SMEs. The study recommended that policy makers should strive to strengthen the legislative and regulatory framework for the development of SMEs by designing rules and policies to promote SMEs sector. The study however did not bring out other internal business factors that have affected the Growth of YOEs and critically evaluate how the legal and regulatory environment can address YOEs.

Gudda and Ngoze (2017) posited that through collaborations and strategic partnerships, business incubators could support the successful development of entrepreneurial projects of youth business ideas through an array of business support resources and services. The report further revealed that collaborative linkages and strategic partnerships are needed to provide the necessary infrastructure that could make a substantial contribution to employment creation and drive an entrepreneurial culture to self-employment by creating jobs directly and successful YOEs. From the reviewed literature, there existed an empirical gap where most of the literature concentrates on SMEs, growth and development of youth enterprises, management strategies, performance, role of youth enterprises and supply performance of
small and medium enterprise. To fill this gap, this study explored the organizational factors influencing growth of YOEs in Kabarnet town.

2.2.5 Growth of YOEs

Most studies have highlighted the factors influencing business growth (Oyatoye & Arileserre, 2013). Zain (2016) investigated financing of SMEs in USA. The mainstay of this study was to find out how lending policies were shaped by both internal and external factors. This study differs from the present study in the sense that the present study seeks to investigate the effect of government policies on the growth of YOEs whereas Zain (2016) attempted to explain the factors that affected lending options for SMEs. In addition, its geographical area is also different with the one in which the present study is. Shiu (2014) analyzed the determinants of SMEs performance in the United Kingdom (UK). Based on a panel data set, the author empirically tested 12 explanatory variables and showed that the performance of SMEs had a positive correlation with the interest rate, return on equity, solvency margin and liquidity. In this study Shiu (2014) adopted different variables as key indicators; in addition the study focused on general large scale SMEs and not YOEs.

Heshmati (2014) studied the financing of small firms in Sweden and found that these firms have easier access to capital. Shubita and Alsawalhah (2013) in a study of the relationship between organizational factors and profitability of industrial Jordan companies suggested that firms with high profits depend heavily on equity as their main financing option.

Namatovu, Dawa, Mulira, Katongole and Nyongesa (2013) in a study based on youth entrepreneurship observed that YOEs created job opportunities for the owners and indirectly for the employees. Similarly, Okurut and Ama (2014) acknowledge that youth enterprises
revitalize the local community through provision of valuable goods and services to the society. Alam and Hossan (2003) argue that entrepreneurially motivated individuals need not to shy away from exploring profitable opportunities. Based on a survey design, Ubom (2014) studied the link between organizational factors of firms and socioeconomic development and investment in Ghana. Kihinde (2013) studied relationship between organizational factors influencing the overall performance of firms in Nigeria. The study revealed that most of the SMEs have all equity finance structure and have less debt finance compared to equity finance. It also revealed that the earnings survival and performance of the SMEs is strongly influenced by organizational factors mix.

In a study entitled youth and women entrepreneurs preparedness in Kenya by Sogwe, Gicharu and Mahea (2014) revealed that majority of the entrepreneurs need both advice and money. The study concluded that entrepreneurial preparedness was low among the entrepreneurs who benefitted from both youth and women Fund. The study recommended that it is crucial for enterprise funders need to assess the entrepreneurs on business readiness gaps. Mwangombe (2014) studied the factors that influenced the performance of various youth group projects in Taita Taveta County. The variables studied include management/leadership skills, nature of project activities, planning and control of funds and support given by the government. The study revealed that entrepreneurial development contributed to an increase in number of viable youth led businesses.

Musyoka (2013) sought to establish factors that influenced Growth of YOEIs in Makueni County. However, the study dwelled on the qualitative factors such as innovation, organizational culture and ownership structure. The study concluded that capital structure,
innovation and ownership structure were determinants of Growth of YOEs. Kamau (2013) conducted a study on the determinants of business growth in Nakuru County. The study found that there was a weak relationship between business growth and organizational factors hence, debt and equity ratios accounted for a small percentage of Growth of YOEs.

Birundu (2015) examined the effect of organizational factors on the business growth of small and medium enterprises in Thika Sub-County, Kenya. The results revealed that there was no significant effect of organizational factors on the business Growth of YOEs in Thika sub-County, Kenya. Karanja (2014) carried out a study on effect of training on business growth of Kenyan SMEs. The study concluded that training has significant impact on the growth of YOEs. Although these studies identified the factors influencing the growth of businesses, they differed from the present study due to its emphasis on YOEs.

2.3 Summary of Research Gaps

The reviewed studies on the influence of financial support on the growth of YOEs show that many youth owned businesses depend upon personal saving information communication technology and resources from partners, shareholders and other resources for capital. However, the studies differed from the present study because they focused mainly on women but not the youth. Therefore, they failed to point out whether those benefiting from the available financial support were the youth. In addition, the reviewed literature revealed the empirical gaps as most of the studies concentrated on SMEs.

The reviewed literature also showed the role of entrepreneurship training on growth of enterprises. It is evident that enterprise training is essential for entrepreneurial development as it enables entrepreneurs to realize business success through innovation in products and
delivery mechanisms. Thus, YOEs need enterprise education which in the long run would influence their growth. Although these studies showed that training not only benefited owners through increased profits, they did not focus on youth owned enterprises in Kabarnet town. It is also evident that ICT influenced the growth of YOEs. However, studies on the role of ICT are myriad. The recommendation of most studies is the need for SMEs to utilize electronic commerce for marketing their products and services in order to realize growth opportunities. However, previous studies ignored the role of ICT in youth owned enterprises in Kabarnet town.

The influence of government policies on the growth of YOEs has also been reviewed. The present studies show that there is a growing appreciation within the government on promotion of youth enterprises. In addition, government policy initiatives should focus on revitalizing the SME sub-sector by incorporating all the players in the industry. However, the reviewed literature did not address the role of government policies on the growth YOEs in Baringo County.

2.4 Conceptual Framework

The conceptual framework explains the relationship between the independent variables and the dependent variables (Kothari, 2004). The conceptual framework is presented in figure 1 which indicates that the independent variables for the study were financial support, entrepreneurship training, and ICT while the dependent variable of the study was the growth of YOEs. The moderating variable was government policies as shown in figure 2.1.
Independent Variables

Financial support
- Access to loans
- Grants
- Interest rates
- Grace period

Entrepreneurship Training
- Workshops/seminars
- Level of training
- Relevant skills
- Frequency of training

ICT
- ICT application
- ICT access
- ICT relevancy
- ICT knowledge

Dependent Variable

Growth of YOEs
- Amount of profit made
- Volume of sales
- Revenues
- Profits margin
- Number of employees

Government Policies
- Taxation policies
- Youth fund
- Competition
- Regulation

Moderating Variable

Figure 2.1: Conceptual Framework

Source: Researcher, 2019

The conceptual framework shows the linkage between the independent, moderating and dependent variables. The conceptual framework shows the relationship between financial support, entrepreneurship training and ICT and growth of YOEs as moderated by the government policies.
CHAPTER THREE
RESEARCH METHODOLOGY

3.1 Research Design

The study employed the descriptive research design. Descriptive research involves gathering data that describe events being studied. It also involves organizing, tabulating and describing the data using mainly description as a tool to organize data into patterns that emerge during analysis for ease of visual representation in graphs and charts. In addition, descriptive studies are not only restricted to fact findings but may often result in the formulation of important principles of knowledge and solutions to significant problems. Therefore, this design was adopted to help obtain information concerning organizational factors influencing the growth of YOEs. In this design both quantitative and qualitative methods were utilized in the study. The approach was quantitative in nature and relied on primary data.

3.2 Study Area

The study was carried out in Kabarnet town Baringo County, Kenya. The county is situated in the Central Rift Region of Kenya on a high altitude. The study area was considered appropriate because of increased business activity among the youth. In addition, Kabarnet town is situated in urban area where most businesses are located.

3.3 Target Population

According to Nsubuga (2014) population refers to the group of people to whom the researcher would like to generalize the study findings. The study population comprised of youth owned enterprises operating in Kabarnet town, Baringo County. According to the latest statistics, there were 270 legally registered YOEs operating in Kabarnet town.
3.4 Sample Size and Sampling Design

The sampling plan describes the sampling unit, sampling procedures and the sample size for the study (Cooper & Schindler, 2003).

3.4.1 Sample Size

The sample size was selected from the list of registered YOEs operating in Kabarnet town. The sample size of the study was 73 SME operators in Kabarnet Town. The distribution of the sample size is presented in table 3.1.

Table 3.1: Sampling Size

<table>
<thead>
<tr>
<th>Type of Business</th>
<th>Target Population</th>
<th>Sample Size</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hotel Industry</td>
<td>30</td>
<td>9</td>
<td>12.5</td>
</tr>
<tr>
<td>Electronic Shops</td>
<td>50</td>
<td>12</td>
<td>16.25</td>
</tr>
<tr>
<td>Retail Shops</td>
<td>100</td>
<td>22</td>
<td>28.75</td>
</tr>
<tr>
<td>Agrovet and Chemists</td>
<td>10</td>
<td>5</td>
<td>7.5</td>
</tr>
<tr>
<td>Cosmetic Shops</td>
<td>12</td>
<td>7</td>
<td>12.5</td>
</tr>
<tr>
<td>Spares and Automobile Shops</td>
<td>49</td>
<td>12</td>
<td>16.25</td>
</tr>
<tr>
<td>Boutiques</td>
<td>19</td>
<td>6</td>
<td>8.75</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>270</strong></td>
<td><strong>73</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

3.4.2 Sampling Frame

Sampling frame is the set of source materials from which the sample was selected. The distribution of the sample frame is presented in Table 3.2.

Table 3.2: Sample Frame

<table>
<thead>
<tr>
<th>Type of Business</th>
<th>Target Population</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business Type</td>
<td>Number</td>
</tr>
<tr>
<td>------------------------------------------------</td>
<td>--------</td>
</tr>
<tr>
<td>Hotel Industry</td>
<td>30</td>
</tr>
<tr>
<td>Electronic Shops</td>
<td>50</td>
</tr>
<tr>
<td>Retail Shops</td>
<td>100</td>
</tr>
<tr>
<td>Agrovet and Human Dispensing Chemists</td>
<td>10</td>
</tr>
<tr>
<td>Cosmetic Shops</td>
<td>12</td>
</tr>
<tr>
<td>Spares and Automobile Shops</td>
<td>49</td>
</tr>
<tr>
<td>Boutiques</td>
<td>19</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>270</strong></td>
</tr>
</tbody>
</table>

Source: Baringo County Government (2018)

3.4.3 Sampling Procedure

The target population was categorized into type of business and from each type a representative number of respondents were selected to constitute the sample size. The formula by Yamane (1973) was used:

\[ n = \frac{N}{1+Ne^2} \]

Where

- **n**: is the sample size
- **N**: target population
- **e^2**: is the standard error with 0.1 level of significance

The sample size obtained from this formula is 73 respondents. In order to give a fair and equal opportunity to each YOE, the researcher adopted a stratified random sampling.

3.5 Data Collection

3.5.1 Instrumentation

Data was collected using structured questionnaires. The questionnaire had close-ended questions designed to collect data that correspond to the study variables based on a five likert scale. The questionnaire was designed to have five sections. Section A: the background information, B: financial support, Section C: entrepreneurship training, D generated data on information communication technology, Section E generated data on government policies.
and section F generated data on growth of YOEs. The questionnaire was considered appropriate due to its potential to collect a lot of information from many respondents within a short duration of time under stringent confidentiality safeguards.

3.5.1.1 Validity of the Instrument

Creswell (2012) define validity as the accuracy and meaningfulness of inferences, which are based on the research results. It is the degree to which results obtained from data analysis actually represent the study variables. Validity of the questionnaire was ensured by assessing the content of the questionnaire items to determine whether they addressed all relevant aspects of the variable. This involved ensuring that the questionnaire items answer research questions or achieve the objectives. The researcher also sought the opinion of the supervisors to help improve the validity of the instrument.

3.5.1.2 Reliability of the Instrument

Reliability is the ability of a research tool to consistently measure characteristics of interest over time. It is the degree to which a research tool yields consistent results after several trials (Creswell, 2012). In this study the reliability estimate was ascertained during pilot study with YOEs in Mogotio town. The internal consistency method of testing reliability was also used. Cronbach’s alpha for estimating internal reliability was used. Items that were found to generate outlier responses were discarded and replaced. Cronbach’s alpha of 0.78 was obtained and considered acceptable as shown in table 3.3.

Table 3.3: Reliability Test Results

<table>
<thead>
<tr>
<th>Variable</th>
<th>No of Questionnaires</th>
<th>No of Items</th>
<th>Cronbach’s alpha coefficient</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Government policies</td>
<td>7</td>
<td>70</td>
<td>0.78</td>
</tr>
<tr>
<td>-----------------------</td>
<td>---</td>
<td>----</td>
<td>------</td>
</tr>
<tr>
<td>Information</td>
<td>7</td>
<td>70</td>
<td>0.79</td>
</tr>
<tr>
<td>Communication Technology</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Entrepreneurial training,</td>
<td>7</td>
<td>70</td>
<td>0.85</td>
</tr>
<tr>
<td>Financial support</td>
<td>7</td>
<td>70</td>
<td>0.61</td>
</tr>
<tr>
<td>Growth of YOEs</td>
<td>7</td>
<td>70</td>
<td>0.87</td>
</tr>
<tr>
<td><strong>Grand Mean</strong></td>
<td>7</td>
<td>70</td>
<td>0.78</td>
</tr>
</tbody>
</table>

### 3.5.2 Data Collection Procedure

The authorization letter was obtained from the Post Graduate School, Kisii University. The research permit was obtained from the National Commission for Science and Technology and Innovations (NACOSTI). A visit was made to the sampled businesses to make appointment with the business owners. Primary data collection was collected through the administration of a questionnaire on a face-to-face basis with the help of research assistants.

### 3.6 Data Analysis Techniques

#### 3.6.1 Descriptive Statistics

Data collected was analyzed using descriptive statistics. Descriptive statistics include statistical procedures to describe the population characteristics (Greener, 2008). The descriptive statistical tools helped in describing the data to determine the respondents’ degree of agreement with the various statements under each factor. The descriptive statistics included measures of central tendency mainly mean and standard deviation, frequency count and percentages. The analysis was done with the aid of the Statistical Package for the Social Sciences version 25.
3.6.2 Inferential Statistics

The focus of the study is to establish the relationships between dependent and multiple independent variables of interest and the possible causal effects. Therefore, to address the study objectives, a multiple regression analysis technique was projected for the study. Multiple regressions used independent variables with a moderating variable (Saunders, Lewis, & Thornhill, 2015). This technique was used to investigate the relationships between the selected factors and growth of YOEs. This included an error term, whereby the response variable was expressed as a combination of explanatory variables and the unknown parameters estimated using observed values of the dependent and independent variables (Bryman, 2012). Multiple linear regressions attempted to model the relationship between the explanatory variables and a response variable by fitting a linear equation to observed data. The growth of YOEs was regressed against financial support, entrepreneurial training and ICT as independent variables and government policies as a moderating variable as presented in the model:

\[ Y = \beta_0 + \beta_1 x_1 + \beta_2 x_2 + \beta_3 x_3 + \beta_4 x_4 + e \]

Where:

- \( Y \) = Growth of YOEs
- \( \beta_0 \) = Constant Term
- \( \beta_1 \) to \( \beta_4 \) = Regression Coefficients
- \( x_1 \) = Financial support
- \( x_2 \) = Entrepreneurial training
- \( x_3 \) = Information Communication Technology
- \( x_4 \) = Government policies
\[ e \quad = \quad \text{error} \]

The model was tested at 95% level of significance \((p<0.05)\). The correlation analysis was also used to measure the degree of association between the independent and dependent variables. The coefficient of determination \((R^2)\) was used to interpret the goodness of fit of the regression model. The study also used Analysis of Variance (ANOVA) to analyze the degree of relationship between the variables in the study. This provided an indication to the strength and direction of association between the variables and hypotheses testing. Pearson correlation analysis was used to establish the association between the independent variables and the dependent variable. The mean responses were computed to enable the researcher ascertain whether there is an association between the independent variables and the dependent variable. Data analysis was conducted with the help of SPSS (Version 25). The results were presented in tables and figures to enable ease of use, understanding and appreciation.

### 3.6.3 Diagnostic Tests

Multicollinearity test was also used to evaluate the level of correlation of the independent variables. In the present study, the variance of inflation factor (VIF) was used to check multicollinearity. The normality was tested using Shapiro-Wilk and Kolmogorov-Smirnov tests. The study used Durbin Watson measure to check on the existence of autocorrelation.

The diagnostic tests are advanced on the assumptions that there exists a linear relationship between the variables. Multiple regression analysis assumes that variables have normal distribution. The study carried out a multiple regression test to evaluate the combined influence of the independent variables. After data collection, diagnostic tests were carried out
to confirm whether the data collection instruments are reliable and valid and whether the set questions are aimed at addressing the study variables.

3.7 Ethical Considerations

Ethical consideration is an integral part of the research process that must be given serious considerations. In adhering to the ethical principles, the researcher sought permission to undertake the study from Kisii University and NACOSTI. The researcher conformed to the principle of voluntary consent where the respondents were encouraged to participate in the study willingly. The questionnaire was administered with anonymity to protect the respondents from any harm while pseudonyms were used to camouflage the identity of the respondents. The researcher explained to the respondents the purpose of the study and how the study findings would important to them. The researcher also assured the respondents that the information they provided would be used for the purpose of the study only and that information obtained would be treated with utmost confidentiality. Care was taken in the course of the study to prevent respondent’s physical or psychological harm and debriefing was done after data collection. The researcher explained to the respondents the importance of the study.

CHAPTER FOUR

DISCUSSION OF RESULTS AND FINDINGS

4.1 Response Rate

The results on the response rate from the study are presented in Table 4.1.
Table 4.1: Response Rate

<table>
<thead>
<tr>
<th>Sample Size</th>
<th>No. of Questionnaires Returned</th>
<th>Response Rate (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>73</td>
<td>69</td>
<td>94.5</td>
</tr>
</tbody>
</table>

As shown in Table 4.1, the study targeted a sample size of 73 respondents drawn from YOEs in Kabarnet town. However, 69 respondents filled in and returned the questionnaires making a response rate of 94.5% which was considered satisfactory. This is in agreement with Mugenda and Mugenda (2012) who observed that a response rate above 50% was sufficient for a study in business and social sciences.

4.2 Characteristics of the Respondents

4.2.1 Gender of the Respondents

The study sought to establish the distribution of the respondents according to gender and the results obtained are presented in Table 4.2.

Table 4.2: Distribution of Respondents According to Gender

<table>
<thead>
<tr>
<th>Gender</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>48</td>
<td>70</td>
</tr>
<tr>
<td>Female</td>
<td>21</td>
<td>30</td>
</tr>
<tr>
<td>Total</td>
<td>69</td>
<td>100.0</td>
</tr>
</tbody>
</table>

As shown in table 4.2, 70% of the respondents were male while the female were 30%. This implies that majority of YOEs operators in Kabarnet town were male. Hence, gender of the respondents could have implication on the organizational factors influencing the growth of YOEs in Kabarnet town.
4.2.2 Age of the Respondents

The distribution of the respondents according to age is presented in table 4.3.

Table 4.3: Age Distribution of the Respondents

<table>
<thead>
<tr>
<th>Age in Years</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>18-24</td>
<td>10</td>
<td>14</td>
</tr>
<tr>
<td>25-30</td>
<td>34</td>
<td>49</td>
</tr>
<tr>
<td>31-35</td>
<td>25</td>
<td>37</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>69</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

The findings presented in table 4.3 indicate that the respondents aged between 25-30 years were the majority (49%), 37% were aged 31-35 years while 14% were aged 18-24 years. This shows that although the majority of the respondents were fairly distributed across the concerned age brackets, most of them were early adults.

4.2.3 Education Level of Respondents

The researcher sought to establish the level of education of the respondents. The findings are presented in Table 4.4.

Table 4.4: Distribution of respondents According to Education Level

<table>
<thead>
<tr>
<th>Level of Education</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Primary Level</td>
<td>5</td>
<td>7</td>
</tr>
<tr>
<td>Secondary level</td>
<td>22</td>
<td>32</td>
</tr>
<tr>
<td>College level</td>
<td>10</td>
<td>14</td>
</tr>
<tr>
<td>Undergraduate Level</td>
<td>23</td>
<td>33</td>
</tr>
<tr>
<td>Post graduate level</td>
<td>10</td>
<td>14</td>
</tr>
<tr>
<td>Others</td>
<td>7</td>
<td>10</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>69</strong></td>
<td><strong>100.0</strong></td>
</tr>
</tbody>
</table>
The findings in Table 4.4 show that 33% of the respondents had a bachelor’s degree while those with secondary level education were 32%. It is also evident that 14% each had college and post graduate level of education respectively while those with primary education were 7% with others accounting for 10% of the respondents. From these findings, it is evident that majority of the respondents had received adequate education to provide reliable data. This is because the level of education determines the effectiveness management of the YOE.

4.2.4 Distribution of the Respondents according to Marital Status

The results on the distribution of the respondents according to marital status are presented in the figure 4.1.

![Marital Status](image)

**Figure 4.1 Marital Status of the respondents**

**Source: Research Data, 2019**

The results in figure 4.1 depicts that majority of the respondents were married at 57%, followed by single 27%, divorced 7%, 11% who were single, those separated were 4% and lastly widowed were 5%. This implied that majority of the respondents were married. Hence,
marital status was significantly associated with YOEs as married youths were more likely to engage in income generating activities to support the family.

4.2.5 Distribution of the respondents according to period of YOEs operation

The researcher further established the number of years the respondents had operated YOEs in Kabarnet town. The results are presented in table 4.5.

Table 4.5: Distribution of the respondents according to period of YOEs operation

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Under 1 Year</td>
<td>15</td>
<td>22</td>
</tr>
<tr>
<td>1-3 yrs</td>
<td>19</td>
<td>41</td>
</tr>
<tr>
<td>4-7 yrs</td>
<td>28</td>
<td>28</td>
</tr>
<tr>
<td>above 7 yrs</td>
<td>10</td>
<td>10</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>69</strong></td>
<td><strong>100.0</strong></td>
</tr>
</tbody>
</table>

As shown in table 4.5, 41% of the respondents had operated their YOEs in Kabarnet town for 1-3 years. The remaining 28%, 22% and 10% of the respondents had operated their YOEs for 4-7 years, below 1 year and above 7 years respectively. Therefore, the researcher noted that most of the respondents comprising of 51% had operated their YOEs for more than 4 years; therefore, in a position to provide reliable data as most YOEs collapse after three years of operations.

4.3 Descriptive Statistics

Analysis of descriptive statistics was done to establish the respondents’ views on various study variables. Thus, the respondents’ views were sought in regard to financial support, entrepreneurship training, ICT, government policies and growth of YOEs.
### 4.3.1 The influence of financial support on the growth of YOEs

The researcher computed the means and standard deviations of the responses to explore the respondents’ perception in regard to financial support. The findings are presented in table 4.6.

<table>
<thead>
<tr>
<th>Statements</th>
<th>Max</th>
<th>Min</th>
<th>Mean</th>
<th>Std. Dev</th>
</tr>
</thead>
<tbody>
<tr>
<td>Funding impact positively on performance of youth enterprises</td>
<td>5</td>
<td>1</td>
<td>3.82</td>
<td>1.247</td>
</tr>
<tr>
<td>Accessing finances through grants to increase stock is difficult among youth owned enterprises</td>
<td>4</td>
<td>1</td>
<td>3.14</td>
<td>1.097</td>
</tr>
<tr>
<td>Youths have difficulty accessing financial resources because they tend to have little experience and few assets</td>
<td>5</td>
<td>1</td>
<td>2.90</td>
<td>1.062</td>
</tr>
<tr>
<td>YOE are usually only financed if the applicant has prior experience in the type of business</td>
<td>5</td>
<td>3</td>
<td>2.89</td>
<td>1.046</td>
</tr>
<tr>
<td>Youths experience problems in receiving extended grace period for loan repayment</td>
<td>5</td>
<td>1</td>
<td>2.85</td>
<td>1.052</td>
</tr>
<tr>
<td>Youths have inadequate capital for conducting market research, advertisements and promotion</td>
<td>5</td>
<td>1</td>
<td>2.82</td>
<td>1.076</td>
</tr>
<tr>
<td>Without business assets youths cannot secure the required capital</td>
<td>5</td>
<td>1</td>
<td>2.87</td>
<td>1.209</td>
</tr>
<tr>
<td>I am aware that a simple financial management mistake is likely to lead to capital decline</td>
<td>5</td>
<td>1</td>
<td>2.73</td>
<td>1.126</td>
</tr>
<tr>
<td>Interest charged on loans granted to loans granted to youths usually attract large interest rates</td>
<td>5</td>
<td>1</td>
<td>2.65</td>
<td>1.217</td>
</tr>
</tbody>
</table>
Youths have inadequate cash flow to repay loans as per the agreement with lending institution

<table>
<thead>
<tr>
<th></th>
<th>Mean</th>
<th>SD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grand Mean</td>
<td>5</td>
<td>1</td>
</tr>
</tbody>
</table>

From the findings the researcher established that the respondents agreed that funding impacted positively on performance of youth enterprises (M=3.82; SD=1.247). On the other hand majority of the respondents also agreed that accessing finances through grants to increase stock was difficult among youth owned enterprises (M=3.14; SD=1.097), youths had difficulty accessing financial resources because they tend to have little experience and few assets (M=2.90; SD=1.062) and YOE would only be financed if the applicant had prior experience in the type of business (M=2.89; SD=1.046). In addition, the respondents agreed that youths experienced problems in receiving extended grace period for loan repayment (M=2.85; SD=1.052) and that youths had inadequate capital for conducting market research, advertisements and promotion (M=2.82; SD=1.076).

It is also evident that moderate responses were established in regard to whether without business assets youths could not secure the required capital (M=2.87; SD=1.209). On the other hand there was agreement that the respondents were aware that a simple financial management mistake was likely to lead to capital decline (M=2.73; SD=1.126), interest charged on loans granted to youths usually attracted large interest rates (M=2.65; SD=1.217) and the youths had inadequate cash flow to repay loans as per the agreement with lending institutions (M=2.97; SD=1.009). The aggregate mean of 2.964 with a standard deviation of 1.10529 indicate that majority of the respondents moderately concurred that financial support influenced growth of YOE in Baringo county.
These findings concur with Mian and Smith (2015) who argue that through financial support YOEs are able to obtain funds when facing financial challenges. The respondents observed that YOEs received financial support to boost their business and improve the growth of YOEs. However, they face a myriad of challenges that always hamper their growth. The findings agreed with Giroux (2007) who stated that one of the primary ingredients in small business success is financial support. Overall, the respondents noted that financial support helped many YOEs boost their businesses. These findings also support Ahiawodzi and Adade (2013) whose study concluded that access to credit exerted a significant positive effect on growth of YOEs. However, Kiiti and Hennink (2016) failed to ascertain whether loan services were beneficial to boost businesses and to address personal financial needs as most youths who engage in businesses receive backing from the family.

4.3.2 The influence of entrepreneurial training on the growth of YOEs

The study also sought to establish the respondents’ views in regard to the influence of entrepreneurship training by YOEs in Kabarnet town. The means and standard deviations were computed for all the responses and the findings are presented in table 4.7.
Table 4.7: Influence of Entrepreneurship training on YOEs in Kabarnet town

<table>
<thead>
<tr>
<th>Statements</th>
<th>Max</th>
<th>Min</th>
<th>Mean</th>
<th>Std. Dev</th>
</tr>
</thead>
<tbody>
<tr>
<td>Training seminars/workshops influence youth awareness on how to improve</td>
<td>5</td>
<td>1</td>
<td>3.48</td>
<td>1.384</td>
</tr>
<tr>
<td>performance of business</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Youth groups needs to be empowered through regular trainings on new</td>
<td>5</td>
<td>2</td>
<td>2.93</td>
<td>0.893</td>
</tr>
<tr>
<td>business ideas</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Youths need to use the skills and knowledge they acquired in schools to</td>
<td>5</td>
<td>1</td>
<td>2.91</td>
<td>1.015</td>
</tr>
<tr>
<td>create job opportunities</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Training strengthens youth entrepreneurs and makes them more</td>
<td>5</td>
<td>1</td>
<td>2.89</td>
<td>0.822</td>
</tr>
<tr>
<td>competitive</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lack of marketable skills prevent many youthful business people from</td>
<td>5</td>
<td>1</td>
<td>3.19</td>
<td>0.862</td>
</tr>
<tr>
<td>gaining access to economic opportunities</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Number of topics covered influence the performance of the youth owned</td>
<td>3</td>
<td>1</td>
<td>2.81</td>
<td>0.901</td>
</tr>
<tr>
<td>SMEs</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Increasing number of trainings improves performance of youth owned</td>
<td>5</td>
<td>1</td>
<td>2.79</td>
<td>0.909</td>
</tr>
<tr>
<td>SMEs</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The duration of training influences the performance of youth owned</td>
<td>5</td>
<td>1</td>
<td>3.48</td>
<td>1.384</td>
</tr>
<tr>
<td>SMEs</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Entrepreneurship training is not necessary for youth enterprise</td>
<td>5</td>
<td>1</td>
<td>2.93</td>
<td>0.893</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I have attended planning and financial reporting training</td>
<td>5</td>
<td>2</td>
<td>2.91</td>
<td>1.015</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Grand Mean</strong></td>
<td>5</td>
<td>1</td>
<td><strong>3.032</strong></td>
<td><strong>1.0078</strong></td>
</tr>
</tbody>
</table>

The findings demonstrated that the respondents agreed that the training seminars/workshops influenced youth awareness on how to improve performance of their businesses (M=3.48; SD=1.384), that youth groups needed to be empowered through regular trainings on new business ideas (M=2.93; SD=0.893) and that the youths needed to use the skills and knowledge they acquired in schools to create job opportunities (M=2.91; SD=1.015).
Majority of the respondents also agreed that training strengthened the youth entrepreneurs and made them more competitive (M=2.89; SD=0.822) and that lack of marketable skills prevented many youthful business people from gaining access to economic opportunities (M=3.19; SD=0.862).

Moreover, majority of the respondents agreed that the number of topics covered influenced the performance of the youth owned SMEs (M=2.81; SD=0.901). From these findings, it can be pointed out that the youth need to have adequate skills and entrepreneurship training that would assist them in identifying and tapping into business opportunities, while embracing modern business techniques. Omondi (2013) concurs that institutions needed to tailor the training programmes to the needs of the clients. This will give the youth entrepreneurial skills to comply with the demands and expectation of the formal sector. The findings also demonstrated that the respondents agreed that increasing the number of entrepreneurship trainings improved performance of YOEs (M=2.79; SD=0.909) and the duration of training influenced the performance of YOEs (M=3.48; SD=1.384). However, some respondents agreed that the entrepreneurship training was not necessary for youth enterprise (M=2.93; SD=0.893).

Finally, majority of the respondents also agreed that they had attended planning and financial reporting training (M=2.91; SD=1.015). The grand mean of 3.032 with a standard deviation of 1.0078 indicate that majority of the respondents concurred that entrepreneurship training significantly influenced the growth of YOEs in Baringo county.

Generally, these findings have been supported by previous studies. For instance, Mwangi (2011) noted that the strength of MFIs was that they served the rural areas at low costs as
they delivered flexible financial services from them. Derbile (2003) concurred that the success of entrepreneurship training has been achieved in alleviating poverty in by enabling YOEs create job opportunities and economic empowerment. Mayoux (2017) noted that entrepreneurship training programmes promoted economic independence and provided SMEs with access to networks and markets to necessitate wider experience. This mainly suggests that entrepreneurship training significantly enhanced the growth of YOEs.

It has been acknowledged that business owners with adequate entrepreneurial skills often manage their businesses effectively. It has also been noted that businesses whose owners received technical and managerial skill training were likely to stimulate productivity and growth. This makes entrepreneurship training of youth entrepreneurs critical since it ensures that they have formal training in business skills.

4.3.3 The influence of ICT on growth of YOEs

The researcher further sought to establish the views of the respondents regarding the influence of ICT in YOEs in Kabarnet town. The mean and standard deviation values were computed to assist in making pertinent inferences. The findings are presented in table 4.8.

| Table 4.8: Information communication technology for YOEs in Kabarnet town |
|----------------------------------|-------------|----------------|----------------|----------------|
| Statements                        | Max | Min | Mean | Std. Dev |
| I employ latest technological innovations in boasting my business | 4   | 1   | 2.87  | 1.007        |
| Internet connection has helped many youth businesses in these area | 5   | 1   | 3.40  | 0.839        |
| I accessing information on business from internet platforms and this has helped its success | 5   | 1   | 3.14  | 0.918        |
| Cash transactions using ICT digital platforms has helped my business since it’s fast and secure | 5   | 1   | 3.13  | 0.894        |
Performance of this business has soared due to use of ICT related platforms  5  1  3.02  .988
Youths have skills to handle new technology  5  1  2.85  1.149
My business can afford the cost of getting new ICT  5  1  2.81  .990
Your business promotes products/services via web site and emails  5  1  2.66  .981
I have the capacity to acquire new technology immediately it is introduced in the market  5  1  2.87  1.149
I have the capacity to acquire new technology immediately it is introduced in the market  4  1  3.09  1.001

Grand Mean  5  1  2.984  0.9916

From table 4.8, it is evident that the respondents agreed that they employed the latest technological innovations in boasting their business (M=2.87; SD=1.007). It also revealed that relevant internet connection helped many youth businesses in Kabarnet town (M=3.40; SD=0.883), the respondents accessed information pertaining their business from internet platforms and this helped to enhance their success (M=3.14; SD=0.918) and conducting cash transactions using digital platforms helped their business since it was fast and secure (M=3.13; SD=0.894). Also, the respondents slightly agreed that performance of their business had soared due to use of ICT related platforms (M=3.02; SD=0.988) while majority of the YOE's had adequate skills to handle new technology (M=2.85; SD=1.149).

From table 4.8, it is also evident that majority of the respondents agreed that their businesses could afford the cost of acquiring new technologies (M=2.81; SD=0.990) and the businesses promoted products/services via web site and emails (M=2.66; SD=0.981). It is also evident that a slight majority of the respondents had the capacity to acquire new technology immediately it was introduced in the market (M=2.87; SD=1.049). The aggregate mean of
2.984 with a standard deviation of 0.9916 indicate that majority of the respondents moderately concurred that adoption of ICT influenced the growth of YOE in Kabarnet town in Baringo county. These results have been supported by previous research findings by Okwuonu (2014) who established that application of ICT in Nigerian SMEs and discovered that poor physical infrastructure was a major factor inhibiting ICT diffusion. The study concluded that poor communications infrastructure led to limited access and higher costs prompting businesses to still employ outdated equipment. Ochola (2014) also found that many SMEs had adopted relevant technology in SMEs at various levels. However, the findings differ from Connell and Rebecca (2013) who found out that there was no direct association between adoption of ICT and improved performance of YOE. This is in spite of the perceived massive chances existing for SMEs to enhance growth through application of ICT. Ideally, ICT should be adopted to promote online selling, market research, production processes, networking amongst others to avert the problems of limited market access (Nabintu, 2014; Njoroge, 2017). This implies that the growth and development of YOE could be facilitated through adoption of accessible and appropriate technology.

**4.3.4 Moderating influence of government policies on the growth of YOE**

The researcher further sought to determine the respondents’ views regarding government policies in YOE. The mean and standard deviation values were used to show the respondents views. The findings as shown in table 4.9.

**Table 4.9: Government policies on YOE**

<table>
<thead>
<tr>
<th>Statements</th>
<th>Max</th>
<th>Min</th>
<th>Mean</th>
<th>Std. Dev</th>
</tr>
</thead>
<tbody>
<tr>
<td>Government taxation policies have improved the physical image of youth enterprises</td>
<td>5</td>
<td>1</td>
<td>3.84</td>
<td>0.995</td>
</tr>
<tr>
<td>Government has put in place funding for the youth to capacitate youth owned businesses</td>
<td>5</td>
<td>1</td>
<td>3.47</td>
<td>0.776</td>
</tr>
</tbody>
</table>
There are regulations to strengthen youth entrepreneurs and make them more competitive  

The government has involved and empowered stakeholders’ to help the youths start small enterprises  

The government has created an institutional structure conducive to implementing youth policy  

The government has increased knowledge and design better programmes through monitoring and evaluation  

Taxation policies are favourable to YOEs  

Terms and conditions for accessing youth funds are favourable to the youth  

There is fair competition in the market with measures put in place to protect the youth  

The government attempts to regulate business activities to protect youth owned business  

**Grand mean**

<table>
<thead>
<tr>
<th></th>
<th>Value</th>
<th>Mean</th>
<th>SD</th>
</tr>
</thead>
<tbody>
<tr>
<td>There are regulations to strengthen youth entrepreneurs and make them more competitive</td>
<td>5</td>
<td>3.25</td>
<td>0.823</td>
</tr>
<tr>
<td>The government has involved and empowered stakeholders’ to help the youths start small enterprises</td>
<td>5</td>
<td>3.10</td>
<td>0.980</td>
</tr>
<tr>
<td>The government has created an institutional structure conducive to implementing youth policy</td>
<td>5</td>
<td>3.01</td>
<td>0.895</td>
</tr>
<tr>
<td>The government has increased knowledge and design better programmes through monitoring and evaluation</td>
<td>5</td>
<td>2.86</td>
<td>1.071</td>
</tr>
<tr>
<td>Taxation policies are favourable to YOEs</td>
<td>5</td>
<td>3.17</td>
<td>1.013</td>
</tr>
<tr>
<td>Terms and conditions for accessing youth funds are favourable to the youth</td>
<td>5</td>
<td>3.31</td>
<td>0.805</td>
</tr>
<tr>
<td>There is fair competition in the market with measures put in place to protect the youth</td>
<td>5</td>
<td>3.20</td>
<td>1.080</td>
</tr>
<tr>
<td>The government attempts to regulate business activities to protect youth owned business</td>
<td>5</td>
<td>3.35</td>
<td>1.023</td>
</tr>
<tr>
<td><strong>Grand mean</strong></td>
<td>5</td>
<td><strong>3.256</strong></td>
<td><strong>0.9461</strong></td>
</tr>
</tbody>
</table>

The results show that few respondents agreed that government taxation policies have improved the physical image of youth enterprises (M=3.84; SD=0.995) and that government had put in place funds for the youth to promote youth owned businesses (M=3.47; SD=0.776). The results also concur with Wasike (2012) who established that many YOEs had benefited from favourable taxation policies and government funding programmes for the youth. Similarly, Ndubi (2016) concurred that YOEs have made various changes in their traditional resource mobilization in an attempt to cope with the changed operating environment. On the other hand, majority of the respondents disagreed that there were strategies to strengthen youth entrepreneurs and make them more competitive (M=3.25; SD=0.823) and that the government involved and empowered stakeholders’ to help the youths start small enterprises (M=3.10; SD=0.980). It is also revealed that the government
created an institutional structure conducive to implementing youth policy (M=3.01; SD=0.985) and the government increased knowledge and designed better programmes through monitoring and evaluation (M=2.86; SD=1.071). The findings also indicated that taxation policies were favourable to youth owned enterprises (M=3.17; SD=1.013) and that terms and conditions for accessing youth funds were favourable to the youth (M=3.31; SD=0.805). Similarly, the respondents agreed that there were fair competition in the market with measures put in place to protect the youth (M=3.20 SD=1.080) and that the government attempted to regulate business activities to protect youth owned business (M=3.35; SD=1.023). The aggregate mean of 3.256 with a standard deviation of 0.9461 indicate that majority of the respondents concurred that government policies positively influenced the growth of YOEs in Baringo county.

An analysis of these results revealed that there was reliable policies on access to short term and small amounts of credit that were more valuable and appropriate for YOEs. These policies were meant to boost businesses owned by the youth. The results of such favourable policies have been reflected in increase in sales generated through more income for YOEs. These sources of funding enabled the YOEs to increase retained earnings which can be used for business expansion. This concurs with Praag and Versloot (2016) who established that entrepreneurs played a very important role in the economy by creating employment opportunities, economic growth and produced commercial innovations of high quality calling a growing appreciation for government support.

Indeed, Sharu and Guyo (2015) believed that favourable government policies would play a significant positive role in the growth of enterprises. In particular, favourable process of
Business registration and licensing policies can greatly influence the growth of YOEs. Other factors that promote business growth include trade liberalization policies, fair competition, favourable bureaucratic procedures, efficient tax systems, collaborative linkages and strategic partnerships. These results support the fact that the growth of YOEs depends on favourable government policies.

4.3.5 Growth of YOEs in Kabarnet town

The researcher sought to establish the respondents’ perceptions regarding growth of YOEs. The findings in terms of means and standard deviations are shown in table 4.10.

Table 4.10: Growth of YOEs

<table>
<thead>
<tr>
<th>Statements</th>
<th>Max</th>
<th>Min</th>
<th>Mean</th>
<th>Std. Dev</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales volume in my business keeps on increasing in</td>
<td>5</td>
<td>1</td>
<td>3.87</td>
<td>1.017</td>
</tr>
<tr>
<td>the same proportion of resource input</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>My business market share is relatively higher</td>
<td>5</td>
<td>1</td>
<td>3.36</td>
<td>0.819</td>
</tr>
<tr>
<td>compared to other businesses</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I control a sizeable market share based on profit</td>
<td>5</td>
<td>1</td>
<td>2.80</td>
<td>1.109</td>
</tr>
<tr>
<td>margin of my business</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>There is rapid gain in profit share in my business</td>
<td>5</td>
<td>1</td>
<td>2.88</td>
<td>0.590</td>
</tr>
<tr>
<td>as attested by increase in branch networks and</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>number of staff</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>There is commitment by my business to invest in</td>
<td>5</td>
<td>1</td>
<td>3.16</td>
<td>0.981</td>
</tr>
<tr>
<td>other ventures</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Diversification of services and products is the</td>
<td>5</td>
<td>1</td>
<td>2.89</td>
<td>1.101</td>
</tr>
<tr>
<td>main factor which leads to growth</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The number of employees has increased in my</td>
<td>5</td>
<td>1</td>
<td>2.77</td>
<td>1.107</td>
</tr>
<tr>
<td>business</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>It is easy to promote a new business ideas ones the</td>
<td>5</td>
<td>1</td>
<td>3.49</td>
<td>1.039</td>
</tr>
<tr>
<td>present business is progressing well</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Grand mean</td>
<td>5</td>
<td>1</td>
<td>3.152</td>
<td>0.7763</td>
</tr>
</tbody>
</table>
The findings demonstrated that the respondents concurred that sales volume in their businesses kept on increasing in the same proportion of resource input (M=3.87; SD=1.017), their business market share was relatively higher compared to other businesses (M=3.36; SD=0.819) and that they controlled a sizeable market share based on profit margin of their business (M=2.80; SD=1.109). The results concur with Mashenene (2014) who observed that increase in a firm’s size was the best measure of a firm’s growth with the profitability being determined by supply of capital, labor and appropriate opportunities for investments. The results further agree with Langat (2013) who noted that the indicators of the growth of YOE included the number of business enterprises, number of business activities, increase in market for the production, increase in employment absorption rate, overall economic growth and increased rate of investment in real estate by YOE entrepreneurs.

The respondents further agreed that there was rapid gain in profit share in their business as attested by increase in branch networks and number of staff (M=2.88; SD=0.590), that there was commitment by the businesses to invest in other ventures (M=3.16; SD=0.981) and that diversification of services and products were the main factors which lead to growth of YOE (M=2.89; SD=1.109). Moreover, Caruabna (2017) agreed that market share growth was a portion of customer base that kept on increasing in the same proportion of resource input and was used to define a firm’s increase in volume of sales, employment levels, and profitability and total assets as a measure of growth of YOE.

The respondents further agreed that the number of employees had increased in their business as revealed by a mean response of 2.77 with a standard deviation of 1.107. It is also evident that the respondents seemed to agree that it was easy to create new business ideas once the
present business was progressing well as revealed by a mean response of 3.49 with a standard deviation of 1.039. Considering all the factors it can be observed that income was the main reason behind any business venture irrespective of the other indicators of growth of YOEs. This is further supported by the aggregate mean of 3.1525 with a standard deviation of 0.7763 indicate that majority of the respondents concurred that youth owned businesses registered growth in Baringo county. This phenomenon is true only to the extent that the present study focused on businesses that had survived.

**4.4 Correlation Analysis**

The study sought to establish the underlying relationships between organizational factors and growth of YOEs in Kabarnet town and the extent to which the independent variables influenced the dependent variable. Correlation analysis was used to accomplish this purpose. The composite scores for organizational factors were correlated with the growth of YOEs. The results are presented in table 4.11.

**Table 4.11: Pearson’s Correlation analysis for significant relationship between organizational factors and Growth of YOEs**

<table>
<thead>
<tr>
<th>Variables</th>
<th>YOEs Growth</th>
<th>Financial support</th>
<th>Entrepreneurship training</th>
<th>ICT</th>
<th>Government policies</th>
</tr>
</thead>
<tbody>
<tr>
<td>YOEs growth</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial support</td>
<td>0.311*</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Entrepreneurship training</td>
<td>0.317*</td>
<td>0.566*</td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>ICT</td>
<td>0.219*</td>
<td>0.293*</td>
<td>0.391*</td>
<td>1</td>
<td></td>
</tr>
</tbody>
</table>

*The asterisk (*) indicates significance at the 0.05 level.*
The correlation table presents the relationship between the dimensions of organizational factors measured by financial support, entrepreneurship training, ICT and government policies against the growth of YOEs. The results show that all the dimensions related positively as discussed in the subsections below.

4.4.1 There is no significant influence of financial support on the growth of YOEs

Pearson correlation coefficient was used to determine the degree of relationship between financial supports and growth of YOEs in Kabarnet town. The results revealed a positive relationship ($r=0.311, p=0.001$) between financial support and growth of YOEs. Moreover, the relationship was statistically significant at $p<0.05$ level of significance. Therefore, the researcher observed that financial support significantly influenced the growth of YOEs in Kabarnet town. Hence, the first hypothesis $H_0$ which stated that there was no statistically significant relationship between financial support and growth of YOEs in Kabarnet town was rejected, thus accepting that financial support significantly influenced the growth of YOEs in Kabarnet town. It can be noticed that the research hypothesis, in general, is supported by data. This is due to the fact that many YOEs seek financial support to enhance the growth of YOEs. Chigunta (2012) maintains that access to finance is one of the major factors influencing the success of youth run enterprises. Although most respondent had access to some funding, there were hindrances in accessing credit due to high interest rate, short repayment period, and lack of collaterals which could influence the youth from accessing credit. This concurs with Essayed (2015) who observed that financial institutions generally regard the youth as high risk creditors and are reluctant to extend credit to them.
4.4.2 There is no influence of entrepreneurial training on the growth of YOEs

The second objective was to establish the influence of entrepreneurship training on growth of YOEs in Kabarnet town. The researcher used Pearson correlation coefficient to establish the relationship between entrepreneurship training and growth of YOEs and to test the hypothesis that there was no statistically significant influence of entrepreneurship training on the growth of YOEs in Kabarnet town. The study established that there was a positive relationship (r=0.317; p=0.007) between entrepreneurship training and the growth of YOEs. The relationship was statistically significant at p<0.05 level of significance. Therefore, the null hypothesis (H₀₂) that there was no statistically significant influence of entrepreneurship training on growth of YOEs in Kabarnet town was rejected. Therefore, the researcher concluded that the growth of YOEs depended on entrepreneurship training. The results are supported by previous studies that noted that the provision of entrepreneurship training was very important in facilitating the success of youth’s businesses. Moreover, School (2006) concurred that entrepreneurship training was crucial in assisting the youth to improve the performance of their owned businesses. However, the provision of entrepreneurship training as revealed by the findings of the study was still low.

4.4.3 There is no significant influence of ICT on growth of YOEs

The researcher sought to establish the influence of information communication technology on growth of YOEs in Kabarnet town. Pearson product moment correlation coefficient was used to test the hypothesis that ICT had no effect on the growth of YOEs in Kabarnet town. The analysis revealed the presence of a positive relationship (r=0.219, p=0.002) between information communication technology and growth of YOEs in Kabarnet town. The
A relationship was found to be statistically significant at p<0.05 level of significance. Therefore, the null hypothesis $H_03$ that information communication technology had no influence on the growth of YOEs in Kabarnet town was rejected. Thus, the researcher observed that information communication technology influenced the growth of YOEs in Kabarnet town. This suggests that most YOEs employed information communication technology as a means to expand their YOEs.

**4.4.4 Government policies have no moderating influence on the growth of YOEs**

The study further sought to assess the moderating influence of government policies on the growth of YOEs in Kabarnet town. Pearson product moment correlation coefficient was used to test the hypothesis that there was no significant moderating influence of government policies on YOEs’ growth in Kabarnet town. The findings indicated the existence of a positive relationship ($r=0.119$, $p=0.005$) between government policies and growth of YOEs in Kabarnet town. Therefore, the null hypothesis $H_04$ which stated that there was no statistically significant moderating influence of government policies on the growth of YOEs in Kabarnet town was rejected. However, the relationship was not statistically significant at p<0.05 level of significance. The researcher concluded that the growth of YOEs in Kabarnet town slightly depended on government policies. In view of this association, it can be observed that the growth of YOEs depended on pro youth government policies and business assistance programmes.
4.5 Diagnostic Tests

4.5.1 Homoscedastic, Heteroscedastic and autocorrelation Tests

The findings were subjected to homoscedastic, heteroscedastic and autocorrelation tests to evaluate the assumption of homoscedasticity where it was deduced that the error term generated in the relationship between the dependent and independent variables was homoscedastic and that it was the same for all values of the predictor variables. The findings were also subjected to autocorrelation test. The tests results are presented in table 4.12

**Table 4.12: Diagnostic Tests for Heteroscedasticity and Autocorrelation**

<table>
<thead>
<tr>
<th>Growth</th>
<th>Coef.</th>
<th>Std. Err.</th>
<th>T</th>
<th>P&gt;t</th>
<th>95% conf.</th>
<th>Interval</th>
</tr>
</thead>
<tbody>
<tr>
<td>Constant</td>
<td>3.3268</td>
<td>4.2708</td>
<td>1.12</td>
<td>0.002</td>
<td>2.697</td>
<td>2.956</td>
</tr>
<tr>
<td>Finan. Support</td>
<td>0.0339</td>
<td>0.0122</td>
<td>1.77</td>
<td>0.006</td>
<td>0.0080</td>
<td>0.009</td>
</tr>
<tr>
<td>Entr/ training</td>
<td>0.0354</td>
<td>0.0151</td>
<td>1.34</td>
<td>0.019</td>
<td>0.0058</td>
<td>0.065</td>
</tr>
<tr>
<td>ICT</td>
<td>0.7692</td>
<td>1.1769</td>
<td>0.65</td>
<td>0.113</td>
<td>0.009</td>
<td>2.076</td>
</tr>
<tr>
<td>Gov-Policies</td>
<td>0.8529</td>
<td>1.2286</td>
<td>0.61</td>
<td>0.088</td>
<td>0.0052</td>
<td>1.261</td>
</tr>
</tbody>
</table>

The diagnostic tests results from table 4.12 illustrated that the p value=0.0000; p<0.05 indicated that the tests were statistically significant and therefore the assumptions that research data was heteroscedastic and serially correlated was rejected. Therefore, the study concluded that research data was homoscedastic with no autocorrelation.

4.5.2 Test for Normality

Multiple regression analysis assumed that the variables had normal distribution. Non-normally distributed variables can distort relationships and significance tests. In this study normal distribution of data was tested by use of Shapiro-Wilk Test as shown in table 4.13.
Table 4.13: Shapiro-Wilk Test

<table>
<thead>
<tr>
<th>Variables</th>
<th>Statistic</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Growth of YOEs</td>
<td>0.873</td>
<td>0.201</td>
</tr>
<tr>
<td>Financial support</td>
<td>0.991</td>
<td>0.234</td>
</tr>
<tr>
<td>Entrepreneurial training</td>
<td>0.948</td>
<td>0.132</td>
</tr>
<tr>
<td>Information Communication Technology</td>
<td>0.840</td>
<td>0.287</td>
</tr>
<tr>
<td>Government policies</td>
<td>0.987</td>
<td>0.400</td>
</tr>
</tbody>
</table>

Source: (Researcher, 2019)

From the findings as indicated in table 4.13, the data for all the variables was normally distributed. The findings show that growth of YOEs (p-value=0.201), financial support (p-value=0.234), entrepreneurial training (p-value=0.137), Information Communication Technology (p-value=0.289) and government policies (p-value=0.411) were normally distributed.

4.5.3 Multi-collinearity Test

The primary concern was the tolerance level which is an indication of the percent of variance in the predictor that cannot be accounted for by other predictors. The VIF is (1/tolerance) and as a rule of thumb, a variable whose VIF value is greater than 10 may merit further investigation. The results are presented in table 4.14.

Table 4.14: Collinearity test results

<table>
<thead>
<tr>
<th>Variables</th>
<th>Tolerance</th>
<th>VIF</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial support</td>
<td>0.572</td>
<td>1.888</td>
</tr>
<tr>
<td>Entrepreneurial training</td>
<td>0.409</td>
<td>2.371</td>
</tr>
<tr>
<td>Information Communication Technology</td>
<td>0.531</td>
<td>3.863</td>
</tr>
</tbody>
</table>
From the findings, the variable financial support range had a tolerance of 0.572 and a VIF of 1.888, entrepreneurship training had a tolerance of 0.409 and a VIF of 2.371 and ICT had a tolerance of 0.537 and a VIF of 3.863 while government policies had a tolerance of 0.511 and a VIF of 2.001. Since the tolerance for all the variables was more than 0.1 and the VIF was not more than 10, there was no need of further investigations.

4.6 Regression Analysis

The researcher attempted to fit a regression model for this study in establishing the relationship between the independent variables and the dependent variable. Multiple regression analysis was performed and the results presented in table 4.1.

<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>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>0.8087</td>
<td>0.654</td>
<td>0.0313</td>
<td>0.0101</td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), Government policies, Entrepreneurship training, ICT, Financial support

The model summary indicated the presence of a positive multiple correlation (R=0.8087) between the independent variables and the dependent variable. Further, the R squared value of 0.654 indicated that government policies, entrepreneurship training, ICT and financial support accounted for 65.4% of the total variance in the growth of YOEs. Therefore, the researcher observed that the independent variables influenced the dependent variable. The analysis of variances yielded the following results in table 4.16.
Table 4.16: ANOVA

<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>1.695</td>
<td>4</td>
<td>0.689</td>
<td>3.104</td>
<td>0.021</td>
</tr>
<tr>
<td>Residual</td>
<td>16.349</td>
<td>65</td>
<td>0.222</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>18.044</strong></td>
<td>69</td>
<td><strong>0.911</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. Dependent Variable: Growth of YOEs

b. Predictors: (Constant), Government policies, Entrepreneurship training, ICT, Financial support

The study established that the F-ratio ($F_{(4,65)} = 3.104$) was statistically significant at $p<0.021$ level of significance. This showed that the independent variables taken together significantly influenced the growth of YOEs in Kabarnet town. The model coefficient values from the regression analysis are presented in table 4.17.

Table 4.17: 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>(Constant)</td>
<td>1.695</td>
<td>0.763</td>
<td>3.237</td>
<td>0.000</td>
</tr>
<tr>
<td>Financial support</td>
<td>0.311</td>
<td>0.145</td>
<td>0.041</td>
<td>0.332</td>
</tr>
<tr>
<td>Entrepreneurship training</td>
<td>0.317</td>
<td>0.111</td>
<td>0.311</td>
<td>2.128</td>
</tr>
<tr>
<td>ICT</td>
<td>0.219</td>
<td>0.128</td>
<td>0.097</td>
<td>0.699</td>
</tr>
<tr>
<td>Government policies</td>
<td>0.119</td>
<td>0.102</td>
<td>0.179</td>
<td>1.359</td>
</tr>
</tbody>
</table>
a. Dependent Variable: Growth of YOEs

From the model coefficients table, the following mathematical model was fitted

\[
Y = 1.695 + 0.311X_1 + 0.317X_2 + 0.219X_3 + 0.119X_4
\]

From the derived regression model, with all the other factors remaining constant, the growth of YOEs in Kabarnet town had a constant value of 1.695. It is also evident that the \( B \) value of 0.311 supported by a probability value of 0.001 indicated how much variation in the growth of YOEs could be explained by financial support. In this case, while holding other factors constant, 31.1\% of the growth of YOEs in Kabarnet town could be explained by financial support. Also the \( B \) value of 0.317 supported by a probability value of 0.011 indicated how much variation in the growth of YOEs could be explained by entrepreneurship training. In this case, 31.7\% of the growth of YOEs in Kabarnet town could be explained by entrepreneurship training. The results also revealed the regression coefficient for ICT. The \( B \) value of 0.219 supported by a probability value of 0.018 indicated how much of the variation in the dependent variable could be explained by the independent variable, ICT. This means that 21.9\% of the growth of YOEs in Kabarnet town was influenced by ICT. Finally, the regression for the moderating influence of the government policies was also obtained. From the findings, the \( B \) value of 0.119 supported by a probability value of 0.125 indicated how much variation in the growth of YOEs in Kabarnet town could be explained by government policies. In this case, the lowest percentage of 11.9\% of growth of YOEs in Kabarnet town could be explained by government policies and business support programmes for the youth.
CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Summary of Findings

The purpose of the study was to establish the organizational factors influencing growth of YOE’s in Baringo County. The objectives of the study were to explore the influence of financial support on the growth of YOE’s; determine the influence of entrepreneurship training on the growth of YOE’s; determine the influence of ICT on the growth of YOE’s and to establish the influence of government policies on the growth of YOE’s in Baringo County.

The study was guided by two theories namely the resource based theory and the human capital theory. The study employed the descriptive research design. The study population comprised of 270 YOE’s operators in Kabarnet town, Baringo County. Stratified random sampling was applied in selecting the sample size. A sample size of 73 respondents was determined using Yamane’s formula. Primary data was collected using questionnaire. Quantitative data was analyzed using descriptive statistics and inferential statistics based on the study’s objectives. Frequency tables and figures were used to represent the results. This chapter presents a summary of the findings and the conclusion made. Recommendations and suggestions for further research are also presented. The summary of the major findings are presented according to the hypothesis of the study in the subsections.

From the findings the researcher established that the respondents funding impacted positively on performance of youth enterprises. However, accessing finances was difficult as the youths had little experience and collaterals. It is also evident that without collaterals the youths could not secure the required capital leading to inadequate cash flow to repay loans. The aggregate mean of 2.964 with a standard deviation of 1.10529 indicate that majority of the
respondents moderately concurred that financial support influenced growth of YOEs in Baringo county. Moreover, there was a positive relationship \((r=0.311, p=0.001)\) between financial support and growth of YOEs. This suggests that 31.1% of the growth of YOEs in Kabarnet town could be explained by financial support.

The findings demonstrated that entrepreneurial training influenced the youth to become aware of how to improve the performance of their businesses. The youths also needed to be empowered through regular trainings on new business ideas. Moreover, the duration of the entrepreneurial training is important as it influences the performance of YOEs. The grand mean of 3.032 with a standard deviation of 1.0078 indicate that majority of the respondents concurred that entrepreneurship training significantly influenced the growth of YOEs in Baringo county. The study established also that there was a positive relationship \((r=0.317; p=0.007)\) between entrepreneurship training and the growth of YOEs. This suggested that 31.7% of the growth of YOEs in Kabarnet town could be explained by entrepreneurship training.

The results show that ICT connectivity has helped many youth businesses in Kabarnet town to enhance their success. Also conducting cash transactions using digital platforms helped YOEs since it was fast and secure. The aggregate mean of 2.984 with a standard deviation of 0.9916 indicate that majority of the respondents moderately concurred that adoption of ICT influenced the growth of YOEs in Kabarnet town in Baringo county. The analysis revealed the presence of a positive relationship \((r=0.219, p=0.002)\) between information communication technology and growth of YOEs in Kabarnet town. Thus, the study revealed that 21.9% of the growth of YOEs in Kabarnet town was influenced by ICT.
The results show that not all YOEs believed that government strategies had improved the physical image of youth enterprises even though the government had put in place strategies to capacitate youth to accelerated business activities. However, the youths disagreed that there were strategies to strengthen youth entrepreneurs and make them more competitive. The aggregate mean of 3.256 with a standard deviation of 0.9461 indicate that majority of the respondents concurred that Government policies positively influenced the growth of YOE in Baringo county. Moreover, the findings indicated the existence of a positive relationship (r=0.119, p=0.005) between government policies and growth of YOEs in Kabarnet town. This implies that 11.9% of growth of YOE in Kabarnet town could be explained by government policies and support programmes.

5.3 Conclusions

The purpose of this study was to investigate the organizational factors influencing the growth of YOEs in Kabarnet town, Baringo County. Based on the study findings, the following were the conclusions of the study:

i. There was a positive relationship (r=0.311; p=0.001) between financial support and growth of YOEs in Kabarnet town. This implies that 31.1% of growth of YOE in Kabarnet town could be explained by financial support.

ii. The entrepreneurship training such as seminars/workshops enhanced the knowledge and skills of the youth on businesses management. Hence, there was a positive relationship (r=0.317; p=0.007) between entrepreneurship training and the growth of YOE, suggesting that 31.7% of the growth of YOE in Kabarnet town could be explained by entrepreneurship training.
iii. Technological innovations, internet connection, accessibility to information, use of relevant ICT digital platforms and internet connection promoted the growth of YOEs. Hence, there was a positive relationship ($r=0.219; p=0.002$) between information communication technology and growth of YOEs in Kabarnet town.

iv. The study also concludes that the growth of YOEs depended on government policies with a moderating relationship of 0.119 at p-value 0.005. Hence, 11.9% of growth of YOEs in Kabarnet town could be explained by government policies and support programmes.

5.4 Recommendations

5.4.1 Recommendations for Action and Practice

The study has established that organizational factors positively affected the growth of YOEs. Based on the conclusions drawn from the study, the following recommendations are made for practice and action.

i. Youth owned enterprises should establish good credit history with the lending institutions so that they can easily access funding.

ii. Entrepreneurship training programmes should be rolled out mostly for the youths. These programmes should be tailored in a manner that can equip the youth with skills to run their own enterprises.

iii. The government should relax rules regarding business policies aimed at supporting youth businesses.

iv. The youth should also be encouraged to adopt modern information communication technology to boost access information on latest business ideas and programmes.
v. Special needs of the youth should be factored in when government policies on economic activities are being crafted in order to realize the full potential of YOEs as an equal employment contributor in the economy.

5.4.2 Recommendation for further research

The study sought to investigate the organizational factors influencing the growth of YOEs in Kabarnet town, Baringo County. Due to sampling errors that might have arisen, further research is recommended on the same topic in other towns in order to enhance generalizability of the findings. It is also suggested that further research be done on the factors influencing failure of YOEs in Kabarnet town. There is also a need for a further study to establish the perception of YOEs towards government funding for youth businesses in Kenya. A further study is also suggested to investigate the effect of sponsored credit programmes for youth run enterprises towards promotion of youth business in other parts of the country. It is further suggested that an investigation be done into the effect of market accessibility on the development of youth enterprises in other parts of the country.
REFERENCES


Gimeno, I. (2014). An exploration of owner manager problem solving practices in small firms; the central Vancouver Island experience, University of Hertfordshire, Canada.


Oduol, S. (2014) *Putting the Young in Business; Policy Challenges for Youth Entrepreneurship in Siaya County*. The LEED Programme, Territorial Development Division, Paris


APPENDICES

Appendix I: Questionnaire to the Respondents

Instructions

Please read carefully and systematically fill in answers to questions as honestly as possible by putting down your answers in the spaces provided or by ticking (√) where applicable.

Section A: Background Information

1. Gender of Respondent: Male [ ] Female [ ]
2. Age: Below 18 years [ ]
   18-24 years [ ]
   25-30 years [ ]
   31-35 years [ ]
3. What is your highest level of education?
   Primary level [ ]
   Secondary level [ ]
   College level [ ]
   Under-Graduate level [ ]
   Post-Graduate level [ ]
   Others (Specify …………………………………………………………………….)

4. Marital status
   Single [ ]
   Married [ ]
   Separated/Divorced [ ]
   Widow/Widower [ ]

5. How long has your enterprise been in existence?
   Under 1 years [ ] 1-3 years [ ] 4-7 years [ ] Over 7 years [ ]
Section B: Influence of Financial Support

6. To what extent do you agree with the following statements on how financial support has influenced growth of YOEs? Use a scale of 5-1 where 1=strongly disagree, 2=disagree, 3=undecided, 4=agree and 5=strongly agree.

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<tbody>
<tr>
<td>1</td>
<td>Funding impact positively on performance of youth enterprises</td>
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<tr>
<td>2</td>
<td>Accessing finances through grants to increase stock is difficult among youth owned enterprises</td>
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<tr>
<td>3</td>
<td>Youths have difficulty accessing financial resources because they tend to have little experience and few assets</td>
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<td>4</td>
<td>YOE are usually only financed if the applicant has prior experience in the type of business</td>
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<tr>
<td>5</td>
<td>Youths experience problems in receiving extended grace period for loan repayment</td>
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<td>6</td>
<td>Youths have inadequate capital for conducting market research, advertisements and promotions.</td>
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<td>7</td>
<td>Without business assets youths cannot secure the required capital</td>
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<td>8</td>
<td>I am aware that a simple financial management mistake is likely to lead to capital decline</td>
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<td>9</td>
<td>Interest charged on loans granted to youths usually attract large interest rates</td>
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<tr>
<td>10</td>
<td>Youths have inadequate cash flow to repay loans as per the agreement with lending institution</td>
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</table>

SECTION C: Influence of Training

7. To what extent do you agree with the following statements on how entrepreneurship training has influenced growth of YOEs? Use a scale of 1-5 where 1=strongly disagree, 2=disagree, 3=undecided, 4=agree and 5=strongly agree.

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<tr>
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</thead>
<tbody>
<tr>
<td>1</td>
<td>Training seminars/workshops influence youth awareness on how to improve performance of business</td>
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<td>2</td>
<td>Youth groups needs to be empowered through regular trainings on new business ideas</td>
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<td>3</td>
<td>Youths need to use the skills and knowledge they acquired in schools to create job opportunities</td>
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</table>
Training strengthens youth entrepreneurs and makes them more competitive

Lack of marketable skills prevent many youthful business people from gaining access to economic opportunities

Number of topics covered influence the performance of the youth owned SMEs.

Increasing number of entrepreneurship trainings improves performance of youth owned SMEs.

The duration of training influences the performance of youth owned SMEs.

Entrepreneurship training is not necessary for youth enterprise

I have attended planning and financial reporting training

D: Information Communication Technology

To what extent do you agree with the following statements on how government policies have influenced growth of YOEs? Use a scale of 1-5 where 1=strongly disagree, 2=disagree, 3= undecided, 4= agree and 5= strongly agree.

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<tbody>
<tr>
<td>1</td>
<td>I employ latest technological innovations in boasting my business</td>
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<tr>
<td>2</td>
<td>Internet connection has helped many youth businesses in these area</td>
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<tr>
<td>3</td>
<td>I accessing information pertaining my business from internet platforms and this has helped its success</td>
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<tr>
<td>4</td>
<td>Conducting cash transactions using relevant ICT digital platforms has helped my business since it is fast and secure</td>
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<td>5</td>
<td>Performance of this business has soared due to use of ICT related platforms</td>
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<tr>
<td>6</td>
<td>Youths have skills to handle new technology</td>
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<tr>
<td>7</td>
<td>My business can afford the cost of acquiring new technology</td>
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<td>8</td>
<td>Your business promotes products/services via web site and emails</td>
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<td>9</td>
<td>I have the capacity to acquire new technology immediately it is introduced in the market</td>
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<tr>
<td>10</td>
<td>I have the capacity to acquire new technology immediately it is introduced in the market</td>
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</tbody>
</table>

SECTION E: Government Policies
9. To what extent do you agree with the following statements on how government policies have influenced the growth of YOEs? Use a scale of 1-5 where 1=strongly disagree, 2=disagree, 3=undecided, 4=agree and 5=strongly agree.

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<tbody>
<tr>
<td>1</td>
<td>Government strategies have improved the physical image of youth enterprises</td>
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<tr>
<td>2</td>
<td>Government has put in place strategies to capacitate youth to leadership roles.</td>
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<tr>
<td>3</td>
<td>There are strategies to strengthen youth entrepreneurs and make them more competitive</td>
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<td>4</td>
<td>The government has involved and empowered stakeholders’ to help the youths start small enterprises</td>
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<td>5</td>
<td>The government has created an institutional structure conducive to implementing youth policy</td>
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<td>6</td>
<td>The government has increased knowledge and design better programmes through monitoring and evaluation</td>
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<td>7</td>
<td>Taxation policies are favourable to youth owned enterprises</td>
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<td>8</td>
<td>Terms and conditions for accessing youth funds are favourable to the youth</td>
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<td>9</td>
<td>There is fair competition in the market with measures put in place to protect the youth</td>
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<td>10</td>
<td>The government attempts to regulate business activities to protect youth owned business</td>
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</table>
SECTION B: GROWTH OF YOEs

10. Indicate the extent to which you agree or disagree with the following statements about growth of business on a scale of 1-5. **Key:** 1. (Strongly Disagree) 2. (Disagree) 3. (Neutrally Agree) 4. (Agree) 5. (Strongly Agree).

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<tbody>
<tr>
<td>1</td>
<td>Sales volume in my business keeps on increasing in the same proportion of resource input</td>
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<td>2</td>
<td>My business market share is relatively higher compared to other businesses</td>
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<td>3</td>
<td>I control a sizeable market share based on profit margin of my business</td>
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<td>4</td>
<td>There is rapid gain in profit share in my business as attested by increase in branch networks and number of staff</td>
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<td>5</td>
<td>There is commitment by my business to invest in other ventures</td>
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<td>6</td>
<td>Diversification of services and products is the main factor which leads to growth.</td>
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<td>7</td>
<td>The number of employees has increased in my business</td>
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<tr>
<td>8</td>
<td>It is easy to create new business ideas ones the present business is progressing well</td>
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Thank you
Appendix II: Research Permit from NACOSTI

Appendix III: Letter from County Commissioner, Baringo County

Appendix IV: Letter from County Director of Education, Baringo County