DECLARATION

I declare that this research project is my original work and has never been submitted anywhere for a degree or qualification of the same in any other university or institution of higher learning.

Signature______________________  Date__________________

ALLAN SAVATIA
D53/KER/PT/33341/2014

I confirm that the work reported in this project was carried out by the candidate with my approval as the University Supervisor.

Signature_________________________  Date____________________

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Kenyatta University.
DEDICATION

Many thanks to my daughter, Stephanie, for her innocently ever encouraging presence at my study, and my wife, Mellap, for her support during those moments of burning the midnight oil.
AKNOWLEDGEMENTS

I acknowledge my supervisor Dr. Kipkorir Sitienei. Sincere appreciation to my colleagues Emily Cheruyot, Eddah Samoei and Julius Yegon for their unparalleled support, invaluable resourcefulness and selfless guidance on this research project.
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<table>
<thead>
<tr>
<th>Term</th>
<th>Definition</th>
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<tbody>
<tr>
<td>Apprenticeship</td>
<td>Empowering the youth with skills and ideas that enables them to successfully run their enterprises.</td>
</tr>
<tr>
<td>Grants</td>
<td>Financial and non-financial services given to youth enterprises and are not subject to repayment.</td>
</tr>
<tr>
<td>Interest rate</td>
<td>Commission charged on loan given to youth enterprises</td>
</tr>
<tr>
<td>Micro Credit</td>
<td>This refers to the interest rate, government policy, social status and economic factors considered in accessing credit facilities.</td>
</tr>
<tr>
<td>Micro Grant</td>
<td>These are mentoring, awareness, repayment and eligibility to grants offer to the enterprises.</td>
</tr>
<tr>
<td>Micro Insurance</td>
<td>It involves the level of awareness regarding cost of insurance, liquidity constraints and trust on insurance policies available for them.</td>
</tr>
<tr>
<td>Micro support</td>
<td>Refers to micro credit, micro insurance, micro grant and micro training.</td>
</tr>
<tr>
<td>Micro Training</td>
<td>Refers to the training skills, lack of interest, cost of training and technology on training available.</td>
</tr>
<tr>
<td>Performance of youth enterprises</td>
<td>Refers to revenue, risk covered, investments, decision making on business management and market share.</td>
</tr>
<tr>
<td>Performance</td>
<td>Status of youth enterprises in terms of revenue, customer base, market share and sales turnover.</td>
</tr>
<tr>
<td>Youth Enterprises</td>
<td>Business entities owned and operated by young people between the age of 18 and 30 years</td>
</tr>
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LIST OF ABBREVIATIONS

<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Description</th>
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<tbody>
<tr>
<td>EDC</td>
<td>Education Development Centre</td>
</tr>
<tr>
<td>FFIs</td>
<td>Formal Finance Institutions</td>
</tr>
<tr>
<td>GOK</td>
<td>Government of Kenya</td>
</tr>
<tr>
<td>MFI</td>
<td>Micro Finance Institutions</td>
</tr>
<tr>
<td>NYDA</td>
<td>National Youth Development Agency</td>
</tr>
<tr>
<td>SME</td>
<td>Small and Medium size Enterprises</td>
</tr>
<tr>
<td>SPSS</td>
<td>Statistical Package for Social Science</td>
</tr>
<tr>
<td>USAID</td>
<td>United States Agency for International Aid</td>
</tr>
<tr>
<td>YEDF</td>
<td>Youth Enterprise Development Fund</td>
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ABSTRACT

Youth enterprises are facing revenue, risks, investment practices, decision making and market share that affects the success rate in Kenya. These enterprises also experience an exponentially increasing competition based on the increase in self-employment. In order for them to become sustainable, productive and viable there is need to provide micro enterprise support. The objective of the study was to analyze micro enterprise support on the performance of selected youth enterprises in Kericho County, Kenya. The study’s specific objectives were given by micro credit, micro insurance, micro training and micro grant support mechanism in place for performance of these enterprises. The study is significant to several entities which include the government, youth enterprises and micro support institutions. It is also useful to academic institutions and scholars. The study used financial intermediation theory and information asymmetry theory. It used descriptive research design that targeting 100 youth enterprises. The research used a sampled 30 youth groups in Kericho County were selected using simple random sampling technique. Data collected from the study was analyzed using descriptive that include mean and standard deviation. Inferential statistics was conducted using regression analysis. The findings indicate that accessing micro credit facilities barriers were interest rates, government policies, social and economic factors which affect the performance of youth enterprises. Micro grants and micro training have assisted to a great extent in the performance of youth enterprise. Micro insurance had no significant effect on the performance of enterprises. In conclusion, there is need to increase the amount of credit facilities advanced to the youth enterprises. Interest rates should also be reduced so that youth enterprises can be in a position to repay and become sustainable. This would improve profitable of the enterprises and hence performance. Entrepreneurship training programs targeting the youths recommended that these micro training tools should be uniquely designed to attain the needs of various youth enterprises.
CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

Youth enterprises engage in activity in terms of socio-economic improvement of a nation (Baumol, 2008) because they provide fundamental steps in creating employment opportunities cheaply (Beck, Demirguc- Kunt, Laeven & Levine, 2008). Both youth enterprises and SMEs contribute immensely in creating income generating activities to enable young people to be independent and sustain themselves in the livelihood, particularly in the developing countries (Beck, Demirguc-Kunt & Levine, 2005). Providing support services to youth enterprises plays a significant role in determining how they conduct their businesses and they are subject to conducive effective playing ground for expansion.

Economic Survey done by Kenya National Bureau of Statistics in 2013 both youth enterprises and the small businesses that add up to 75% active and operational businesses, employ over 5 million jobless and 30%, equivalent to 87% of all new jobs, and contribute 19% Kenya’s GDP. Starting and operating youth enterprises is characterized by both successes and failures. Lack of planning, poor funding and failed strategic approach in terms of managing the business has contributed to the failure of youth businesses (Longenecker Moore, Petty, Palich & Leslie, 2006). Compared to larger organizations, youth enterprises have special features. One major characteristic which distinguishes youth enterprises form large business organizations, other than size itself, is that of uncertainty (Westhead & Storey, 1996). Above this, external uncertainty has affected the youth enterprises and SMEs, particularly in
accessing financial services due to their limited collateral and high level of survival uncertainty.

1.1.1 Performance of youth enterprises

Performance comprises the actual output as measured against its intended outputs. This describes the strength of a business firm to create income and improve assets in order to maintain cash inflows (Greenwood & Jovanovic, 1990). Performance is an analysis of the goals and objectives. There are three core elements analyzed in performance. These elements are financial performance, shareholder value performance, and market performance. Performance indicators are applied to establish the performance of enterprises. Some of important financial ratios which business organizations use for analysis include liquidity ratio, profitability ratios, and financial leverage ratios, among others. These ratios, for some times are applied to analyze the stability of a company in terms of liquidity (Jayawardhera & Foley, 2000).

Growth in assets on youth enterprises is significant and SMEs notwithstanding. Profitability can therefore be measured using assets (Murthy & Sree, 2003). ROA is defined by Khrawish (2011) as an indicator of growth in assets of enterprise.

1.2 Statement of the Problem

Youth enterprises globally face challenges with performance. According to World Bank (2008), a significant number of youth enterprises fail during the first few months of their start up. According to Sievers & Vandenberg (2007 as cited in Kanyivu, 2016) indicated that poor funding and management training are a hindrance
to the performance of youth enterprises. On the other hand, youth enterprises cannot access the local market easily in terms of capital infrastructure. Youth enterprises are unable to run the business effectively because of lack of enough capital to sustain the operations (OECD, 2014).

According to Kuddo, Robalino & Weber (2015) there is a big financial crisis to funding small businesses because they are unable to provide the performance measures. This has limit competition, creativity and expansion of these small enterprises. For any business to succeed in needs financial support in order to meet capacity in terms of service delivery, creation of jobs, enabling competitive environment and poverty eradication. The performance of youth enterprise therefore has become a matter of concern not only in Kenya but also globally. Selection of the area of study was based on the gaps on previous studies that concentrate on credit, growth, role, management strategies, performance and development of youth enterprises but did not address micro support and performance of enterprises in Kericho County. There were also other studies that concentrated on the access to youth funds in Kenya ranging from Uwezo, Women and youth funds, but did not dwell on micro support which encompasses micro credit, micro insurance, micro training and micro grants that are provided through different stakeholders from government, private and non-governmental organization. More so, the establishment of the County governments, with Kericho County hosting major multi-national Companies like Unilever and James Finlay, made the county suitable for the study.
1.3 General Objective

The main objective of the study was to determine the effect of micro enterprise support on the performance of selected youth enterprises in Kericho County, Kenya.

1.3.1 Specific Objectives

a) To determine the effect of micro credit on the performance of selected youth enterprises in Kericho County, Kenya.

b) To investigate the effect of micro insurance on the performance of selected youth enterprises Kericho County, Kenya.

c) To assess the effect of micro training on the performance of selected youth enterprises in Kericho County, Kenya.

d) To analyze the effect of micro grants on performance of selected youth enterprises in Kericho County, Kenya.

1.4 Research Questions

a) Does access to micro credit affect the performance of selected youth enterprises in Kericho County, Kenya?

b) Does micro insurance affect the performance of selected youth enterprises Kericho County, Kenya?

c) Does micro training affect the performance of selected youth enterprises in Kericho County, Kenya?
d) Does micro grant affect the performance of selected youth enterprises in Kericho County, Kenya?

1.5 The significance of the study

This study benefits Kenyan Government in policy formulation especially on the regulation of youth enterprises, SMEs and Microfinance institutions. The findings of this study act as a guide to future policy formulation processes. It is important to youth entrepreneurs as it provides useful information on micro support on performance of selected youth enterprises in Kericho County, Kenya. It assists the government to take necessary measures in ensuring the youth enterprises can access loans, among other forms of support for growth and profitability of the enterprises. The government would then be able to formulate policies that improve youth entrepreneurs chances of accessing microfinance. They will be able to take on more projects hence improve performance and growth of the enterprises.

The findings are of great value to future researchers and academicians. They provide literature for future scholars. This study provides recommendations on other areas for further studies where future knowledge can be drawn on and at the time act as a reference material.

1.6 Scope of the study

The researcher sought to address how micro support affects the performance of youth enterprises in Kericho County. The data was collected from youth enterprises in Kericho County. The research was carried out in 2017 and focused on micro credit, micro training, micro insurance, micro grants and performance.
1.7 Limitations of the Study

The limitations included the challenge of picking data from institution which took time to follow up. The research used management and the continuous follow ups to obtain the necessary information. It took a lot of time to collect all the questionnaires. Due to the competitiveness of loans from micro-finance institutions the respondents were reluctant in disclosing some information for fear it may be used as criteria for level of financing. The necessary letters of authorization from NACOSTI, postgraduate school, ministry of education and county commissioner gave reassurance and enabled the task to be complete within the stipulated time albeit with numerous follow ups.

1.8 Organization of the Study

Chapter one contains the background of the study, statement of the problem, objective of the study, hypothesis of the study, scope of the study and limitation of the study. Chapter two comprises of theoretical review, empirical literature review, summary of research gaps and conceptual framework. Chapter three consists the research design, target population, sample design, data collection methods, data validity and reliability, data analysis and ethical issues. Chapter four contains the findings and their discussion. It also comprises of response rate, bio data, descriptive analysis with discussion of each objective and inferential analysis and discussions. Chapter five is the last chapter with summary, conclusion and recommendations of the study. This section gives the summary of discussion of the findings objectively. It also provides recommendations for further studies.
CHAPTER TWO

LITERATURE REVIEW

2.1 Theoretical review

Theoretical framework provides the links between theories and the research concept acting as deductive anchor for the research. The research used financial intermediation and information asymmetry theories.

2.1.1 Financial Intermediation Theory

The financial intermediation theory was postulated by Leland and Pyle in 1977. They define it as an activity of taking the extra units of funds to be deposited in a financial institution and then given to those with less amount so as to pay later with an additional amount. It explains the interest charged for money borrowed. According Bisignano (1992 as cited in Tarus, Kibas, Chepkilot, Koima & Gitahi 2016) it is grouped into four different categories which included; that a certain amount of deposits is not in any way related to portfolio measured in terms of performance, the assets generated or acquired are much longer than the deposits made to the institution on a demand not price inform of a cheque that indicates the liability index can be withdrawn anywhere anytime, and finally, the assets acquired and the liabilities measured cannot be transferred to anywhere.

Scholtens (2003) indicates that this theory enables enterprises to access funds easily, hence steady flow of funds from surplus to deficit units. Financial intermediation was
significant to the study through provision of micro credit which affect the performance of youth enterprises in Kericho County, Kenya.

2.1.2 Information Asymmetry Theory

Michael and Joseph postulated the information asymmetry theory in the early 1970s from the work of George Akerlof’s paper quality uncertainty and the market mechanism. The interest was that information asymmetries is an ex ante nature (Healy & Palepu, 2001). Small and medium enterprise, including youth enterprises operate in an environment characterized by a high level of information asymmetry. Healy & Palepu’s (ibid) study indicated that there are pressures similar to hinder the goal of investors in an economy and hence asymmetric information play a crucial role on micro financing on performance of youth enterprises.

According to Diamond (1984 as cited in Sonny, Fabiana and Wei 2017) argues that organizations can increase its efficiency than individuals through monitoring the contracts and enforcing restrictive covenants that reduce moral hazard problems that may arise in the organization. Healy & Palepu (2001) as well as Leland and Pyle (1977) argue that it is a great knowledge to invest in assets that generate wealth for the organization. This theory is relevant as it sought to explain how knowledge through micro training affects youth enterprises in Kericho County. Findings show training is vital to the success on the business as it equip the entrepreneurs with the necessary skills, knowledge on cost management and risk.
2.2 Micro Support

Micro support in enterprises comprises micro credit, micro insurance, micro training and micro grant facilities. The empirical review of these variables were discussed in relation to the performance of youth enterprise as below.

2.2.1 Micro Credit Facilities

From the studies done by Abiola (2011). Credit facility is a contractual agreement between an individual who needs funds and a lender, the lender agrees to repay the lender in some specified date agreed upon. Youth enterprises financial services issued by lending institutions such as micro finance. On the study done by Quaye (2011) asserts that this is because these enterprises do not have security required by these micro finance, whereas banks do not need to risk getting involved with these enterprises. Moreover, risks involved in lending to youth enterprises and SMEs make it unattractive to the banks to deal with them (Quaye, ibid). Okurut, Schoombee & Van der Berg (2004) provided study that shows that youth business has higher percentage in failing to run the business, this makes it difficult for banks to access its viability and sustainability, hence inability to pay back amount given. Youth enterprises, therefore, need both financial and non-financial services to enhance their productivity, profitability, growth and performance. Sievers & Vanderberg (2007) hold the view that access to financial and business development services are essential for the performance, growth and development of youth enterprises and other SMEs globally.
Micro financing is very important in the management and survival of youth enterprises. Micro-Finance Institutions (MFIs), as part of their core business, provide credit to youth enterprises and other SMEs including women enterprises (Abiola 2011).

According to Ogujiuba, Ohuche & Adenuga (2004) credit facilities available to enterprises in Nigeria are long-term and short-term loans which are generate income and categorized as assets. According to the findings of a study by Joeveer (2006) micro-financing is very important on indicators of youth business growth and SMEs in the developing economies.

Asiama (2007) define micro-finance is a process whereby financial service providers provides such services as monetary value and cash management to its members in presentable well accounted manner for business growth and progress. Debt and equity financing are some of the factors that limit youth enterprises to develop. Finance access is the best option for youth businesses to showcase productivity capacity, compete, and create employment. Youth businesses across most developing countries lack access to funds for growth due to low deposits (World Bank, 1994). On the other hand, youth enterprises hardly meet financial threshold provided by financial institutions, because Formal Financial Institutions (FFIs) perceive youth businesses in risk terms due to their inability to repay loan as a result of limited management styles. Without finance, youth businesses will never adopt evolving technologies for expansion, and hence less competition with larger business (UNCTAD, 2002).
2.2.2 Micro Insurance

According to Jacquier (2000), it is service provided to protect the wealth of the customers in an exchange of small fee called premiums; the services involved covering on risk associated with the nature of the business. However, target population consists of customers who have been affected by services involving social insurance schemes.

Churchill (2006) defines micro insurance as a situation whereby the public sector is expected to assist in developing capital infrastructure in order to aid in a competitive market especially for such products like agriculture which are vulnerable to poor climatic conditions. Micro financing function boosts productivity on growth for the youth enterprises. Several youth enterprises fail because they lack coverage on risks.

2.2.3 Micro Training

According to Cheung (2008), youth enterprises mostly do not have experience and training in operations and supervision of the businesses. Studies done by Nafukho (2010) poor management of the business is the cause of collapse of most youth enterprises. Kayanula & Quartey (2000) indicated in the study that despite management being very vital in any business it is the determinant of success and failure as well.

According to Kibanja & Munene (1999) decisions on style and marketing adoption, the funds to collect, advertising programs, pricing strategy, recruiting employees for training, are the management functions any business person success factor. According to the studies done by Storey (1994) there are factors which influence
business performance which includes past businesses, development, customers, management style and location of the enterprise. Significantly, Kupferberg (1998) ascertains that entrepreneurship and career commitment in entrepreneurship are factors that influence the growth in terms of education, wealth creation and financial performance of enterprise.

Brownstein (2007) argues that management training makes a crucial tool that assists in poverty alleviation which needs gradual changes for its alleviation. In Sub-Saharan Africa micro financing has improved quite significantly, which has never provided magic solutions to poverty since some other issues have not been addressed (Beck, Demirguc- Kunt, Laeven & Levine, 2008). Micro financing should therefore be given more support, especially in training youth entrepreneurs on management issues to yield some fruitful results. Currently, there should be a maximum awareness programs, create strict coordination, improvement in aid, and technology as well effectiveness. Financial improvements make the empowering the progress of youth enterprises easy on Millennium Development Goals, financing is the only way in a progress of reduce poverty and hunger in the region. Management training of youth entrepreneurs is very important on the youth enterprises on impoverished conditions. Management and operational lessons can provide the youth with valuable inputs that will enable them run the enterprises successfully (Beck, et al, ibid).

2.2.4 Micro Grants

Micro grants are monetary and non-monetary products and services given to enterprises that have been started by youths. The main objective is to which will
enable enterprises to be sustainable and profitable NYDA of 2009. Micro grant, is a micro support initiative aimed at supporting business startups that has potential to improve on growth and sustenance. Danish foundation entrepreneurship report of 2011 depicts that in order to promote entrepreneurship as a career path, it is important also to support those youths who have good ideas by offering a series of micro grants to students.

According to NYDA of 2009 approximately 600 youth owned enterprises in South Africa have benefited from the grant initiative stating from R1,000 to R100, 000 (One thousand to one hundred thousand Rand) On the other hand, before being given the micro grant services, the youth in South Africa must be enrolled in the NYDA mentorship program for at least one year. This is to ensure that the youth gain competence and knowledge in the running business and therefore ensures youth businesses become sustainable. In Kenya the Wells Mountain introduced Micro-Grants Program in 2015 which provides a one-time grant of $100 to $1,000 (One hundred to one thousand dollars) to help youth start and expand their business in addition to supporting community service project.

2.3 Empirical review

Tackey & Perryman (1999) in their study assert that fresh college graduates who want to start up business enterprises are primarily encouraged to be independent for economic empowerment. Several youth enterprises who took part in global challenge are faced by issues which include competition and market share expansion. Such young enterprises are hindered by such factors as low quality, hindrance to market
because of competition which contributes to slow pace in continual international business (Aryeetey, 1994). Youth enterprises lacked basic knowledge about international markets. These enterprises are limited by the factors that involves capital base. Inability to raise funding that is key to its growth. Cook & Nixson, (2000) asserts that in many developing countries, youth enterprise has been pulled down immensely by the fact that financial aid is still a hindrance to their business growth.

Parker, Riopelle & Steel (1995) asserts youth enterprises are faced with credit challenges. Studies by Levy (1993) showed funding is limited to youth business and buggle firms don’t face such challenges hence is a major setback for youth enterprises. Micro support is important aspect in the growth and expansion of youth enterprises (Cook & Nixson, 2000). According to (Parker et al., 1995 Kayanula & Quartey, 2000) youth enterprises face challenges; access to insurance cover is limited; rules are extreme which doesn’t have a friendly environment to run business, institutional capacity which is weak and poor management styles and training.

Sakwa (2013) did a study on the purposes of development fund and business performance of youth enterprises in Ruiru District, Kiambu, Kenya. Sakwa examined extent which influence of YEDF sponsored business incubators on the number and type of youth enterprises, and also tried to determine how business linkages created by YEDF affected performance of youth enterprises. In addition, the study wanted to find out how YEDF marketing initiatives impacted youth enterprises. Descriptive survey employed whereby characteristics of the fund were described on a subset of the population. Among other things, the study found out that supplier/buyer relationship was deemed the most important linkage a youth enterprise would wish to
establish, and that all the youth enterprises with airy relationship had changes in annual revenue. In addition, the study recommended that more funds be channeled through the program to have tangible effects on performance of funded enterprises, funding to each youth enterprises be increased to realize a greater impact of the fund, the fund be diversified to include tangible assets that can be registered in group names, and persons in charge of the fund formulate and implement strategies that would realize all the five purposes of YEDF and not just provision of micro-credit facilities.

Wanjiku (2009) conducted studies on management strategies among businesses. Its objectives were analyzing critical management factors, investigate into managerial factors and its effect on MSMEs performance in Kenya, evaluate integrative effect of management factors and investigate into demographic and managerial factors, lastly to establish effects of external environment. Studies by Worch, Kabinga, Eberhard, Truffer (2012) investigated relative studies on supplier management; methodology applied in the study was descriptive design which showed how factors of affairs are.

Nabintu (2013) studied issues affecting the performance of SMEs traders in Nairobi City Kenya. Objectives are to investigate accessibility of business information services on SMEs performance, determine funding as a factor for SMEs growth, establish technological input in payment systems on SMEs performance, and determining effect of managerial experience on SMEs performance. Nabintu (ibid) indicated survey research design on a sample of SMEs traders.

It was established that business information affects business opportunities. The facts discussed above clearly illustrate that there are several researchers and scholars who
have touched on issues related to youth enterprises and micro, small and medium size enterprises.

Even though opportunities such as market availability, loan facilities from Micro Finance Institutions (MFIs) and YEDF or Women Enterprise Fund (WEF) among others existed, only a smaller proportion of the youth group MSEs had exploited them. Most critical challenges faced by youth enterprises included competition, insecurity, managerial problems. Recommended the good performance of the youth enterprises should be sustained by capacity development through seminars, workshops to enhance the managers with managerial and mitigation strategies (Okungu, 2012).

Njanja, Pelissier & Ogutu (2010) studied management factors affecting SMEs. Its aim was to critique on management factors. Descriptive design was applied targeting 20 youth enterprises in each county. The research study establishes major findings as management factors on the different categories of enterprises differed. On the other hand, Njanja, Pelissier & Ogutu (ibid) elaborated the critical factors in terms of business management for youth enterprises. However, financial strategies are needed for planning.

2.4 Summary of Literature Review

The research used financial intermediation theory that explained how funds are available for small scale from other enterprises. The theory does not explain entirely all micro support variable discussed in the research. This theory only explains micro credit and micro grant with the small and medium scale organization, hence does not
explain the micro training and micro insurance. Information asymmetry theory is where the business environment is characterized by high level information that influences investment in an economy. The theorem provides the need of information to economic development of SMEs but weakly links it with the micro credit, micro insurance, micro training and micro grant. The research will address the theoretical gaps in the study.

There exists an empirical gap where most of the literature concentrates on credit facilities to the enterprise, growth and development of youth enterprises, management strategies, performance, role of youth enterprises and supply performance of small and medium enterprise (Ahiawodzi & Adade, 2012; Woldie, Leighton & Adebimpe 2008; Sakwa, 2013; Wanjiku, 2009; Worch, Kabinga, Eberhard, Truffer, 2012; Nabintu, 2013; Oduol, Okelo, Aila, Ochieng, Onyango, Ogutu, Odhiambo, 2013 & Maisiba & Gongera, 2013). The literature as summarized in the following table will hardly look into the need for micro training, micro insurance and micro grant. It only weakly focuses on micro credit in the study by Ahiawodzi & Adade (ibid) on access to credit facility. The research would provide the effect of each micro support variable and link them to the performance of youth enterprise to the organization.
<p>| Researcher            | Title                                           | Objective                                               | Findings                                                                 | Research gaps                                                                                           | Focus of current study                                                                 |
|----------------------|-------------------------------------------------|---------------------------------------------------------|--------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------|
| Ahiawodzi &amp; Adade,   | Access to credit facility                      | Credit and youth enterprises                            | Significant positive on youth enterprise growth                          | Study focused on credit had on youth enterprises but did not tackle effect of factors such as micro insurance and management training and thus a gap in addressing micro support | Micro support and performance                                                                  |
| (2012)               |                                                 |                                                         |                                                                          |                                                                                                         |                                                                                            |
| Woldie et al         | Growth of youth enterprises                    | Determinants of growth among youth enterprises in Nigeria | Growth of youth businesses was largely affected by characteristics of the enterprise. | The study analyzed factors that influence growth of youth enterprises. The research gap is Micro credit, Micro insurance, Micro grant and Micro training. | This study used descriptive research design, random sampling design, it targeted 300 youth owned registered enterprises in Kericho County. It used questionnaires to collect the data. |
| (2008)               |                                                 |                                                         |                                                                          |                                                                                                         |                                                                                            |
| Sakwa,               | Purpose of youth enterprise development fund    | To determine purposes of funding youth enterprises in Ruiru, Kiambu County, Kenya. | Findings found out supplier/buyer relationship was deemed the most important linkage youth enterprises would wish to establish. The youth enterprises with airy relationships had | The study focused on the purpose of youth enterprise development fund. Research gap is micro insurance, micro grant and micro training. | Micro training, micro grant and micro insurance on performance of selected youth enterprises in Kericho county. |
| (2013)               |                                                 |                                                         |                                                                          |                                                                                                         |                                                                                            |</p>
<table>
<thead>
<tr>
<th>Reference</th>
<th>Title</th>
<th>Methodology</th>
<th>Findings</th>
<th>Sampling Method</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wanjiku, (2009)</td>
<td>Management strategies affecting performance of MSMEs.</td>
<td>To examine management strategies (MSMEs) in Kenya.</td>
<td>The study found that management skills are critical to the performance of (MSMEs).</td>
<td>Simple random sampling technique was used.</td>
</tr>
<tr>
<td>Kabinga, (2014)</td>
<td>Supplier performance in Small and Medium Enterprises (SMEs)</td>
<td>To determine supplier involvement on the growth of businesses.</td>
<td>Supplier relationship, selection criteria and evaluation used to select the right supplier.</td>
<td>This study was carried out in Kericho County.</td>
</tr>
<tr>
<td>Nabintu, (2013)</td>
<td>Performance of SMEs</td>
<td>Evaluation of traders activities at city park, Nairobi, Kenya</td>
<td>The study also found transportation is a big problem in the City.</td>
<td>The study targeted 300 respondents and sampled 30 youth owned registered enterprises in Kericho County.</td>
</tr>
<tr>
<td>Oduol et al (2013)</td>
<td>Youth Enterprises Development</td>
<td>To determine the effect of the Youth</td>
<td>The study concluded that the Youth Enterprises</td>
<td>The study used questionnaires to collected data.</td>
</tr>
</tbody>
</table>

The study addressed strategies that involves management Enterprises but did not tackle youth enterprises and other factors such as management training and government policy thus a research gap in addressing micro support and performance of selected youth enterprises in Kericho County, Kenya.
<table>
<thead>
<tr>
<th>Author Source (2018)</th>
</tr>
</thead>
<tbody>
<tr>
<td>and enterprise growth. Enterprises Development Fund on youth enterprises in Kenya</td>
</tr>
<tr>
<td>Development Fund had not had a significant effect on youth enterprises. micro insurance, government policy and management training was not tackled, thus a gap in discussing Micro support and performance of selected youth enterprises in Kericho County, Kenya</td>
</tr>
<tr>
<td>Maisiba &amp; Gongera, (2013) Role of Youth Enterprises Development Fund (YEDF)</td>
</tr>
<tr>
<td>To determine the role of Youth Enterprises Development Fund in job creation in Kenya</td>
</tr>
<tr>
<td>It also established that the most critical challenges faced by youth enterprises included competition, insecurity and lack of capital and managerial skills</td>
</tr>
<tr>
<td>The study discussed the role of Youth Enterprises Development Fund in job creation. The study focused on revenue, risks covered, investments, decision making and market share.</td>
</tr>
</tbody>
</table>
2.5 Conceptual Framework

Independent variables

Micro Support

- Micro-credit
  - Interest Rate
  - Government Policy
  - Social Status
  - Economic Factors

- Micro Insurance
  - Level of awareness
  - Cost of insurance
  - Liquidity constraints
  - Trust

- Micro grant
  - Mentoring
  - Awareness
  - Repayment
  - Eligibility

- Micro training
  - Training skills
  - Lack of interest
  - Cost of training
  - Technology

Dependent variables

- Performance of youth Enterprises
  - Revenue
  - Risks covered
  - Investments
  - Decision making on business management
  - Market share

Figure 2.1

Source: Research Data (2017)
Conceptual framework represents the relationship between micro support and performance. One of the key features affecting the performance of youth enterprises is the access to credit facilities. Credit facilities enable youth enterprises to invest in emerging business opportunities, with gaining profit as the main objective, thus increasing financial performance and subsequent growth of these youth enterprises. On the other hand, access to insurance enables the youth enterprises to survive various risks associated to them by covering the risks that these youth enterprises face, thus improving the enterprises’ performance, growth and productivity.

Through provision of management training by micro financing institutions, youth will have excellent opportunity and capacity to make relevant decisions regarding both finances and operations of these enterprises. They will also have an in-depth understanding on how to manage and grow their enterprises in a professional manner by improving their decision making skills therefore enhancing the performance of these enterprises.

The government policies on youth enterprises have a direct impact on their performance hence play a critical role in their performance. The level of awareness on risk management through micro insurance have an influence in enabling investors to take insurance policies that will ensure that risks that threaten business are covered thus improving their performance. It will also enable them to invest in viable opportunities which in return positively impacts on youth enterprise performance.
CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Research design

Descriptive research design was used in the research. Churchill (1991) descriptive design is appropriate where the study seeks to describe the characteristics of certain groups, estimate the proportion of people who have certain characteristics and make predictions. The study sought to collect data on micro support and performance of youth enterprises in Kericho County, Kenya.

3.2 Target population

A population is defined as a group of individuals, objects or items from which samples are taken for measurement (Kombo & Tromp, 2006). Kothari (2008) asserts that services that are being offered, elements in a certain area and a group of people are what define a population. According to Kericho County ministry of industrialization report of 2014, there are over 300 youth owned registered enterprises operating in Kericho County. The target population was 100 youth enterprises in Kericho County, Kenya, who have accessed micro-support services from MFIs.

3.3 Sampling Design

A sample is a subset or representation of the entire group. A sample size of 30 youth enterprises in Kericho County, Kenya was used. Mugenda & Mugenda (2003) argue that if well selected, a sample of between 10-30% of the population is adequate for
generalization of findings to the whole population. For the secondary data, the study used five-year period from 2011-2016.

Items or people selected from a target population for the purpose of collecting information for the research findings are a sample (Kothari, 2008). The information obtained from the sample was then used to draw inferences about the entire population. The process of obtaining subset of units, items or people selected is sampling.

Samples size = 30% of the Target population

Therefore, sample size = 30%*100 = 30

Random sampling technique was used. This ensured that the entire target population had equal chances of participating in research study.

3.4 Data Collection

The study used both primary and secondary data. Primary data was collected using data questionnaires which were tailored to meet the research objectives. Babbie (2004) cited that the process of collecting data in quantitative studies should involve collection of real-time data from participants by the use of structured questionnaires. The questionnaires were self-administered which the researcher distributed to the targeted youth enterprises.

These questionnaires enabled easy and economic method of collecting data and comprehensive statistical analysis. In addition to this, the researcher reviewed secondary data on youth enterprises available from the business performance records and reports.
3.4.1 Validity

Validity shows whether the instruments measure what they are designed to measure (Borg & Gall, 1989). Content validity was examined by Borg & Gall (1996). According to Mugenda & Mugenda, (2003), a questionnaire is the most preferred instrument in descriptive statistics. The research ensured that the questionnaire was tested for the face and content validity through giving to the supervisors, friends and lecturers. The questions were both discussed and agreed upon with the Supervisor.

3.4.2 Reliability

Reliability refers to that quality of measurement which suggests that the same data would have been collected each time in repeated observation of the same phenomenon (Babbie, 2004). It is the consistency of the instrument to yield the same result. This is measured by the application of the correlation coefficient known as reliability coefficient. Reliability coefficient expresses relationship between scores of the same individuals on the same instrument at two different times, or between two parts of the same instrument (Frankel & Wallen, 2000). The reliability was computed using Statistical Package for Social Science. Cronbach’s alpha is a measure of internal consistency, that is, how closely related a set of items are as a group. It is considered to be a measure of scale reliability. An overall raw alpha of .77 (rounded from .76729 or .80) was obtained and was considered to be good since the cutoff value of .70 was considered to be acceptable.
3.5 Data Analysis

Analysis is a process of resolving data into its constituent components to reveal its characteristic elements and structure (Dey, 1993). Data analysis was done using software program SPSS version 20 to generate quantitative reports. Descriptive statistics such as mean was used to summarize the data. Regression model was also used.

The regression model was given:

\[ Y = 0.187 + 0.242X_1 + 0.085X_2 + 0.230X_3 + 0.431X_4 \]

Where,

0.187 is a constant

\( X_1 = \) Micro Credit

\( X_2 = \) Micro Insurance

\( X_3 = \) Micro Grant

\( X_4 = \) Micro Training
<table>
<thead>
<tr>
<th>Variable</th>
<th>Type of variable</th>
<th>Indicators</th>
<th>Quantification of variables</th>
<th>Measurements</th>
</tr>
</thead>
<tbody>
<tr>
<td>Micro support</td>
<td>Independent</td>
<td>Micro credit</td>
<td>Number of credit facilities The rate of interest Level of education Number of available business opportunities</td>
<td>Rating 1-5 nominal scale</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Interest Rate</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Government Policy</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Social Status</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Economic Factors</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Micro Insurance</td>
<td></td>
<td>• Level of awareness</td>
<td>Number of insurance policies Number of enterprises covered by insurance Number of unpaid claims</td>
<td>Rating 1-5 Nominal scale</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Cost of insurance</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Liquidity constraints</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Trust</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Micro grant</td>
<td></td>
<td>• Mentoring</td>
<td>Number of mentors Number of defaulters Number of applicants Number of enterprises receiving grants Number of eligible enterprises</td>
<td>Rating 1-5 Nominal scale</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Awareness</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Repayment</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Eligibility</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Micro training</td>
<td></td>
<td>• Training skills</td>
<td>Number of trainings undertaken Number of applicants for training programs Amount of funds used for training Number of certificates issued after training</td>
<td>Rating – 1-5. Nominal scale</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Interest level in business</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Cost of training</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Technology</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Performance of youth enterprises</td>
<td>Dependent variable</td>
<td>Revenue</td>
<td>Amount of revenue generated</td>
<td>Rating 1-5 Nominal scale</td>
</tr>
<tr>
<td>----------------------------------</td>
<td>--------------------</td>
<td>---------</td>
<td>-----------------------------</td>
<td>-------------------------</td>
</tr>
<tr>
<td>Risk covered</td>
<td>Number of risks covered by insurance</td>
<td>Rating 1-5 Nominal scale</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investment</td>
<td>Number of investments</td>
<td>Rating 1-5 Nominal scale</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Decision making in business management</td>
<td>Number of business management decisions made</td>
<td>Rating 1-5 Nominal scale</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Author Research (2018)
3.6 Ethical Considerations

Before conducting the research, the researcher sought permission from the relevant authorities. A letter of introduction was provided by the University. The respondents were assured confidentiality and privacy on information they provide.
CHAPTER FOUR

DATA ANALYSIS, RESULTS AND DISCUSSIONS

4.1 Questionnaires Return Rate

All the 30 questionnaires that were supplied to the respondents in youth enterprises, all were returned, giving a 100% response rate. Mugenda & Mugenda (1999) contends that a response rate of 50% is adequate for analysis and reporting while with a response rate of 70% and above is excellent.

Table 4.1: Reliability

<table>
<thead>
<tr>
<th>Variable</th>
<th>Cronbach's Alpha Coefficient</th>
</tr>
</thead>
<tbody>
<tr>
<td>Micro Credit</td>
<td>0.812</td>
</tr>
<tr>
<td>Micro Insurance</td>
<td>0.765</td>
</tr>
<tr>
<td>Micro Grants</td>
<td>0.764</td>
</tr>
<tr>
<td>Micro Training</td>
<td>0.842</td>
</tr>
<tr>
<td><strong>Average</strong></td>
<td><strong>0.789</strong></td>
</tr>
</tbody>
</table>

Source: Research Data (2017)

Micro credit, micro insurance, micro grants and micro training Cronbach’s Alpha were above the recommended minimum of 0.7 hence all variable were reliable (Patton, 2001).

4.2 General information on youth enterprises

This comprises of general information of youth enterprises including the name of enterprises, the number of years the enterprises have been active, and the number of youth employed by the youth enterprises. The analysis is presented below;
4.2.1 Length in the Enterprise

The length of working or establishing the enterprise was assessed. It was provided in the table 4.2 below;

Table 4.2.1 Length in the Enterprise

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than a year</td>
<td>11</td>
<td>36.7</td>
<td>36.7</td>
<td>36.7</td>
</tr>
<tr>
<td>1-3 years</td>
<td>12</td>
<td>40.0</td>
<td>40.0</td>
<td>76.7</td>
</tr>
<tr>
<td>4-6 years</td>
<td>5</td>
<td>16.7</td>
<td>16.7</td>
<td>93.3</td>
</tr>
<tr>
<td>6-8 years</td>
<td>2</td>
<td>6.7</td>
<td>6.7</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>30</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

Source: Research Data (2017)

Majority of youth enterprises 12(40%) had been active between 1-3 years. The numbers of enterprises formed within less than a year are many with 11(36.7%) respondents. The youth who have been in entrepreneurship for 4-6 years were 5(16.7%) and those for 6-8 years were 2(6.7%). Meaning for the last three years 76.7% of the enterprise were founded. This could be attributed to the fact that majority of the youth had started embracing entrepreneurship mainly due to the emergence of the county government and youth empowerment programs.
These indicate considerable portion between recent times (0-3 years). This can also be attributed to availability of grants because of devolution.

### 4.2.2 Number of employees

The study also sought to know the number of years the business has been in existence. This is reflected below;
Table 4.2.2 Number of employees

<table>
<thead>
<tr>
<th>Number of Employees</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than 5 employees</td>
<td>16</td>
<td>53.3</td>
<td>53.3</td>
<td>53.3</td>
</tr>
<tr>
<td>5-10 employees</td>
<td>5</td>
<td>16.7</td>
<td>16.7</td>
<td>70.0</td>
</tr>
<tr>
<td>10-15 employees</td>
<td>4</td>
<td>13.3</td>
<td>13.3</td>
<td>83.3</td>
</tr>
<tr>
<td>15-20 employees</td>
<td>4</td>
<td>13.3</td>
<td>13.3</td>
<td>96.7</td>
</tr>
<tr>
<td>Over 20 employees</td>
<td>1</td>
<td>3.3</td>
<td>3.3</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>30</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

Source: Research Data (2017)

The research indicated that 16(53.3%) of the enterprises had less than 5 employees, 5(16.7%) had 5-10 employees, 4(13.3%) had 10-15 employees, 4(13.3%) had 15-20 employees, while only 1(3.3%) had over 20 employees.

The table 4.3 indicated that most of the enterprise have less employees based on the difficulty of managing and providing financial payment for large size of employees.
These indicated that most of the enterprises had less than 5 employees. This is enables through the growth of the economy and policy changes that encourage self-employment. The figure 4.2 depict a normal distribution with the highest and mean around 5-10 employees. Hence most enterprises are small scale rather than medium scale size.

4.3 Micro Support and Performance of Youth Enterprise

This section covers micro credit, micro insurance, and highlight effects of micro grant on performance of youth enterprises and effects of micro training on performance of youth enterprises in Kericho County. The responded were rated strongly agree (5), agree (4), neutral (3), disagree (2) and strongly disagree (1). The mean and standard deviation (STD) were obtained for each variable as represented in the following table;
Table 4.3.1 Access to Micro Credit

<table>
<thead>
<tr>
<th>Question</th>
<th>5(SA)</th>
<th>4(A)</th>
<th>3(N)</th>
<th>2(D)</th>
<th>1(SD)</th>
<th>Mean</th>
<th>STD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Micro Credit affect number of credit facility offered to youth enterprises</td>
<td>9(30.0%)</td>
<td>7(23.3%)</td>
<td>6(20.0%)</td>
<td>7(23.3%)</td>
<td>1(3.3%)</td>
<td>3.5333</td>
<td>1.252</td>
</tr>
<tr>
<td>Micro credit influences government policy formulation on youth enterprises</td>
<td>3(10.0%)</td>
<td>9(30.0%)</td>
<td>10(33.3%)</td>
<td>7(23.3%)</td>
<td>1(3.3%)</td>
<td>3.2000</td>
<td>1.031</td>
</tr>
<tr>
<td>Micro credit affects the number of entrepreneurial skills acquired by youth entrepreneurs</td>
<td>0(0.0%)</td>
<td>10(33.3%)</td>
<td>7(23.3%)</td>
<td>13(43.3%)</td>
<td>0(0.0%)</td>
<td>2.8667</td>
<td>.937</td>
</tr>
<tr>
<td>Micro credit influences the number of youth entrepreneurs</td>
<td>10(33.3%)</td>
<td>7(23.3%)</td>
<td>13(43.3%)</td>
<td>0(0.0%)</td>
<td>0(0.0%)</td>
<td>3.9000</td>
<td>.885</td>
</tr>
<tr>
<td>Micro credit is important in directing performance of youth enterprises</td>
<td>10(33.3%)</td>
<td>10(33.3%)</td>
<td>10(33.3%)</td>
<td>0(0.0%)</td>
<td>0(0.0%)</td>
<td>4.0000</td>
<td>.831</td>
</tr>
</tbody>
</table>

Source: Research Data (2017)

The micro credit facility greatly affected number of the credit facilities offered to the youth (mean of 3.5333) and by the government policies formulated (mean of 3.2000).

It was averagely affected by number of entrepreneurial skills acquired by youth enterprise (mean of 2.8667). Micro credit influence significantly the number of youth entrepreneurs and hence directing the performance of youth enterprises (mean of 3.9000 and 4.0000 respectively). All variations were low hence significantly not
affecting the mean values. According to Sievers & Vanderberg (2007), access to financial and business development services are essential for the performance, growth and development of youth enterprises and other SMEs globally. The data indicated micro credit affected the performance and numbers of youth to a greater extend. It lowly affected the number of skills in enterprises and moderately positively affected government policies and the number of facilities offered to youth. The entrepreneurial skills acquired by the youth were not affected by the availability of micro credit. In general, micro credit was important in directing the performance of youth enterprises.

The study concurred with Ahiawodzi & Adade (2012), in study they found that credit facility played a significant positive role in development and growth of enterprises. Though the study did not focus on interest rate and but on the accessibility of credit facilities. In another finding by Oduol, Okelo, Aila, Ochieng, Onyango, Ogutu, Odhiambo (2013) indicated that the youth are not benefit from development funds provided by the government. Maisiba & Gongera (2013) argued that the development funds are not about accessibility but there are obstacles which the government has to focus on which involve competition, insecurity, lack of managerial skills and lack of starting capital.
Table 4.3.2 Effects of micro insurance

<table>
<thead>
<tr>
<th>Questions</th>
<th>5(SA)</th>
<th>4(A)</th>
<th>3(N)</th>
<th>2(D)</th>
<th>1(SD)</th>
<th>Mean</th>
<th>STD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Micro insurance increases the level of awareness on insurance policies available for youth enterprises</td>
<td>2(6.7%)</td>
<td>6(20.0%)</td>
<td>9(30.0%)</td>
<td>11(36.7%)</td>
<td>2(6.7%)</td>
<td>2.8333</td>
<td>1.053</td>
</tr>
<tr>
<td>Micro insurance influences the cost of insurance in terms of youth enterprises covered</td>
<td>0(0.0%)</td>
<td>3(10.0%)</td>
<td>9(30.0%)</td>
<td>15(50.0%)</td>
<td>3(10.0%)</td>
<td>2.4000</td>
<td>.814</td>
</tr>
<tr>
<td>Micro insurance influences the liquidity of youth enterprises affecting cash flows</td>
<td>0(0.0%)</td>
<td>2(6.7%)</td>
<td>9(30.0%)</td>
<td>17(56.7%)</td>
<td>2(6.7%)</td>
<td>2.3667</td>
<td>.718</td>
</tr>
<tr>
<td>Micro insurance affects the trust on youth enterprises due to unpaid claims</td>
<td>0(0.0%)</td>
<td>4(13.3%)</td>
<td>10(33.3%)</td>
<td>14(46.7%)</td>
<td>2(6.7%)</td>
<td>2.5333</td>
<td>.819</td>
</tr>
<tr>
<td>Micro insurance affects the performance of youth enterprises</td>
<td>1(3.3%)</td>
<td>5(16.7%)</td>
<td>11(36.7%)</td>
<td>12(40.0%)</td>
<td>1(3.3%)</td>
<td>2.7667</td>
<td>.898</td>
</tr>
</tbody>
</table>

Source: Research Data (2017)

The data in table 4.3.2 highlights determinants in micro insurance on youth enterprises in Kericho County. Micro insurance is not doing much to encourage growth of enterprises among the youth. Micro insurance slightly increased awareness on insurance policies available to youth enterprise (mean of 2.8333). Micro insurance had little influence on cost insurance, liquidity, unpaid claims and on average micro insurance affected the performance of the youth enterprises (mean of 2.4000, 2.3667, 2.5333 and 2.7667 respectively). The variations in the entire variable measured were significantly very low.
Youth enterprises in Kericho County have insurance policy cover. According to Churchill (2006), he refers to micro insurance as a protection of low income people against specific risks in exchange for low premiums and low caps or coverage. Further, Churchill (ibid) asserts that majority of the target groups have been ignored by mainstream commercial and social insurance schemes. Micro insurance in Kericho County seemed to be lowly embraced by the youth enterprise. Better strategies used by micro insurance offering institution should consider creating products that will lure them since the entire means were below three. Insurance cover is the least focus issue in youth development and growth and in Churchill (ibid) argument they agree more with the research and hence concur with the finding in the research.

Table 4.3.3 Determinants of Micro grant

<table>
<thead>
<tr>
<th>Questions</th>
<th>5(SA)</th>
<th>4(A)</th>
<th>3(N)</th>
<th>2(D)</th>
<th>1(SD)</th>
<th>Mean</th>
<th>STD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Micro grant enhances mentoring concerning youth enterprises</td>
<td>2(6.7%)</td>
<td>11(36.7%)</td>
<td>9(30.0%)</td>
<td>7(23.3%)</td>
<td>1(3.3%)</td>
<td>3.2000</td>
<td>.997</td>
</tr>
<tr>
<td>Micro grant improves the repayment capacity of youth enterprises as reflected in the level of defaulters</td>
<td>1(3.3%)</td>
<td>8(26.7%)</td>
<td>13(43.3%)</td>
<td>8(26.7%)</td>
<td>0(0.0%)</td>
<td>3.0667</td>
<td>.828</td>
</tr>
<tr>
<td>Micro grant improves the eligibility of youth enterprises</td>
<td>4(13.3%)</td>
<td>9(30.0%)</td>
<td>13(43.3%)</td>
<td>4(13.3%)</td>
<td>0(0.0%)</td>
<td>3.4333</td>
<td>.898</td>
</tr>
<tr>
<td>Micro grant influences the performance of youth enterprises</td>
<td>9(30.0%)</td>
<td>8(26.7%)</td>
<td>10(33.3%)</td>
<td>3(10.0%)</td>
<td>0(0.0%)</td>
<td>3.7667</td>
<td>1.006</td>
</tr>
</tbody>
</table>

Source: Research Data (2017)
Micro grants significantly affected the performance of the youth (mean 3.7667). They include improved mentoring, repayment capacity and eligibility to youth enterprise (mean of 3.2000, 3.0667 and 3.4333 respectively). These variables produced low variation of from the mean point. The reason for obtaining data on micro grant was to establish the effect of building ideas through mentoring, awareness, repayment and eligibility of youths on the performance of enterprise, the findings were in agreement with Danish foundation for entrepreneurship report of 2011, in order to promote entrepreneurship as a career path, it is important also to support young entrepreneurs with innovative ideas through provision of a series of micro grants. Micro grant was to a great extend influenced the performance of enterprise. Micro grant improved eligibility of youth enterprise more than mentoring and repayment capacity.

Grants from government seem not to be taken seriously by the youth enterprise from Oduol, Okelo, Aila, Ochieng, Onyango, Ogutu, Odhiambo (2013) and Maisiba & Gongera (2013) studies this is contrary to the study since the study noted that grant affected positively the performance of the youth enterprise. Maisiba & Gongera (2013) cited other challenges like competition, lack of capital, managerial skills and insecurity as impediment to access to development funds granted by government of Kenya.
Table 4.3.4 Effects of Micro training

<table>
<thead>
<tr>
<th>Questions</th>
<th>5(SA)</th>
<th>4(A)</th>
<th>3(N)</th>
<th>2(D)</th>
<th>1(SD)</th>
<th>Mean</th>
<th>STD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Micro training enhances the acquisition of skills in youth enterprises</td>
<td>8(26.7%)</td>
<td>10(33.3%)</td>
<td>11(36.7%)</td>
<td>1(3.3%)</td>
<td>0(0.0%)</td>
<td>3.8333</td>
<td>.874</td>
</tr>
<tr>
<td>Micro training improves interest in business youth entrepreneurs</td>
<td>8(26.7%)</td>
<td>10(33.3%)</td>
<td>9(30.0%)</td>
<td>3(10.0%)</td>
<td>0(0.0%)</td>
<td>3.7667</td>
<td>.971</td>
</tr>
<tr>
<td>Micro training affects the cost of training of youth enterprises</td>
<td>7(23.3%)</td>
<td>7(23.3%)</td>
<td>9(30.0%)</td>
<td>7(23.3%)</td>
<td>0(0.0%)</td>
<td>3.4667</td>
<td>1.106</td>
</tr>
<tr>
<td>Micro training improves technological advancement in youth enterprises</td>
<td>7(23.3%)</td>
<td>9(30.0%)</td>
<td>12(40.0%)</td>
<td>2(6.7%)</td>
<td>0(0.0%)</td>
<td>2.7000</td>
<td>.915</td>
</tr>
<tr>
<td>Micro training determines the level of performance of youth enterprises</td>
<td>8(26.7%)</td>
<td>10(33.3%)</td>
<td>8(26.7%)</td>
<td>4(13.3%)</td>
<td>0(0.0%)</td>
<td>3.7333</td>
<td>1.015</td>
</tr>
</tbody>
</table>

Source: Research Data (2017)

The findings on the micro training showed that micro training improves performance to some extent (mean 3.7333). It further revealed that micro training was important in the improvement of skills, creation of interest on business and the cost of training (mean of 3.8333, 3.7667 and 3.4667 respectively). Micro training had some slight contribution to technology advancement of the youth enterprise (mean of 2.7000). The variations were considerably low as indicated on table 4.3.4. This was in agreement with research done by Ahmad, (2009) asserts that factors which hinder the growth of youth enterprises include lack of abilities and skills. This is evident by the findings of the study. Micro training to great extent enhances skills acquisition, interest of business entrepreneurship and cost of training which contributed to
performance of the youth enterprises. These indicated that micro training has not brought advancement of youth enterprises. Maisiba & Gongera, (2013) argue that managerial skills affected the performance which concurs with the study that training is crucial for high performance.

Table 4.3.5 Micro Support on Performance

<table>
<thead>
<tr>
<th>Questions</th>
<th>5(SA)</th>
<th>4(A)</th>
<th>3(N)</th>
<th>2(D)</th>
<th>1(SD)</th>
<th>Mean</th>
<th>STD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Micro credit affects the revenue of youth enterprises</td>
<td>11(33.3%)</td>
<td>9(30.0%)</td>
<td>10(33.3%)</td>
<td>0(0.0%)</td>
<td>0(0.0%)</td>
<td>4.0333</td>
<td>.850</td>
</tr>
<tr>
<td>Micro insurance determines the risks covered on youth enterprises</td>
<td>1(3.3%)</td>
<td>13(43.3%)</td>
<td>9(30.0%)</td>
<td>7(23.3%)</td>
<td>0(0.0%)</td>
<td>3.2667</td>
<td>.868</td>
</tr>
<tr>
<td>Micro grants influence the investments taken by youth entrepreneurs</td>
<td>11(36.7%)</td>
<td>15(50.0%)</td>
<td>4(13.3%)</td>
<td>0(0.0%)</td>
<td>0(0.0%)</td>
<td>4.2333</td>
<td>.679</td>
</tr>
<tr>
<td>Micro training affects decision making in business management of youth enterprises</td>
<td>11(36.7%)</td>
<td>10(33.3%)</td>
<td>9(30.0%)</td>
<td>0(0.0%)</td>
<td>0(0.0%)</td>
<td>4.0667</td>
<td>.828</td>
</tr>
<tr>
<td>Revenue, risks covered, investments and decision making on business management affect the performance of youth enterprises</td>
<td>11(36.7%)</td>
<td>13(43.3%)</td>
<td>6(20.0%)</td>
<td>0(0.0%)</td>
<td>0(0.0%)</td>
<td>4.1667</td>
<td>.747</td>
</tr>
</tbody>
</table>

Source: Research Data (2017)

The performance of measured against the variable indicated that micro credit affected the revenue of the youth enterprises (mean of 4.0333). Micro insurance has low positive influence on risks covered on youth enterprises (mean of 3.2667). Micro grants were considered to have greatest effect of investments done by the youth (mean of 4.2333). Micro training affected also decision making in business management in youth enterprise to a great extent (mean of 4.0667). These variables which included revenue, risk covered, investment and decision making importantly affected performance (mean of 4.1667). Studies by Aryeetey (1994) support the
studies; several youth enterprises who took part in global challenge are faced by issues which include competition and market share expansion. Such young enterprises are hindered by such factors as low quality, hindrance to market because of competition which contributes to slow pace in continual international business. Micro credit, micro grants and training related to a greater extent positively on performance and micro insurance indicated low contribution. It then brought significant performance on youth enterprises.

4.4 Inferential Statistics

Regression analyses and ANOVA analysis were conducted and the following findings were obtained;

Table 4.4.1 Coefficient of determination using SPSS version 21

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
<th>Change Statistics</th>
<th>Durbin-Watson</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>R Square Change</td>
<td>F Change</td>
</tr>
<tr>
<td>1</td>
<td>.951a</td>
<td>.905</td>
<td>.890</td>
<td>.24761</td>
<td>.905</td>
<td>59.670</td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), Micro credit, Micro insurance, Micro grants, Micro training

b. Dependent Variable: Performance of youth enterprises

Source: Research Data (2017)

The variation in performance is explained by micro credit, micro insurance, micro grants and micro training their contribution is 90.5%.

The study conducted an analysis of variance (ANOVA), in order to test the effect of microcredit on the performance of youth enterprises in Kericho, Kenya. The findings were as shown below:
Table 4.4.2 ANOVA on Micro Credit using SPSS version 21

<table>
<thead>
<tr>
<th></th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Between Groups</td>
<td>13.767</td>
<td>2</td>
<td>6.883</td>
<td>77.438</td>
<td>.000</td>
</tr>
<tr>
<td>Within Groups</td>
<td>2.400</td>
<td>27</td>
<td>.089</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>16.167</td>
<td>29</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Research Data (2017)

The results of the findings above revealed that at the level of significance 0.05 micro credit is significant in predicting the performance of youth enterprises (F = 77.438, P<0.05).

Table 4.4.3 ANOVA on Micro Insurance using SPSS version 21

<table>
<thead>
<tr>
<th></th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Between Groups</td>
<td>3.190</td>
<td>3</td>
<td>1.063</td>
<td>2.130</td>
<td>.121</td>
</tr>
<tr>
<td>Within Groups</td>
<td>12.977</td>
<td>26</td>
<td>.499</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>16.167</td>
<td>29</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Researcher (2017)

The results of the findings above revealed that at the level of significance 0.05 micro insurance was not significant in predicting the performance of youth enterprises (F = 2.130, P>0.05).

Table 4.4.4 ANOVA on Micro Grants using SPSS version 21

<table>
<thead>
<tr>
<th></th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Between Groups</td>
<td>10.774</td>
<td>2</td>
<td>5.387</td>
<td>26.973</td>
<td>.000</td>
</tr>
<tr>
<td>Within Groups</td>
<td>5.392</td>
<td>27</td>
<td>.200</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>16.167</td>
<td>29</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Research Data (2017)
The results of the findings above revealed that at the level of significance 0.05 that micro grant was significant in predicting the performance of youth enterprises (F = 26.973, P<0.05).

**Table 4.4.5 ANOVA on Micro Training using SPSS version 21**

<table>
<thead>
<tr>
<th>Source: Researcher (2017)</th>
</tr>
</thead>
<tbody>
<tr>
<td>From the above table 4.4.6, the researcher sought to establish the extent to which</td>
</tr>
</tbody>
</table>

The results of the findings above revealed that at the level of significance 0.05 this showed that micro training was significant in predicting the performance of youth enterprises (F = 95.625, P<0.05).

**Table 4.4.6 Coefficients of Regression Model using SPSS version 21**

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
<th>Collinearity Statistics</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Constant)</td>
<td>.187</td>
<td>.318</td>
<td>.586</td>
<td>.563</td>
<td></td>
</tr>
<tr>
<td>Micro credit</td>
<td>.242</td>
<td>.149</td>
<td>.276</td>
<td>2.627</td>
<td>.036</td>
</tr>
<tr>
<td>Micro insurance</td>
<td>.085</td>
<td>.058</td>
<td>.099</td>
<td>1.466</td>
<td>.155</td>
</tr>
<tr>
<td>Micro grants</td>
<td>.230</td>
<td>.110</td>
<td>.209</td>
<td>2.086</td>
<td>.047</td>
</tr>
<tr>
<td>Micro training</td>
<td>.431</td>
<td>.155</td>
<td>.478</td>
<td>2.785</td>
<td>.010</td>
</tr>
</tbody>
</table>

a. Dependent Variable: Performance of youth enterprises

**Source: Researcher (2017)**

From the above table 4.4.6, the researcher sought to establish the extent to which
micro support affect performance of youth enterprises. The following regression equation was obtained:

Performance will change by 0.242 units increase in micro credit and other factors held constant. Increase in 0.085 units of micro insurance will alter performance by similar magnitude. There is an increase in 0.230 units of micro grants will affect the performance with similar scale. Increase in 0.431 units of micro training will affect performance with same level.

Micro training, grants and credit were viewed to be positive significant contributors to performance of youth enterprises in that respective descending order. Micro insurance was not significant but a positive contributor to performance of youth enterprises.
CHAPTER FIVE
SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Summary

The chapter presents a summary of the findings, discussions, conclusions and recommendations on micro support on performance and as per the objectives of the study.

5.1.1 Effect of micro credit on performance of youth enterprise

The findings revealed that most respondents had access to micro credit facilities. However, micro credit support was influenced by the number of credit facilities that were available to the youth enterprises. The government policies developed were influenced by the micro credit facilities offered. The skills acquired by entrepreneurs had no link with micro credit facilities. Therefore, in order to obtain high success rates of youth business enterprises, there is need to increase the number of micro credit facilities which will translate into high performance of youth enterprises.

Micro credit offered to the youth enterprise significantly affects the performance of youth enterprises as indicated in the ANOVA analysis. It was also reflected in the regression model where micro credit was the second leading variable on the prediction of the performance of youth enterprises.

5.1.2 Effect of Micro Insurance on performance of youth enterprise

According to the data collected micro insurance has not created enough awareness level among the youth enterprises to warrant the youth access to the micro insurance
services. Micro support needs to provide cost effective insurance terms for the youth enterprise. The data findings indicate that micro insurance had no influence on the liquidity of youth enterprises nor their liquidity levels. Various factors make the youth luck trust in micro insurance facilities on their ability to clear unpaid claims. According to the research findings, micro insurance facilities had no effect on the performance of youth enterprises.

The ANOVA and regression analysis showed that micro insurance was not a significant factor on the performance of youth enterprise. The regression showed that though it did not provide significant prediction, it produced positive effect on the performance of youth enterprises.

5.1.3 Effect of Micro grant on performance of youth enterprise

Micro grant facilities provided to the youth enterprises are increasing both from the government and non-governmental sector. The findings indicated that micro grants have affected the mentoring to enhance the value of the aid to the donor and the youth enterprise given. Research data indicated that there was improvement in repayment capacity of refundable grants from the youth enterprises. There is also improvement of eligibility of more youth by the influx of those accessing the youth grants available in development of youth enterprises. Micro grants facilities, therefore, have influence on the performance of youth enterprises.

In the ANOVA analysis it showed micro grants facilities were significant on performance of the youth enterprise based its ability to pump finance. The regression analysis indicated also that it was an important predictor.
5.1.4 Effect of Micro training on performance of youth enterprise

Majority of the youths showed that entrepreneurial training is vital to the success on the business as it equips the entrepreneurs with the necessary skills, knowledge on cost and risk management. It also allows entrepreneurs to determine the direction and the state of the enterprise through profit and loss evaluation.

Training significantly affected the performance of youth enterprises from the ANOVA and regression analysis. The bases were skill impartation, creation of interest and cost implication, though it did not improve technology advancement. The provision of micro training to youth enterprises is fundamental as depicted by data; it shows respondent’s perception on micro training and performance of youth enterprises in Kericho County.

5.1.5 Summary

The regression results revealed that there is a positive relationship between micro support and enterprise performance. The coefficient of determination proved that the independent variables contributed to 90.5% of the variation in enterprise performance which shows that the model was a good predictor (R square = 0.905). Ahmad (2009) asserted that factors which hinder the growth of youth enterprises include lack of capabilities which include resources and skills. Therefore, with micro support facilities the youth enterprises can be able to improve in performance as well as growth.
5.2 Conclusion

The study established that interest rates, government policies, social and economic status were the major hindrances of youth enterprises’ access to micro credit and therefore affected their performance. Therefore, there is a need to increase the amount of credit facilities advanced to the youth enterprises. Interest rates should also be revised downwards so that youth enterprises can be in a position to repay and become sustainable and profitable hence improve their performance. Further, micro credit schemes should be reviewed and redesigned in a manner that will overcome the numerous challenges that the youth enterprises face.

The study also established that micro insurance is important to youth enterprises as it enables them to cover for the unforeseen risks. However, there is a need to ensure that youth entrepreneurs are enlightened on the importance of micro insurance. Liquidity constraints, cost of insurance, and trust issues are other factors that inhibit the youth from taking insurance policies. Therefore, there is need to ensure that cost of insurance is affordable to youth enterprises.

Micro grants are important in order for the youth to access finance. Micro grants enable the youth acquire cheap finance. Most of the micro grant schemes create simple procedures that enable most of the youth to be eligible and provide mentoring capacity buildings. Repayable grants are also cheap and have a flexible payment formula for the youth entrepreneurs. Grants significantly affect the performance of youth enterprises.

There is need for training of the youth entrepreneurs, equipping them with necessary skills, enhancing their interests, making cost of training affordable, and improving
technology. The youth should also be empowered through capacity building, and availing training programs that have significant effect on the performance of youth enterprises.

5.3 Recommendations

Micro credit schemes should be redesigned to overcome the challenges that inhibit their effectiveness. The challenges faced by youth enterprises in accessing micro credit services especially high interest rates and rigid government policies should be addressed. This two major stumbling blocks need to be addressed to enable the youth enterprises gain from the micro finance schemes. Finance institutions should provide flexible terms and low interest rate products specifically designed for the youth entrepreneurs.

Insurance policies should also be reviewed in respect of the need for insurance. Insurance providers should redesign insurance policies particularly in relation to cost to make it easily accessible by the youth enterprises. There is a need to ensure that youth entrepreneurs are enlightened on the importance of micro insurance. Liquidity constraints, cost of insurance, and trust are major factors that inhibit the youth from taking insurance policies. Therefore, there is need to ensure that cost of insurance is affordable to youth enterprises.

Micro grants are found to be significant factors in youth development. Thus, there is need for an increase of donors and facilitators of grants tailored for youth enterprises. According to the research, the youth prefer these mode of financing because it easier for them to access and more flexible in terms of repayments.
Entrepreneurship training programs should be rolled out mostly targeting the youths. These micro training programs should be customized to meet the unique needs of various youth enterprises. The micro training programs should be aimed at equipping the youth entrepreneurs with skills and technology.

5.4 Recommendations for further research.

The following areas are recommended for further studies;

1) Effect of interest rates on the small and medium size enterprises,

2) Relationship between working capital and the liquidity of women owned enterprises.

3) Training needs and capacity building on the growth of small and medium enterprises.
REFERENCES


Cheung, M. (2008). *Youth’s view on running business*. Youth Research Centre, The Hong Kong Federation of Youth Groups, Hong Kong


APPENDICES

Appendix I: Introductory Letter

Allan Savatia,
P.O.BOX 112,
Kericho.

The Respondent,
SMEs,
Kericho.

Dear Sir/ Madam,

PERMISSION TO CONDUCT A RESEARCH

I am a student of Kenyatta University taking Master of Business Administration entrepreneurship option. I am carrying out a research on the effects of Micro support on the performance of youth enterprises in Kericho County, Kenya. It is a requirement to carry out a research project as part of the course before completion of the program. I therefore request that you fill this questionnaire to enable me carry out this research successfully. Please answer all the questions honestly so that I may be able to draw correct conclusion from the study. Do not indicate your name anywhere in this questionnaire. The information you give will be treated with utmost confidentiality and will not be revealed to anybody but is purely for academic purpose. Thanks in advance.

Your consent will be highly appreciated.

Thank you.

Sincerely yours,

Allan Savatia
Appendix II: Questionnaire

SECTION A: GENERAL INFORMATION OF YOUTH ENTERPRISE

1. What is the name of your enterprise? ______________________________

2. How long has your enterprise been active? Please tick as appropriate.

   b). Less than one year [ ]

   a). Not yet [ ]

   c). 1-3 years [ ]

   d). 4-6 years [ ]

   e). 6-8 years [ ]

   f). 8-10 years [ ]

   g). Over 10 years [ ]

How many employees does your enterprise have?

   a). Less than 5 [ ]

   b). Between 5-10 [ ]

   c). Between 10-15 [ ]

   d). Between 15-20 [ ]

   e). Over 20 [ ]
SECTION B: Effect of micro credit

The statement below relates to the effect of micro credit on youth enterprises in Kericho County, Kenya. Supplied are five options corresponding to these statements: Strongly agree (SA) = 5, Agree (A)= 4, Undecided (U), = 3, Disagree( D), = 2 and Strongly Disagree (S D) =1. Please tick the option that best suits your opinion on the statement.

<table>
<thead>
<tr>
<th>Micro credit</th>
<th>SA</th>
<th>A</th>
<th>U</th>
<th>D</th>
<th>SD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Micro credit affects the number of credit facilities given to youth enterprises</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Micro credit influences government policy formulation on youth enterprises</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Micro credit affects the number of entrepreneurial skills acquired by youth entrepreneurs</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Micro credit influences the number of youth entrepreneurs</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Micro credit is important in directing performance of youth enterprises</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

1. Do you think micro credit is important to youth enterprises? Clearly indicate the reasons for your answer.

______________________________________________________________________________

______________________________________________________________________________
2. Indicate the reasons why you think micro credit improves the performance of youth enterprises?

______________________________________

______________________________________

SECTION C: Effect of micro insurance

The statement below relates to the effect of micro insurance on youth enterprises in Kericho County, Kenya. Supplied are five options corresponding to these statements: Strongly agree (SA) = 5, Agree (A), = 4, Undecided (U), = 3, Disagree, D =2 and Strongly Disagree (SD) =1. Please tick the option that best suits your opinion on the statement.

<table>
<thead>
<tr>
<th>Micro insurance</th>
<th>SA</th>
<th>A</th>
<th>U</th>
<th>D</th>
<th>SD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Micro insurance increases the level of awareness on insurance policies available for youth enterprises</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Micro insurance influences the cost of insurance in terms of youth enterprises covered</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Micro insurance influences the liquidity of youth enterprises affecting cash flows</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Micro insurance affects the trust on youth enterprises due to unpaid claims</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Micro insurance affects the performance of youth enterprises</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
1. Based on your opinion, explain why you think micro insurance is important to youth enterprises.

_____________________________________________________________________
_____________________________________________________________________

2. Indicate the reason why you think micro insurance affects the operation of youth enterprises

_____________________________________________________________________
_____________________________________________________________________

SECTION D: Effect of micro grant

The statement below relates to the effect of micro grant on youth enterprises in Kericho County, Kenya. Supplied are five options corresponding to these statements: Strongly Agree (SA) = 5, Agree (A), = 4, Undecided (U), = 3, Disagree (D) =2 and Strongly Disagree (S D) =1. Please tick the option that best suits your opinion on the statement.

<table>
<thead>
<tr>
<th>Micro grant</th>
<th>SA</th>
<th>A</th>
<th>U</th>
<th>D</th>
<th>SD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Micro grant enhances mentoring concerning youth enterprises</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Micro grant improves the repayment capacity of youth enterprises as reflected in the level of defaulters</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Micro grant improves the eligibility of youth enterprises</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Micro grant influences the performance of youth enterprises</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
1. Is micro grant important to your enterprise? Indicate the reason for your answer.

______________________________________________________________________________

______________________________________________________________________________

2. Are there any restrictions for eligibility of micro grants?

______________________________________________________________________________

______________________________________________________________________________

SECTION E: Effect of micro training

The statement below relates to the effect of micro training on youth enterprises in Kericho County, Kenya. Supplied are five options corresponding to these statements: Strongly Agree (SA) = 5, Agree (A) = 4, Undecided (U) = 3, Disagree (D) = 2 and Strongly Disagree (SD) = 1. Please tick the option that best suits your opinion on the statement.

<table>
<thead>
<tr>
<th>Micro training</th>
<th>SA</th>
<th>A</th>
<th>U</th>
<th>D</th>
<th>SD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Micro training enhances the acquisition of skills in youth enterprises</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Micro training improves interest in business youth entrepreneurs</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Micro training affects the cost of training of youth enterprises</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Micro training improves technological advancement in youth enterprises</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Micro training determines the level of performance of youth enterprises</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
1. Is micro training important to your enterprise? Indicate the reason for your answer.

_____________________________________________________________________

_____________________________________________________________________

2. Indicate how micro training improves business skills.

_____________________________________________________________________

_____________________________________________________________________

SECTION F: Effect of micro support

The statement below relates to the effect of micro support on the performance of youth enterprises in Kericho County, Kenya. Supplied are five options corresponding to these statements: Strongly Agree (SA) = 5, Agree (A),= 4, Undecided (U), = 3, Disagree, D =2 and Strongly Disagree (S D) =1. Please tick the option that best suits your opinion on the statement.

<table>
<thead>
<tr>
<th>Micro support on performance</th>
<th>SA</th>
<th>A</th>
<th>U</th>
<th>D</th>
<th>SD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Micro credit affects the revenue of youth enterprises</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Micro insurance determines the risks covered on youth enterprises</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Micro grants influence the investments taken by youth entrepreneurs</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Micro training affects decision making in business management of youth enterprises</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenue, risks covered, investments and decision making on business management affect the performance of youth enterprises</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
1. In what ways does micro support affect the performance of youth enterprises?

Thank you for your corporation
Appendix III: Research Authorization Letter

KENYATTA UNIVERSITY
GRADUATE SCHOOL

E-mail: dean-graduate@ku.ac.ke
Website: www.ku.ac.ke

Our Ref: DB3/KER/PT/33341/2014

DATE: 17th December, 2016

Director General,
National Commission for Science, Technology
and Innovation
P.O. Box 30623-00100
NAIROBI

Dear Sir/Madam,

RE: RESEARCH AUTHORIZATION FOR ALLAN SAVATIA - REG. NO.
DB3/KER/PT/33341/2014

I write to introduce Mr. Allan Savatia who is a Postgraduate Student of this University. He is registered for M.B.A degree programme in the Department of Business Administration.

Mr. Savatia intends to conduct research for a M.B.A Project Proposal entitled, “Micro Support and Performance of Selected Youth Enterprises in Kericho County, Kenya”.

Any assistance given will be highly appreciated.

Yours faithfully,

MRS. LUCY N. MBAABU
FOR: DEAN, GRADUATE SCHOOL
Appendix IV: Research Authorization Letter Post Graduate

KENYATTA UNIVERSITY
GRADUATE SCHOOL

E-mail: dean-graduate@ku.ac.ke
Website: www.ku.ac.ke

P.O. Box 43844, 00100
NAIROBI, KENYA
Tel. 810901 Ext. 4150

FROM: Dean, Graduate School
DATE: 17th December, 2016

TO: Allan Savatia
C/o Business Administration Dept.

SUBJECT: APPROVAL OF RESEARCH PROJECT PROPOSAL

This is to inform you that Graduate School Board at its meeting of 14th December, 2016 approved your Research Project Proposal for the M.B.A Degree Entitled, “Micro Support and Performance of Selected Youth Enterprises in Kericho County, Kenya”.

You may now proceed with your Data Collection, Subject to Clearance with Director General, National Commission for Science, Technology and Innovation.

As you embark on your data collection, please note that you will be required to submit to Graduate School completed Supervision Tracking Forms per semester. The form has been developed to replace the Progress Report Forms. The Supervision Tracking Forms are available at the University’s Website under Graduate School webpage downloads.

Thank you.

EDWIN OBUNGU
FOR: DEAN, GRADUATE SCHOOL

c.c. Chairman, Business Administration Department.

Supervisors:

1. Dr. Kipkorir Sitienei Chris Simon
C/o Department of Business Administration
Kenyatta University

DO/swn
Appendix V: NACOSTI Authorization

NATIONAL COMMISSION FOR SCIENCE,
TECHNOLOGY AND INNOVATION

Ref No: NACOSTI/P/17/95160/19456

Allan Savatia
Kenyata University
P.O Box 43844-00100
NAIROBI.

Date: 10th October, 2017

RE: RESEARCH AUTHORIZATION

Following your application for authority to carry out research on “Micro support and performance of selected youth enterprises in Kericho County Kenya” I am pleased to inform you that you have been authorized to undertake research in Kericho County for the period ending 9th October, 2018.

You are advised to report to the County Commissioner and the County Director of Education, Kericho County before embarking on the research project.

Kindly note that, as an applicant who has been licensed under the Science, Technology and Innovation Act, 2013 to conduct research in Kenya, you shall deposit a copy of the final research report to the Commission within one year of completion. The soft copy of the same should be submitted through the Online Research Information System.

GODFREY P. KALERWA MSc., MBA, MKIM
FOR: DIRECTOR-GENERAL/CEO

Copy to:

The County Commissioner
Kericho County.

The County Director of Education
Kericho County.
Appendix VI: Ministry of Education Authorization

MINISTRY OF EDUCATION
STATE DEPARTMENT OF BASIC EDUCATION

FAX NO.05221361
When Replying Please Quote:

REF: KER/C/ED/GC/2/VOL. 1/

30TH NOVEMBER,2017

TO WHOM IT MAY CONCERN,

RE: RESEARCH AUTHORIZATION – ALLAN SAVATIA.

The above named has been authorized by National Commission for Science, Technology and Innovation to undertake research on “Micro support and performance of selected youth enterprises in Kericho County, Kenya” for a period ending 9th October, 2018.

Accord him the necessary assistance.

COUNTY DIRECTOR OF EDUCATION
KERICHO COUNTY
Appendix VII: County Commissioner Authorization

THE PRESIDENCY
MINISTRY OF INTERIOR AND CO-ORDINATION OF NATIONAL GOVERNMENT

Telegram: ........................................
Telephone: Kericho 20132
When replying please quote
kericho@ yahoo.com

REF: MISC.19 VOL.III/24

30th November, 2017

TO WHOM IT MAY CONCERN

RE: RESEARCH AUTHORIZATION – ALLAN SAVATIA

Authorization has been granted to Mr. Allan Savatia by National Commission for Science,
Technology and Innovation, as per a letter Ref: No. NACOSTI/P/17/95160/19456 dated
10th October, 2017 to carry out research on “Micro support and performance of
selected youth enterprises in Kericho County” for a period ending 9th October, 2018.

Kindly accord him the necessary assistance.

COUNTY COMMISSIONER
KERicho COUNTY

B.O. ABONYO
FOR: COUNTY COMMISSIONER
KERicho COUNTY

CC:
The County Director of Education
Kericho County