BUSINESS MANAGEMENT TRAINING ON PERFORMANCE OF YOUTH OWNED SMALL AND MEDIUM ENTERPRISES IN NAKURU COUNTY, KENYA

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DECEMBER 2017
DECLARATION

I hereby declare that this research project is my original work and has not been submitted to any other university for the award of a degree.

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D53/OL/22497/2011

This research project has been submitted with my approval as the University Supervisor.

Signature_______________________________________Date______________

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DEDICATION

This research project is dedicated to my entire family mostly my husband Mr Michael Mugo, my sons, Kepha and Kaleb for their utmost support and encouragement.
ACKNOWLEDGEMENT

My sincere acknowledgement goes to my supervisor Dr. Abel Anyieni for the dedication, direction, guidance and support he is offering me during the research, without which I would be facing greater challenges. Further I wish to acknowledge the support and encouragement of my family. My MBA class has also offered me unwavering moral support which acted as the leaning pillar up to completion of this project.
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OPERATIONAL DEFINITION OF TERMS

Business Management Training- This is training in managerial skills for managers and business owner to improve on their management capacities in pursuance to managing their businesses better.

Delivery Style- This refers to the mode within which the training exercise is delivered on to the receiver and stipulates how the trainee is going to receive such training.

Small and Medium Enterprises- This is a business that employs between 11 and 49 persons, while the medium set-ups employ between 50-100 people. They are formal and operate from a venue.

SME Performance- This refers to the assessment of the degree to which the objectives in an SME set by management are met in terms of output and achievement of already set goals and objectives.

Trainee Characteristics- These are the attributes or qualities of the person who is undergoing a training exercise that qualifies him/her to be a trainee.

Training Design- This is that plan of action or the platform on which a certain training activity is based and presents how such training is to be done.

Work Environment- These are the surrounding characteristics and attributed presented to an enterprise within which certain activities are undertaken.
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<th>Abbreviation</th>
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<td>GOK</td>
<td>Government of Kenya</td>
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<tr>
<td>HRD</td>
<td>Human Resource Department</td>
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<td>KMYAS</td>
<td>Kenya Ministry on Youth and Sports</td>
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<td>KNYPS</td>
<td>Kenya National Youth Policy Sessional</td>
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<tr>
<td>OECD</td>
<td>Organization for Economic Co-operation and Development</td>
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<tr>
<td>SME</td>
<td>Small and Medium-sized Enterprises</td>
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<td>YDEF</td>
<td>Youth Development Enterprise Fund</td>
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ABSTRACT

Effective management training and development programs are aimed at improving the managers’ performance. Small and micro enterprises have widely been recognized as the major source of employment for many households in developing countries. However, three out of five SMEs fail within the first three years of operation and those that continue 80 percent fail before the fifth year attributed to poor performance and consistent losses. It is against this background that the researcher attempted to study business management training and their relationship to SME performance. The general objective was to study business management training and its relationship to SME performance in youth owned SMEs in Nakuru County. The researcher used descriptive research design. For the purpose of this study the target population consisted of all the 635 SMEs who had access to business management training under the Improve Your Business (IYB) training programme offered by Kenya Institute of Business Training to youth owned SME. The sample size was 95 registered SMEs which constituted 15% of the population. Primary data was used in this study. The questionnaire was piloted for validity proof by discussing with three respondents at random. Fifteen questionnaires was administered to randomly selected respondents and then analyzed using SPSS software for determining reliability. Data was analyzed using Descriptive Statistics (mean and standard deviation) and Multiple Regression Analysis which was used to draw inferences on the relationship between the study variables. The study findings indicated that nature, challenges, trainee characteristics and training characteristics were important in determining performance of Youth owned SMEs in Nakuru County. The correlation results indicate that the association between SME performance and nature, trainee characteristics and training characteristics of the programs was strong and positive and was statistically significant. However, Challenges were negatively associated with SME performance. Regression results also show a positive and statistically significant relationship between SME performance and nature, trainee characteristics and training characteristics of the entrepreneurial training programs of youth owned SMEs in Nakuru County. It was concluded that youth owned SMEs in Nakuru County had put in place functional entrepreneurial training programs and their nature was a determinant of performance. It can also be concluded that there were challenges associated with youth owned SMEs in Nakuru County and these had a negative effect on performance. It was recommended that the management of the SMEs should ensure that the program is accommodative with respect to ethical values and behavior. There should also be allocation of sufficient resources on the training programs as constrained resources are hindrance in planning for management training. Another study can be done on those other factors which were not captured by the model in this study to investigate whether the findings will hold true.
CHAPTER ONE

INTRODUCTION

1.1 Background for the Study

Upgrading the skills of all types of workers, including managers, is central to firm performance in knowledge-based economies (Abhijit, 2013). The quality of management is particularly important for small and medium-sized enterprises (SMEs), which must be able to adapt quickly to evolving markets and changing circumstances, but which often have limited resources (OECD, 2014). Such constraints also put limits on their ability to engage in training, even though studies indicate that there is a positive correlation between the degree of management training and the bottom-line performance of an SME. There is preliminary evidence that formal management training can reduce the failure rates of small firms, which are far more likely to fail than larger firms, particularly in the early years (IKEI, 2008).

In the developed economies or knowledge-based economies, firm-level investments in the upgrading of training and skills is believed to be one of the keys to growth. In the “new economy” era, fast-changing technologies and globalizing economies are putting increased pressures on firms to reorganize their structures to enhance adaptability and flexibility (OECD, 2014). This is true for large as well as small firms, whose performance is increasingly dependent on a managerial structure which is decentralized, participatory and adaptive. According to the OECD study on high-growth SMEs, good management is vital for better performance: “It is striking to observe the array of managerial and organizational instruments used by high-growth firms. They are no longer the privileged attributes of large corporations. The key
factor in a firm's competitiveness is better organization of the innovation process and other functions more than innovation itself.” (Mayuran, 2015).

Anyieni (2014) noted that most operating MSEs in Kenya are not well equipped in terms of entrepreneurial training. The study suggests that those with more education and training are more likely to be successful. Prospering countries have SME-driven economies because the sector is the cornerstone of strong economic growth. Thus employment opportunities, reduction in poverty levels and subsequent improved standards of living are all major contributions of the sector to economic growth (Anyieni, 2014).

In the emerging and developing economies including Sub-Saharan Africa, smaller firms are less likely than larger enterprises to provide external training to all grades of workers, including managers (Ahmad, & Bakar, 2003). In addition to financial constraints, information gaps make smaller firms less aware of the benefits they would obtain from management training and few see training as a strategic tool. Due to higher turnover in managerial staff, small firms may not realize the same benefits from training investments as larger firms (Storey, 2009). And since training providers must group a number of SMEs together to realize scale economies, such generic training may be of more limited value to a small firm than to a larger firm receiving more targeted courses. For these reasons, and to realize the social benefits from high-performance SMEs, the governments have implemented programmes to enhance SME management training (Hart, 2005).

Available evidence indicates that there is a relationship between the degree of business management training and the bottom-line performance of a firm. In some instances, this “bottom-line” performance is expressed in terms of survival; in others
it is reflected in higher profits or sales (Curtain, 2010). According to officials in the United Kingdom, “... the balance of evidence indicates that formal training and development cuts failure rates by half all other things being equal” and “… failure rates could fall from one in three in the first three years to one in ten where training was undertaken” (Campbell, 2006).

1.1.1 Business Management Training

Definitions of what constitutes management training are not uniform across countries or across academic studies and evaluations (Maton, 2009). Management training is defined as training in managerial skills for managers of SMEs (Storey, 2009). More specifically, it is “Group-taught formal learning, external to the firm, provided for owners and managers of independent enterprises with 500 (or 250) employees or fewer, and at least partly funded by the organization”. This definition is fairly narrow and excludes: business start-up training provided for individuals whether or not they are employed; training provided to workers not classified as managers, even if it contains elements of management such as staff supervision; training provided to a manager which is not managerial training, e.g. upgrading of computer skills; and “on-the-job” managerial training (OECD, 2014).

Effective management training and development programs are aimed at improving the managers’ performance. Training refers to bridging the gap between the current performance and the standard desired performance. Training could be given through different methods such as on the coaching and mentoring, peers’ cooperation and participation by the subordinates (Maton, 2009). This team work enable employees to actively participate on the job and produces better performance, hence improving organizational performance. Management training programs not only develops
managers and employees but also help an organization to make best use of their humane resources in favor of gaining competitive advantage. Therefore, it seems mandatory by the firm to plan for such a training programs for its employees to enhance their abilities and competencies that are needed at the workplace (Jie & Roger, 2015).

Training not only develops the capabilities of the management employee but sharpen their thinking ability and creativity in order to take better decision in time and in more productive manner (Al-Awawdeh, 2011). Moreover it also enable employees to deal with the customer in an effective manner and respond to their complaints in timely manner (Swart, Mann, Brown, & Price, 2015). Management training develops self-efficacy and results in superior performance on job by replacing the traditional weak practices by efficient and effective work related practices (Taylor & Davies, 2014).

1.1.1.1 Management Training

Management training refers to a planned intervention aimed at enhancing the elements of individual job performance” (Ahmad & Bakar, 2003). It is all about improving the skills that seems to be necessary for the achievement of organizational goals. Management training programs, may also help the workforce to decrease their anxiety or frustration, originated by the work on job (Brinkerhoff, 2012). Those workers who feel themselves to be unable to perform a task with the desired level of performance often decide to leave the firm otherwise their stay at firm will not add to productivity (Abhijit, 2013). The greater the gap between the skills necessary and those possessed by the workforce, the higher the job dissatisfaction of the workers. Waddell (2011) suggest that training may also be an efficient tool for improving ones job satisfaction, as employee better performance leads to appreciation by the top
management, hence employee feel more adjusted with his job. Trained employees are more able to satisfy the customers and employees who learn as a result of training program shows a greater level of job satisfaction along with superior performance (Storey, 2009).

1.1.1.2 Entrepreneurship Training

Entrepreneurship is often associated with starting and running a business. The behaviours associated with entrepreneurship include the need for achievement, calculated risk-taking, initiative, growth seeking, a strong drive and determination, networking, opportunism, and the like. Taking this broader view in mind, not all business start-ups constitute entrepreneurship because not all founders display these behaviours (Olomi, 2012). Entrepreneurship Training is taken to mean as business training, including starting, improving, managing and developing businesses as well as acquiring entrepreneurial skills.

1.1.2 SME Performance

Small and micro enterprises have widely been recognized as the major source of employment for many households in developing countries. Sonobe et al. (2012) note that small micro enterprises have the potential to expand and grow in size to the level of creating significant impact to the growth of economies and thus reducing poverty levels (Doo, 2000).

Performance ought to be measured by the degree to which the objectives set by management are met (Ishengoma, & Kappel, 2006). It should be carried out through a well-devised structure. That is to ensure the implementation of criteria which become part of the management process: to evaluate progress towards goals, calibrate
conformance to policies, assess systems and procedures as well as appraise group or individual performance. Levy, Powell & Yetton (2002) defines performance as the ability to produce results in a dimension determined a priori in relation to a target.

Stainer et al (2009) believe the ‘when’, ‘where’ and ‘how’ factors must be competently addressed. In relation to when, if measurement is carried too often, it consumes more resources and thus becomes counterproductive; hence, its timing should be a vital consideration. As regards where and how, these factors should be tailor-made for each organization to focus on the critical areas of its processes. In this context, leadership should leap into action and provide secure management support; this would generate higher productivity and lower rates of absenteeism. Stainer (2006) affirms that performance can be viewed simply as the organization’s ability to achieve its objectives, not only in a resourceful manner, but also consistently. Yet, as Simms (2009) sadly purports, most managers have no idea how to exploit the capability of their people because they have never been provided with the relevant tools or training opportunities.

In the norm, the SME sector perceives the yardsticks of performance in financial terms, such as cash flow, return on assets and gross profit margin, these being widely considered as indicators of overall profitability. Performance, as Marr (2006) relates, must be managed in an enabled learning environment where training achieves increased emphasis as the building block for human resource development and business sustainability. Innovation increases public welfare and as such new markets are thought to rise because buyers recognize the will be better off (Ishengoma, & Kappel, 2012). For most firms, successful new products are engines of growth (Doo, 2010). New products generate future profitability and prevent obsolescence of the
firm’s product line and indeed aggregate evidence suggests that profitable firms do innovate (Reid & Harris, 2012).

Administrative problems have been cited as a major cause of business failure. Oseko (2015) found that poor record keeping and lack of basic business management experience and skills were major contributors. Other factors identified are inexperience in the field of business particularly lack of technical knowledge, lack of managerial skills, inadequate planning and failure to do market research (Hart, 2015). Ntakobajira (2013) exploring performance of SMEs concludes that access to business information services affected the performance of business to a great extent and that access to finance affected performance of SMEs because it limited the entrepreneurs’ ability to take advantage of opportunity as and when they arose. The study further concludes that technology affected the businesses to a very great extent by facilitating communication with both the supplier and customers, by easing the transportation of goods and by easing the marketing of the products.

1.1.3 Youth Owned Enterprises in Kenya

It was in 2006 that Government of Kenya devised ways of helping those youth in Business or wishing with funds to start businesses, hence the Youth Development Enterprise Fund (YDEF). According to White and Kenyon (2010), social and cultural identity is promoted through youth enterprises, as is a stronger sense of community where young women and men are valued and better connected to society. Youth enterprises give young people, especially marginalized youth, a sense of meaning and belonging. This can shape the identity of youth and encourage others to treat them as equal members of society (White and Kenyon, 2010).
Historical data suggest that as high a proportion as 80% of SME start-ups fail within the first two years (Calvet, Campbell & Sodini, 2012). The proportion is expected to increase further, as a consequence of the crisis. In these times of economic crisis, Campbell (2012) more than ever believes that, supporting young entrepreneurs represents an important way to tackle unemployment and lift people out of poverty, Campbell posited that youth enterprise is one of the most important strategies for both creating employment as well as for stimulating economic growth in the Commonwealth (Campbell, 2012).

The Youth Enterprise Development Fund (YEDF) was introduced in 2006 as part of the government’s response to high levels of unemployment amongst young people in Kenya. Planning surveys indicate that formal employment can only absorb 25% of the 500,000 young people joining the labor force in Kenya annually. 67% of unemployed Kenyans are youth below the age of 30 years while 45% are below the age of 24 (KNYPS, 2007). The government puts emphasis on the micro-enterprise sector as a reliable creator of employment opportunities. The fund is therefore meant to finance small and micro-enterprises to create jobs for young people (Curtain, 2012).

The fund was gazetted by the Minister for Finance on the 8th of December 2006 and launched on February 2007. It is implemented under the general direction of the Ministry of State for Youth Affairs. A lot of areas on the fund including character and operations are still being developed by the Ministry of State for Youth Affairs. The process of defining the policy and legislative framework of the fund can benefit from the experiences of the youth who access the fund. The youth must therefore take a very active interest in this fund and make applications to benefit from it in order to use their experiences to influence the final long term policy and legal framework for
the fund. The Youth Enterprise Development Fund (YEDF) has disbursed loans worth Kshs 5.2 billion to 144,000 youth enterprises across the country as of September 2011 (GoK, 2012).

According to a status report released by the Minister for Youth Affairs and Sports, some youth group enterprises received Kshs 545 million whereas individuals got Kshs 52 million (GoK, 2011). The report said through financial intermediaries the Fund had financed 129,385 group and individual enterprises to the tune of Kshs. 4.6 billion while loans through the Constituency amounted to Kshs 545 million. The Fund has further trained over 200,000 youth in entrepreneurship and assisted 1,800 to market their products and services locally and internationally while a further 6,000 youth have been facilitated to obtain employment abroad’ (KMYAS, 2011).

1.2 Statement for the Problem

In Kenya today, SMEs businesses account for about 48 percent of all businesses; with a majority of these being managed or owned by the young people aged between 25 and 34 years (Njonjo, 2010). Three out of five of these businesses fail within the first three years of operation and those that continue 80 percent fail before the fifth year attributed to poor performance and consistent losses (Abor & Quartey, 2014). This failure of small and medium enterprises’ performance can be attributed to lack of proper business management training among other factors (Kingori, 2012). In an attempt to curb such poor performance and failures entrepreneurs have embarked on business management training which on the other hand has cost and time implications. The management is faced with a decision on whether to commit their resources and time on business management training and if they do so, whether this training will improve business performance (Al-Awawdeh, 2011).
Several studies have been conducted on the relationship between business management training and performance. Kagona, Shukla and Oduor (2015) studied the effect of employee training on project performance and the findings indicated that, trainee characteristics, peer support, trainer characteristics and training design account for 10.6% (R squared .106). Walker (2015) studied the impact of training context on performance in simulator-based aviation training and the findings indicated that the simulation environment experienced during training does have an effect on pilot performance in simulators hence indicating a positive association between training and performance. Aragon, Jiménez and Valle (2013) conducted a study on training and performance with the mediating role of organizational learning in Spain and the study findings suggested a positive association between a learning-oriented training and performance. Jin and Tsang (2001) empirically studied the determinants of on-the-job training and adult education, and their impact on technical proficiency and the study found a statistically significant and positive relationship between on-the-job training and overall performance.

Though the studies made significant contributions in the different contexts that they were conducted, they did not address the SME sector in a Kenyan context leading to a paucity of literature in the area. They were all conducted in different study scopes from the youth owned enterprises in Kenya and more specifically in Nakuru County. This was the contextual research gap that the research aimed to address by study business management training and its relationship to SME performance; a case of youth owned enterprises in Nakuru County.
1.3 Research Objectives

1.3.1 General Objective

The general objective was to study business management training and its relationship to SME performance in youth owned SMEs in Nakuru County.

1.3.2 Specific Objectives

The specific objectives of this study were:

i. To establish the effect of nature of entrepreneurial training programs on performance of youth owned SMEs in Nakuru County.

ii. To find out the challenges in entrepreneurship training programs and how they affect performance of youth owned SMEs in Nakuru County.

iii. To establish the effect of trainee characteristics on performance of youth owned SMEs in Nakuru County.

iv. To determine how training design affects performance of youth owned SMEs in Nakuru County.

1.4 Research Questions

i. What is the effect of nature of entrepreneurial training programs on performance of youth owned SMEs in Nakuru County?

ii. What are the challenges in entrepreneurship training programs and how they affect performance of youth owned SMEs in Nakuru County?

iii. What is the effect of trainee characteristics on performance of youth owned SMEs in Nakuru County?
iv. How does training design affect the performance of youth owned SMEs in Nakuru County?

1.5 Significance of the Study

The recommendations of this study will help the County Government of Nakuru and policy makers to design more progressive and effective policies aimed at ensuring good advancement of performance of SMEs in the County. The study will also seek to identify policy gaps that can be fed to policy development for the betterment of overall performance in the SMEs. The study will also help academicians, scholars and practitioners and contribute to the body of knowledge through suggesting areas of improvement. Academicians and researchers in the SMEs sector will be able to access this study from the public repository domains like journals and online open access academic sites once the findings of the study are published. They will be able to add value on the gaps identified by this study. It will also contribute to the body of literature on business management training and financial performance. It will also be helpful to the youth in the SME sector who will want to understand the business management training and their relationship to performance. Through the findings of the studies, the public will have adequate information to enable them make an informed decision on the SMEs they are willing to invest in.

1.6 Scope for the Study

This study was done in Kenya. The population consist all the 635 small and medium enterprises who had access to business management training under Improve Your Business (IYB) training programme offered by Kenya Institute of Business Training to youth owned SME. The study also concentrated on the independent variables; nature of entrepreneurial programmes, challenges of entrepreneurial programmes,
trainee characteristics and training design and the dependent variable (SME performance) highlighted in the specific objectives.

1.7 Limitations for the Study

The main limitation of this study was the failure of the respondents to cooperate in giving responses to the questions contained in the questionnaire which they deemed confidential. To curb this, the researcher introduced herself with a letter stating that the research was purely for academic purpose only and not for any other reason. The attitude of the respondents towards any given research was a major challenge as the respondents may fail to trust the researchers with the required information. The busy schedule of the respondents was also a constraint in getting the respondents to create time to fill the questionnaire. To curb this, the researcher administered the questionnaires and went for them after sometime to give the respondents ample time to fill them. The researcher also experienced delays in filling in of the questionnaires by the respondents. To address this, the researcher made follow up calls to remind and motivate the respondents to fill the questionnaires.
CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

The chapter examines the theoretical, empirical review, critique and summary of literature review and conceptual framework.

2.2 Theoretical Review

This section presents the theories that inform the study in view of the variables under study. The theories include: The theory of Knowledge Spill Over theory and Israel Kirtzner’s theory of entrepreneurship.

2.2.1 Knowledge Spill over Theory

This is a theory of entrepreneurship in which the creation of new knowledge expands the technological opportunity set (Krueger, 2003). The entrepreneurial activity does not involve simply the arbitrage of opportunities, but the exploitation of knowledge spillovers not appropriated by incumbent firms. The Knowledge Spillover Theory of Entrepreneurship shifts the fundamental decision making unit of analysis in the model of economic growth away from exogenously assumed firms to individual agents with endowments of new economic knowledge (Acs & Audretsch, 2003). Agents with new knowledge endogenously pursue the exploitation of knowledge suggesting that the stock of knowledge yields knowledge spillovers and that there is a strong relationship between such spillovers and entrepreneurial activity (Shaver, 2003).

It is a virtual consensus that entrepreneurship revolves around the recognition of opportunities and the pursuit of those opportunities (Venkataraman, 1997). Much of
the more contemporary thinking about entrepreneurship has focused on the cognitive process by which individuals reach the decision to start a new firm. According to Sarasvathy, Dew, Velamuri and Venkataraman (2003), “An entrepreneurial opportunity consists of a set of ideas, beliefs and actions that enable the creation of future goods and services in the absence of current markets for them”. Sarasvathy, Dew, Velamuri and Venkataraman provide a typology of entrepreneurial opportunities as consisting of opportunity recognition, opportunity discovery and opportunity creation.

In asking the question of why some do it, while others don’t, scholars have focused on differences across individuals. As Krueger (2003) observes, “The heart of an entrepreneurship is an orientation toward seeing opportunities,” which frames the research questions, “What is the nature of entrepreneurial thinking and what cognitive phenomena are associated with seeing and acting on opportunities?” The traditional approach to entrepreneurship essentially holds the context constant and then asks how the cognitive process inherent in the entrepreneurial decision varies across different individual characteristics and attributes (McClelland, 1961).

As Shane and Eckhardt (2003) summarize this literature in introducing the individual-opportunity nexus, “We discussed the process of opportunity discovery and explained why some actors are more likely to discover a given opportunity than others.” Some of these differences involve the willingness to incur risk, others involve the preference for autonomy and self-direction, and still others involve differential access to scarce and expensive resources, such as financial capital, human capital, social capital and experiential capital. This approach focusing on individual cognition in the entrepreneurial process has generated a number of important and valuable insights,
such as the contribution made by social networks, education and training, and familial influence (Acs & Audretsch, 2003). The literature certainly leaves the impression that entrepreneurship is personal matter largely determined by DNA, familial status and access to crucial resources.

2.2.2 Israel Kritzner’s Theory of Entrepreneurship

Israel Kirzner (1935) holds spontaneous learning and alertness as two major characteristics of entrepreneurship. It states entrepreneurship is the transformation of spontaneous learning to conscious knowledge, motivated by the prospects of some gain (Kirzner, 1973). Learning in a market, according to Kirzner, consists of a transformation of a non-means into a means - at least to the individual who experiences it. Imagine that an individual subconsciously learns that his previous subconscious hunch enabled him to gain in a market. Later, he experiences a similar choice situation. At the later time, his knowledge, not his hunch, would enable him to make a correct choice. Looking at events in retrospect, the individual can be said to have discovered that he possesses a means of satisfying his wants of which he was previously unaware. At the time that the hunch is discovered, it gets transformed into a resource - knowledge. Thus alertness, subconscious learning, and entrepreneurship are "discovery processes (Kirzner, 1982)."

Kirzner considers the alertness to recognize opportunity more characteristic than innovation in defining entrepreneurship. The entrepreneur either remedies ignorance or corrects errors of the customers. His entrepreneurship model holds that the entrepreneur subconsciously discovers an opportunity to earn money by buying resources or producing a good and selling it, he finances the venture by borrowing money from a capitalist, he uses the funds for his entrepreneurial venture and pays
back the capitalist, including interest, and retaining the "pure entrepreneurial profit. (Kirzner, 1987).

Kirzner considers the alertness to recognize opportunity more characteristic than innovation in defining entrepreneurship. The entrepreneur either remedies ignorance or corrects errors of the customers. His entrepreneurship model holds: The entrepreneur subconsciously discovering an opportunity to earn money by buying resources or producing a good, and selling it, entrepreneur Financing the venture by borrowing money from a capitalist, entrepreneur using the funds for his entrepreneurial venture, and the entrepreneur paying back the capitalist, including interest, and retaining the "pure entrepreneurial profit (Scudder, 2011).

2.3 Empirical Literature

His section presents studies done by other scholars and academicians in relation to the objectives of the study.

2.3.1 Nature of Entrepreneurial Programmes

An ever rapidly changing business environment demands for a lifelong learning as an essential coping strategy (Treven et al, 2015). Business environments change from time to time which calls for continuous upgrading of employee skills and capabilities to improve on their job performance, growth and the ability to adapt to the rapidly changing economic environments for the organization to remain competitive (Amin et al., 2013). Entrepreneurship training is designed to develop skills, knowledge and attitude which enable entrepreneurs to start a new business or expand an existing one. It has been found to be a major determinant in the growth of enterprises. Performance of enterprises depends on number of factors including internal and external factors.
Entrepreneurship training is an internal factor that has influence on performance of small enterprises (Mayuran, 2015).

Taking into account the training measures used by Valleetal (2012) and Chen and Huang (2009), four practices are proposed: broad application of training, planned and long-term oriented training, team-oriented training and multi-skills oriented training. For measuring these practices we have used four five-point Liker-type scales. However, understanding the underlying essence of the construct, whether it is reflective (i.e., changes in the underlying construct cause changes in the indicators) or formative (i.e. Indicators impact or cause the underlying construct), is an essential first step in modeling its structure (MacKenzieetal, 2015). Therefore, the choice depends primarily on whether the items are viewed as indicators or causes of the factor (Chen & Huang, 2009). Thus, dimensions are not necessarily correlated, and consequently, traditional reliability and validity assessment have been argued as in appropriate and illogical for a formative factor, with reference to its items (Rauch et. al., 2005).

Awasthi (2011) noted that all entrepreneurship education programs (EDP)s could be classified into the following three categories which are; Entrepreneurship Orientation and Programs meant for pre-startups who may or may not start a business; New Enterprise Creation Programs aimed at developing knowledge, skills, attitudes and so on, in a potential entrepreneur to make him/her an actual owner/manager of an enterprise and; Existing Entrepreneurs’ Program for Small Business Survival and Growth targeting entrepreneurs who plunge into business without necessary preparations thereby facing serious problems during the initial years (two or three years).
Entrepreneurial training practices can be used in order to enhance performance, which results in improving the performance of the organization as a whole (Jayakumar & Sulthan, 2014). Thus, training practices can be the main factor for the success of a firm, which justifies their evaluation through research. Influence of human resource management and training practices on organizational performance has been an important topic of research recently (Manning, 2015).

2.3.2 Challenges in Entrepreneurial Programmes

Entrepreneurs face many problems in adoption of and development of entrepreneurial programmes (Chu, Kara, & Benzing, 2008). Problems such as the liability of newness, lack of funding, competition, cash burn, and building legitimacy, forming a management team, identifying an appropriate market segment, protecting intellectual property, operational issues, and legal/regulatory issues can be very difficult for entrepreneurs (Zimmerman & Zeitz, 2012). Alpander, Carter, and Forsgren (2010) identified ten critical problems encountered by entrepreneurs in their first three years in business: finding new customers, obtaining financing, recruiting and hiring new employees, recruiting and hiring new managers, dealing with current employee problems, product pricing, planning for market expansion, handling legal problems, product quality, and dealing with government agencies.

In developing countries an unstable and bureaucratic business context is a common problem. For example, entrepreneurs in Africa struggle with laws governing private enterprises. They struggle with the poor design and/or enforcement of contract and private property laws, as well as overly complex business registration and tax systems (Chu et al., 2012). Turkish entrepreneurs reported the complexity of the tax structure and its lack of clarity, lack of employee reliability and dependability, and the inability
to maintain accurate accounting records to be the most pressing problems they face (Benzing et al., 2012).

Entrepreneurs in Kyrgyzstan, Yalcin and Kapu (2012) reported red tape, funding, high taxes, and labor to be the biggest problems they faced. In Vietnam, Benzing, Chu and Callanan (2013) found that the most pressing problems for entrepreneurs were competition, unreliable/undependable employees, and difficulty in obtaining short- and long-term capital. The difficulty in obtaining capital is a problem for owners of most small and medium size enterprises operating in developing and transition economies (Benzing, Chu & Szabo, 2015), and without adequate capital the success and growth of their business is limited (Chu et al., 2008).

According to Oforegbunam et al. (2010) the performance level of most SMEs in Nigeria has been most unsatisfactory, as the problems of delay and high cost in service delivery have become a norm rather than exception. The possible reason for this may include, that majority of employees may not have received adequate training and exposure to perform the functions they are assigned to. However in order to realize the objective of profit maximization by SMEs, the personnel involved in their operations must be adequately trained to enable them be alert in their responsibilities, more importantly given the over-bearing effects of competition from the very large firms and from SMEs operating in Asia, made possible by globalization (Oforegbunam et al., 2011).

2.3.3 Trainee Characteristics and SME Performance

Colquitt and Simmering (2008) examined the effect of trait-like individual differences on the learning motivation of trainees as they progress through a training program. Basing on an expectancy-valence framework, it was found that individuals are
motivated to learn when they perceive a relationship between effort and progress, and the attainable outcomes from this progress are valued. Hence, conscientiousness and learning orientation were positively correlated with expectancy, valence, and motivation to learn; further analysis showed that those with a more positive profile such as high in both conscientiousness and learning goal orientation, were around 40% more motivated and performed about 30% better than those with a contrasting profile.

Sitzmann and Ely (2011) in a study present a theoretical and meta-analytical review of the literature on self-regulated learning- the processes that enable individuals to guide their goal-directed activities throughout a learning experience to reach a desired level of performance. They identified 16 significant variables that constitute self-regulated learning, and meta-analytic findings from 430 studies (N = 90,380) and suggested that self-regulation constructs, goal level, persistence, effort, and self-drive were found to be the strongest predictors of learning during trainings; accounting for 17% of the variance in learning, after controlling for cognitive ability and pre-training knowledge.

Anyieni (2014) on a study of the impact of strategic planning in the small businesses in Kenya established that education and training is highly significant in performance of small and medium enterprises. The study concluded that small and medium enterprises are the engines of economic development and poverty reduction.

Mayuran (2015) studied the Impact of entrepreneurship training on performance of small enterprises in Jaffna District. Data was obtained from 60 employees from Small enterprises from Jaffna District. The study utilized correlation and regression statistics to analyze the data. The findings showed a significant positive impact of
entrepreneurship training on performance of small enterprise. From the linear regression analysis, can be concluded that entrepreneurship training contributed 85% towards the performance of small enterprise in Jaffna district.

Kagona, Shukla and Oduor (2015) studied the effect of employee training on project performance, a case of the Girl Child Catch up project of the International Education Exchange. Trainer characteristics, training design, managerial/peer support and trainee characteristics were used to predict performance. Both qualitative and quantitative techniques were utilized and census method was used given the small size (50) of the study population. The analysis was the descriptive, correlation and regression. Findings indicated that, trainee characteristics, peer support, trainer characteristics and training design account for 10.6% (R squared .106) variance in the performance of the girl child catch up project. Thus, the model was significant in the prediction of performance on the girl child catch up project due to employee training.

2.3.4 Training Design and SME Performance

Colquitt, LePine and Noe (2001) identified three main determinants of training input: individual factors or trainee characteristics, transfer climate or work environment training design or enabling factors. Nijman, Nijhof, Wognumand Veldkamp (2006) claimed training design has been described as one of the most important influences on performance. Thus, the relevance of the course has been seen as an especially important area of training design and if the course is irrelevant, then individuals are unlikely to use the skills when they return to work, irrespective of trainee and work environment characteristics which are present and consequently having positive influence on performance (Rasli, 2015).
Aragon, Jiménez and Valle (2013) conducted a study on training and performance with the mediating role of organizational learning in Spain. The paper suggested that organizational learning is one of those variables and that it mediates the relationship between training and performance and that the adoption of a learning-oriented training enhances performance through its positive effect on organizational learning. Using a sample of Spanish firms the researcher obtained empirical evidence, which supported the view that this mediating effect is present. Further the study findings suggested a positive association between a learning-oriented training and performance.

Al-Awawdeh (2011) conducted a study which aimed mainly to analyze the relationship between the strategy of training (training design) and staff performance statistically. The study aimed to determine the potential effect of key personnel, performance, which were identified in the theoretical part of the study. A sample of 120 employees was chosen out of 651 administrative departments employees at Al al-Bayt University. The results showed statistically significant effects of all independent variables on the performance; the effect was statistically significant on morale. The effect of transaction of the two independent variables of performance was also positive. The study showed that there is a need to have scientific methods to determine the training needs of workers in Al-Bayt University, as well as work on building training programs that focus on obstacles practice and work to resolve them.

Doo (2010) studied training design factors influencing transfer of training to the workplace within an international context. The subjects for the study included 10 HRD practitioners of SK Group in Korea who attended an HRD training programme offered by the Department of Human Resource Education at the University of Illinois.
at Urbana-Champaign. Data analysis results revealed the degree of learning and training transfer and several reasons for high or low transfer of training. Discussions and conclusions were made to help programme designers in global contexts develop effective training programs for cross-cultural application.

Bowen et al. (2012), in a study done in Nairobi, Kenya, found that 49.5% of those who had received training in the area of business reported that their businesses were doing well. The study results also showed that 60.8% of those not trained reported that their businesses were doing poorly as compared to 39.2% whose entities were doing well without training. This study was based on 198 respondents comprising of business owners and managers. Another study by Tubey (2012), that sought to establish the types of interventions offered by four agencies namely, the Catholic Church, ACK, K-Rep and World Vision in Eldoret municipality revealed that only 5% of the respondents who received training actually indicated that they had benefitted significantly with about 40% saying they needed training in bookkeeping. The above study was based on a sample of 195 entrepreneurs.

2.4 SME Performance

Earlier studies have shown that several factors affect performance in SMEs. The major factor has been shown as lack of capital and financial resources. However, Morskin (2006) found that additional capital and finance can be overcome through innovation and creativity. Access to commercial credit did not contribute to entrepreneurial success in any significant way. Some researchers argue that small businesses are undercapitalized. Business owners in Africa tend to depend upon their own family savings and access to capital remains a challenge. Most of them cannot
meet the requirements for commercial loans, and those who do find such loans expensive (Huang, 2011).

Firm performance is a multi-dimensional concept; it may be financial or non-financial. Firm’s performance can be measured by sales growth and development of new markets and products (Kithae, Gakure and Munyao, 2012). A sale is the pinnacle activity, involved in selling products or services in return for money or other compensation. It’s an act of completion of a commercial activity. Sales growth is often used as a measure of performance. The assumption is often made that if sales increase, profits will eventually follow and a key determinant of success in a firm’s growth is sales provided of course, that the profits and cash flows generated from sales are adequate to cover the costs incurred in generation of the revenue (Bryan, 2016).

Sales growth can only be achieved by a business enterprise that has adequate capital to carry out activities like sales promotion (Al-Awawdeh, 2011). To get this capital firms need sources of funds of which borrowing is one of the most common sources of fund. When one borrows he has to pay back with an interest of which these interest rates as per now are high leading to low performance of SMEs. That is, reduced sales growth (poor performance) due to high interest rates (Jones, 2015).

Development of new markets and products can only be achieved by SMEs that has adequate capital to carry out activities like advertising so as to capture new customers and maintain the existing ones (Walker, 2015). To achieve this, firms need funds of which borrowing is one of the most common sources of fund. When one borrows he has to pay back with an interest of which these interest rates as per now are high.
leading to low performance of SMEs. That is, minimal development of new markets and products (Colquitt & Simmering, 2008).

2.5 Summary of the Literature and Research Gap

Various studies (Colquitt and Simmering, 2012; Sitzmann and Ely, 2011; Walker, 2015; Reid and Harris, 2012; Colquitt, LePine and Noe, 2011; Al-Awawdeh, 2011; Jin and Tsang, 2011; Karmel and Cully, 2012) have found that business management training has a direct relationship on SME performance. Though there have been positive results and improved performance in the youth owned enterprises in Kenya as a result of business management training, challenges still remain in key areas. Various researches indicate that there is a relationship between trainee characteristics, work environment, training design and delivery style and SME performance. This research aims at establishing the relationship between business management training and SME performance and youth owned enterprises in Nakuru County.

2.6 Conceptual Framework

A conceptual framework diagrammatically simplifies the proposed relationships between the variables in the study (Mugenda & Mugenda, 2003).
<table>
<thead>
<tr>
<th>Nature of Entrepreneurial Programmes</th>
<th>Challenges of Entrepreneurial Programmes</th>
<th>Trainee Characteristics</th>
<th>Training Design</th>
<th>SME Performance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overall objective</td>
<td>Constrained resources</td>
<td>perception</td>
<td>Active participation</td>
<td>Profitability</td>
</tr>
<tr>
<td>Qualified specialists</td>
<td>Operational issues</td>
<td>High cognitive ability</td>
<td>Learner focused training</td>
<td>Efficiency</td>
</tr>
<tr>
<td>Well-structured modules</td>
<td>Rigidity in the management</td>
<td>Training motivation</td>
<td>Training inspires and motivates</td>
<td>Customer base</td>
</tr>
<tr>
<td>Sequencing of contents and items</td>
<td>Legal/regulatory issues</td>
<td>Self-efficacy</td>
<td>Relevant content</td>
<td>Staff capacity</td>
</tr>
<tr>
<td>Accommodative ethically</td>
<td>Increasing competition</td>
<td>Attainable outcomes</td>
<td>Regular feedback</td>
<td>Processes and systems</td>
</tr>
</tbody>
</table>

**Figure 2.1: Conceptual Framework**

**Source:** Researcher, 2016
CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter describes the methods that were used to prepare for the study, collect data and analyze. The specific areas included are the research design, target population, sampling technique, sample size, data collection method, research instruments, validity & reliability, data collection method & procedures and data analysis.

3.2 Research Design

A research design is a framework that guides a researcher in studying a research problem (Coopers & Schindler, 2006). It guides a researcher to know what to do in the whole of research process. A research design is the arrangement of conditions for collection, measurement and analysis of data in that aims to combine relevance to the research purpose (Kothari, 2010). The researcher used descriptive research design to study business management training and its relationship to SME performance in Youth Owned SMES in Nakuru County.

3.3 Target Population

The target population in statistics is the specific population about which information is desired (Kothari, 2004). According to Ngechu (2004), a population is a well-defined or set of people, services, elements, and events, group of things or households that are being investigated. For the purpose of this study the target population consisted of all the 635 youth owned SMES in Nakuru County that had access to
business management training under the Improve Your Business (IYB) training programme offered by Kenya Institute of Business Training to youth owned SMEs in 2016.

3.4 Sampling Technique and Sample Size

A sample is a subset of a population (Serakan, 2010). Cooper and Schilder (2011) defined a sample as a subset of the population to be studied. It is a true representative of the entire population to be studied and should be truly representative of the population, result in a small sampling error, viable, economical, and systematic, whose results can be applied to a universe with a reasonable level of confidence (Leary, 2001).

Purposive sampling technique was used to determine the sample size. According to Creswell (2003) purposive sampling is ideal in instances where the researcher targets respondents with specific characteristics (Kothari, 2004). The researcher targeted SMEs which had undertaken Generate your Business Ideas (GYBI) training programme offered by Kenya Institute of Business Training to Youth Owned SMEs. The sample size was 95 registered SMEs which constituted 15% of the population. According to Mugenda and Mugenda (2003) 10-30% is justified to be a true representative of the population.

3.5 Data Collection Instrument

Primary data was used in this study. Primary data was collected using questionnaires. A likert scaled questionnaire was designed for effective collection of primary data from the target respondents. According to Mugenda and Mugenda (2003) questionnaires have the advantage of time conservation, convenience, as well as
anonymity. Hair, Bush & Ortinau (2000) identified questionnaires as the main instruments used in generating data in a survey and that they conserve time and money and facilitate an easier analysis as they are in immediate usable form.

3.6 Data Collection Procedure

Primary data was collected from the respondents using questionnaires. These questionnaires were self-administered. Drop and pick later method was used to administer the questionnaires. The researcher administered the questionnaires and gave the respondents two days to fill them and picked them after they had been filled. The researcher made follow up phone calls to check on whether the respondents had filled the questionnaires and to know when and how to pick them.

3.7 Validity of the Research Instrument

According to Mugenda and Mugenda (2003) validity is the accuracy and meaningfulness of inferences, which are based on the research results. Validity is the degree to which results obtained from the analysis of the data actually represent the phenomenon under study. Validity exists if the data measures what they are supposed to measure. Validity indicates that the research instrument is testing what it should (Cronbach, 1951). The questionnaire was pre-tested to ensure it was not faulty and that it is understood by the participants. The content validity of the questionnaire was obtained by the researcher working closely with the university supervisor in framing and wording of the questions.

3.8 Reliability

Reliability is the consistency of a set of measurement items (Hair, Bush & Ortinau, 2000). Reliability is the consistency of the measurement, or the degree to which an
instrument measures the same way each time it is used under the same condition with the same subjects. The researcher used the most common internal consistency measure known as Cronbach’s Alpha ($\alpha$) which will be generated by SPSS version 21. It indicates the extent to which a set of test items can be treated as measuring a single latent variable (Cronbach, 1951). The recommended value of 0.7 was used as a cut-off of reliabilities.

Table 3.1 Reliability Results

<table>
<thead>
<tr>
<th>Cases of Count</th>
<th>Cronbach's Alpha</th>
</tr>
</thead>
<tbody>
<tr>
<td>15</td>
<td>0.74</td>
</tr>
</tbody>
</table>

Source, Researcher (2017)

Fifteen questionnaires were administered to randomly selected respondents and then analyzed using SPSS software for determining reliability. Cronbach’s Alpha results presented in Table 3.1 indicate a value of 0.74 which was above the recommended value of 0.7. The findings imply that the research instruments were reliable and could be used in the study. The respondents participating in the pre testing were be included in the final study.

3.8 Data Analysis and Presentation

Data was analyzed using Descriptive Statistics (mean and standard deviation) and a multiple regression analysis was used to draw inferences on the relationship between the study variables. The quantitative data was analyzed using Statistical Package for Social sciences (SPSS) in order to determine and test the correlation between the dependent variable and each independent variable. Data was presented using tables, frequencies and figures.
In particular, the following regression model was used:

\[ Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \mu \]

Where:

Y = SME Performance

X₁ = Nature of Programme

X₂ = Challenges

X₃ = Trainee Characteristics

X₄ = Training Characteristics

\( \alpha \) = constant

\( \beta_1, \beta_2, \beta_3, \beta_4 \) = beta coefficients

\( \mu \) = error term

3.9 Ethical Considerations

The researcher sought for prior consent from all the participants who participated in the study. They were allowed to participate in the study on voluntary basis and also on the rights to withdraw from the study at any point in time. Privacy was observed and the security of the information gathered from the respondents was guaranteed. All data collected was kept safely. Secrecy was observed during the collection of data and respondents remained anonymous for safety reasons.
CHAPTER FOUR

DATA ANALYSIS, RESULTS, DISCUSSION AND PRESENTATION

4.1 Introduction

This chapter presented the study findings in line with the specific objectives of the study. Frequencies, descriptive, inferential results and findings were presented on the study variables. Key findings were identified, presentation done and discussions on the study variables were conducted to indicate whether the findings were in agreement or in contrast to other scholars and academicians.

4.2 The Response Rate

A successful response rate of 71% was obtained. Babbie (2004) asserted that return rates of 70% are very good to analyze and publish. The study response rate was very good according to Babbie (2004) standards. Results are presented in Table 4.1. Out of all the 95 questionnaires issued by the researcher, 67 were successfully filled and returned to the researcher constituting 71 percent of the respondents.

Table 4.1 Response rate

<table>
<thead>
<tr>
<th>Respondents</th>
<th>Response</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Successful questionnaires</td>
<td>67</td>
<td>71%</td>
</tr>
<tr>
<td>Unsuccessful questionnaires</td>
<td>28</td>
<td>29%</td>
</tr>
<tr>
<td>Total</td>
<td>95</td>
<td>100%</td>
</tr>
</tbody>
</table>

Source: Researcher (2017)
4.3 Sample Characteristics

The sample demographics were represented by the gender, age, work experience and education.

4.3.1 Gender

The researcher sought to find out the gender characteristics of the respondents. The findings were presented in Figure 4.1. The gender distribution results indicate 65.7% were male while 34.3% were female implying that the study was conducted in an environment dominated by men. The high number of male respondents has been attributed to the resilience to compound top female employees when working in the sector. Compared to other sectors, SMEs are characterized by high staff turnover due to low wages and poor working conditions, thus high number of male respondents.

![Gender Distribution Chart]

Figure 4.1: Gender

Source: Researcher (2017)
4.3.2 Age

The researcher sought to establish the age bracket of the respondents. Forty nine percent of the respondents were aged between 36 and 50 years while 28.4% of the respondents were 51 years and above. Twenty two percent of the respondents were below 35 years. The findings imply that the respondents were people who were relatively advanced in age as they lay above 36 years as were at their career peaks. Majority of the respondents were middle aged people pursuing career growth and maturity and hence explaining the fact that they were saturated at the age bracket which depicts such peak. The findings are consistent with those of Mayura (2015) who postulated that individuals in a relatively advanced age bracket have been around for a longer time and are in a position to understand the kind of environment their business operates in and as such can respond appropriately to such environment.

![Figure 4.2: Age](image)

**Figure 4.2: Age**

**Source:** Researcher (2017)
4.3.3 Work Experience

The researcher sought to find out the work experience of the respondents. The findings were presented in Figure 4.3. Thirty three percent of the respondents had 5 to ten years’ experience while twenty seven percent had 10 to 15 years’ experience. Twenty five percent of the respondents (25.4%) of the respondents had above 15 years’ experience while 14.9% were had below 5 years’ experience. The findings indicate that most respondents had substantial experience and hence were well suited to take this study. This is explained by the fact that there was a relatively even distribution in the work experience. The findings agree with those of Valleetal (2012) who found that people with extensive or more experience are likely to understand changes in environment more and hence can manage businesses better.

![Figure 4.3: Work Experience](image)

**Source:** Researcher (2017)
4.3.4 Education

The researcher sought to establish the highest attained level of education of the respondents. The findings were presented in Figure 4.4. Majority of the respondents (47.8%) had attained an undergraduate university degree. Twenty for percent of the respondents had attained a master degree. Fifteen percent (14.9%) of the respondents had attained a PHD while 13.4% of the respondents had attained a diploma. The findings indicate that most respondents were objective people who had attained a higher levels of education and hence were pursing personal development through learning/education. This can be explained by the fact that more people appreciate the value and benefits of education e.g. through acquiring new knowledge and personal development. The findings are consistent with those of Chen and Huang (2009) who found that higher and advanced levels of education are associated with better business management practices.

![Figure 4.4: Education](image)

Figure 4.4: Education

Source: Researcher (2017)
4.4 Descriptive Statistics

This section presents the descriptive results in line with the study objectives. The sections presented include likert scale findings on nature, challenges, trainee characteristics and training characteristics. Inferential results on correlation and regression results are then presented.

4.4.1 Nature of Program and SME Performance

The researcher sought to find out the nature of the training program and its effect on performance. The findings were presented in Table 4.2.

Table 4.2 Nature

<table>
<thead>
<tr>
<th>Statement</th>
<th>Strongly Disagree</th>
<th>Agree</th>
<th>Neutral</th>
<th>Agree</th>
<th>Strongly Agree</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Defined overall objective</td>
<td>3.0%</td>
<td>11.9%</td>
<td>10.4%</td>
<td>46.3%</td>
<td>28.4%</td>
<td>3.9</td>
<td>1.06</td>
</tr>
<tr>
<td>Qualified specialists</td>
<td>6.0%</td>
<td>11.9%</td>
<td>9.0%</td>
<td>38.8%</td>
<td>34.3%</td>
<td>3.8</td>
<td>1.20</td>
</tr>
<tr>
<td>Well-structured program modules</td>
<td>9.0%</td>
<td>16.4%</td>
<td>3.0%</td>
<td>38.8%</td>
<td>32.8%</td>
<td>3.7</td>
<td>1.33</td>
</tr>
<tr>
<td>Contents and sequencing of the training items</td>
<td>9.0%</td>
<td>7.5%</td>
<td>3.0%</td>
<td>55.2%</td>
<td>25.4%</td>
<td>3.8</td>
<td>1.17</td>
</tr>
<tr>
<td>Accommodative program</td>
<td>7.5%</td>
<td>9.0%</td>
<td>16.4%</td>
<td>46.3%</td>
<td>20.9%</td>
<td>3.6</td>
<td>1.14</td>
</tr>
<tr>
<td>Average</td>
<td><strong>3.8</strong></td>
<td><strong>16.4%</strong></td>
<td><strong>46.3%</strong></td>
<td><strong>20.9%</strong></td>
<td><strong>3.6</strong></td>
<td><strong>1.18</strong></td>
<td></td>
</tr>
</tbody>
</table>

Source: Researcher (2017)

Majority of the respondents (74.7%) agreed that there was a defined overall objective in the training program that effectively gives direction. Seventy three percent (73.1%) agreed that qualified specialists are often engaged to spearhead and lead the training program. Seventy two percent (71.6%) of the respondents agreed that the core modules of the program are well structured. Majority of the respondents (80.6%)
agreed that the contents and sequencing of the training items was well carried out. Sixty seven percent (67.2%) of the respondents agreed that the program is accommodative with respect to ethical values and behavior. The overall mean was 3.8 with a standard deviation of 1.18. These findings imply that the nature of the training program was important in determining SME performance in Youth Owned SMES in Nakuru County.

These findings are consistent with those of Awasthi (2011) who noted that all entrepreneurship education programs (EDP)s could be classified into Entrepreneurship Orientation and Programs meant for pre-startups who may or may not start a business. The findings also agree with Valleetal (2000) and Chen and Huang (2009), four practices are proposed: broad application of training, planned and long-term oriented training, team-oriented training and multi-skills oriented training.

4.4.2 Challenges and SME Performance

The researcher sought to establish the challenges associated with business management training and how they affect SME performance. The findings were presented in Table 4.3. Majority of the respondents (73.2%) agreed that constrained resources had proven to be a hindrance in planning for management training. Seventy three percent of the respondents agreed that increasing competition made managers focus more on increasing the market share rather than adopt such programs. Sixty four percent of the respondents agreed that operational issues in institutions had rendered such programs as miscellaneous hence posing a challenge. Seventy eight percent (77.8%) of the respondents agreed that rigidity in the management had been a stumbling block for business training programs. Sixty three percent (62.7%) of the
respondents agreed that legal/regulatory issues have at times set an unfavorable environment for entrepreneurs.

The overall mean was 3.7 with a standard deviation of 1.16. These findings imply that the challenges of the training program were important in determining SME performance in Youth Owned SMES in Nakuru County. The findings agree with those of Alpander, Carter, and Forsgren (2000) identified ten critical problems encountered by entrepreneurs in their first three years in business: finding new customers, obtaining financing, recruiting and hiring new employees, recruiting and hiring new managers, dealing with current employee problems, product pricing, planning for market expansion, competition, rigidity in the management, operational issues handling legal problems, product quality, and dealing with government agencies.

Table 4.3 Challenges

<table>
<thead>
<tr>
<th>Statement</th>
<th>Strongly Disagree</th>
<th>Agree</th>
<th>Neutral</th>
<th>Strongly Agree</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Constrained resources</td>
<td>9.0%</td>
<td>9.0%</td>
<td>9.0%</td>
<td>44.8%</td>
<td>28.4%</td>
<td>3.8</td>
</tr>
<tr>
<td>Increasing competition</td>
<td>4.5%</td>
<td>4.5%</td>
<td>17.9%</td>
<td>40.3%</td>
<td>32.8%</td>
<td>3.9</td>
</tr>
<tr>
<td>Operational issues</td>
<td>13.4%</td>
<td>13.4%</td>
<td>9.0%</td>
<td>37.3%</td>
<td>26.9%</td>
<td>3.5</td>
</tr>
<tr>
<td>Rigidity in the management</td>
<td>4.5%</td>
<td>3.0%</td>
<td>14.9%</td>
<td>52.2%</td>
<td>25.4%</td>
<td>3.9</td>
</tr>
<tr>
<td>Legal/regulator issues</td>
<td>9.0%</td>
<td>9.0%</td>
<td>19.4%</td>
<td>40.3%</td>
<td>22.4%</td>
<td>3.6</td>
</tr>
<tr>
<td><strong>Average</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>3.7</td>
<td>1.16</td>
</tr>
</tbody>
</table>

Source: Researcher (2017)

4.4.3 Trainee Characteristics and SME Performance

The researcher sought to find out the effect of trainee characteristics on SME performance. The findings were presented in Table 4.4.
Table 4.4 Trainee Characteristics

<table>
<thead>
<tr>
<th>Statement</th>
<th>Strongly Disagree</th>
<th>Agree</th>
<th>Neutral</th>
<th>Strongly Agree</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Perception of effort and progress</td>
<td>3.0%</td>
<td>3.0%</td>
<td>0.0%</td>
<td>64.2%</td>
<td>29.9%</td>
<td>4.2</td>
</tr>
<tr>
<td>High cognitive ability</td>
<td>1.5%</td>
<td>1.5%</td>
<td>7.5%</td>
<td>49.3%</td>
<td>40.3%</td>
<td>4.3</td>
</tr>
<tr>
<td>Training motivation</td>
<td>3.0%</td>
<td>6.0%</td>
<td>4.5%</td>
<td>61.2%</td>
<td>25.4%</td>
<td>4.0</td>
</tr>
<tr>
<td>Self-efficacy</td>
<td>9.0%</td>
<td>14.9%</td>
<td>25.4%</td>
<td>26.9%</td>
<td>23.9%</td>
<td>3.4</td>
</tr>
<tr>
<td>Attainable outcomes</td>
<td>9.0%</td>
<td>7.5%</td>
<td>3.0%</td>
<td>55.2%</td>
<td>25.4%</td>
<td>3.8</td>
</tr>
<tr>
<td>Average</td>
<td></td>
<td></td>
<td></td>
<td>3.9</td>
<td></td>
<td>0.99</td>
</tr>
</tbody>
</table>

Source: Researcher (2017)

Ninety four percent (94.1%) of the respondents agreed that their perception of a relationship between effort and progress had enabled them focus and be actively engaged in the training program. Majority of the respondents (89.6%) of the respondents agreed that high cognitive ability was needed for someone to undertake the training program effectively. Eighty seven percent of the respondents agreed that the learner needed to have training motivation so that he could successfully go through the program. Fifty one percent of the respondents agreed that self-efficacy had been a key driver in the training program. Majority of the respondents (80.6%) of the respondents agreed that the attainable outcomes from business training are valued hence motivate me to learn. The overall mean was 3.9 with a standard deviation of 0.99. These findings imply that the trainee characteristics were important in determining SME performance in Youth Owned SMES in Nakuru County. These findings are consistent with those of Sitzmann and Ely (2011) who studied on self-regulated learning- the processes that enable individuals to guide their goal-directed activities throughout a learning experience to reach a desired level of performance.
The findings are also consistent with Colquitt and Simmering (2008) examined the effect of trait-like individual differences on the learning motivation of trainees as they progress through a training program hence better performance.

4.4.4 Training Design and SME Performance

The researcher sought to establish the effect of training design and SME performance. The findings were presented in Table 4.5. Sixty seven percent (67.2%) of the respondents agreed that the training program was learner focused hence gave them the attention they required. Seventy three percent of the respondents agreed that the training program inspired and motivated them hence they looked forward to its successful completion. Majority of the respondents (73.1%) agreed that the training program included their active participation and effort into its structure. Sixty four percent of the respondents agreed that there was relevant content in the program which enabled them to be well informed. Seventy nine percent of the respondents agreed that there was regular feedback during and after training used to address ongoing issues in the program. The overall mean was 3.8 with a standard deviation of 1.17. These findings imply that the training design were important in determining SME performance in Youth Owned SMES in Nakuru County. The findings agree with those of Nijman, Nijhof, Wognumand Veldkamp (2006) claimed training design has been described as one of the most important influences on performance. Thus, the relevance of the course has been seen as an especially important area of training design and if the course is irrelevant, then individuals are unlikely to use the skills when they return to work, irrespective of trainee and work environment characteristics which are present and consequently having positive influence on performance (Rasli, 2005).
Table 4.5 Training Characteristics

<table>
<thead>
<tr>
<th>Statement</th>
<th>Strongly Disagree</th>
<th>Agree</th>
<th>Neutral</th>
<th>Strongly Agree</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>The training program is learner focused</td>
<td>7.5%</td>
<td>9.0%</td>
<td>16.4%</td>
<td>46.3%</td>
<td>20.9%</td>
<td>3.6</td>
</tr>
<tr>
<td>The training program inspires and motivates me</td>
<td>9.0%</td>
<td>9.0%</td>
<td>9.0%</td>
<td>44.8%</td>
<td>28.4%</td>
<td>3.8</td>
</tr>
<tr>
<td>Active participation and effort</td>
<td>4.5%</td>
<td>4.5%</td>
<td>17.9%</td>
<td>40.3%</td>
<td>32.8%</td>
<td>3.9</td>
</tr>
<tr>
<td>Relevant content in the program</td>
<td>13.4%</td>
<td>13.4%</td>
<td>9.0%</td>
<td>37.3%</td>
<td>26.9%</td>
<td>3.5</td>
</tr>
<tr>
<td>Regular feedback</td>
<td>6.0%</td>
<td>4.5%</td>
<td>10.4%</td>
<td>47.8%</td>
<td>31.3%</td>
<td>3.9</td>
</tr>
<tr>
<td><strong>Average</strong></td>
<td><strong>3.8</strong></td>
<td><strong>4.5</strong></td>
<td><strong>10.4%</strong></td>
<td><strong>47.8%</strong></td>
<td><strong>31.3%</strong></td>
<td><strong>3.8</strong></td>
</tr>
</tbody>
</table>

**Source: Researcher (2017)**

4.4.5 Small and Medium Enterprises’ Performance

The researcher sought to assess the performance of youth owned SMEs in Nakuru County. The findings were presented in Table 4.6. Majority of the respondents (85.1%) to a large extent agreed that there was increase in market outreach. Seventy two percent of the respondents to a large extent felt that there was increase in efficiency in their respective SMEs. Seventy percent of the respondents to a large extent agreed that there was increase in staff capacity. Eighty five percent of the respondents felt to a large extent that there was growth in customer base in their SMEs. Majority of the respondents (79.2%) felt to a large extent that there was growth in profitability. Eighty five percent of the respondents felt that processes to a large extent had helped improve performance for their SMEs.
Table 4.6 SME Performance

<table>
<thead>
<tr>
<th>Statement</th>
<th>Very Small Extent</th>
<th>Small Extent</th>
<th>Neutral</th>
<th>Agree</th>
<th>Very Large Extent</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increase in Market outreach</td>
<td>4.5%</td>
<td>1.5%</td>
<td>9.0%</td>
<td>61.2%</td>
<td>23.9%</td>
<td>4.0</td>
<td>0.90</td>
</tr>
<tr>
<td>Increase in Efficiency</td>
<td>13.4%</td>
<td>11.9%</td>
<td>3.0%</td>
<td>38.8%</td>
<td>32.8%</td>
<td>3.7</td>
<td>1.40</td>
</tr>
<tr>
<td>Increase in Staff Capacity</td>
<td>3.0%</td>
<td>3.0%</td>
<td>23.9%</td>
<td>35.8%</td>
<td>34.3%</td>
<td>4.0</td>
<td>0.99</td>
</tr>
<tr>
<td>Growth in Customer Base</td>
<td>4.5%</td>
<td>4.5%</td>
<td>6.0%</td>
<td>62.7%</td>
<td>22.4%</td>
<td>3.9</td>
<td>0.94</td>
</tr>
<tr>
<td>Growth in Profitability Processes and systems</td>
<td>0.0%</td>
<td>10.4%</td>
<td>10.4%</td>
<td>49.3%</td>
<td>29.9%</td>
<td>4.0</td>
<td>0.91</td>
</tr>
<tr>
<td>Average</td>
<td>1.5%</td>
<td>1.5%</td>
<td>11.9%</td>
<td>47.8%</td>
<td>37.3%</td>
<td>4.2</td>
<td>0.82</td>
</tr>
</tbody>
</table>

Source: Researcher (2017)

4.5 Pearson’s Correlation Analysis

Bivariate correlation indicates the relationship between two variables. It ranges from 1 to -1 where 1 indicates a strong positive correlation and a -1 indicates a strong negative correlation and a zero indicates lack of relationship between the two variables. The closer the correlation tends to zero the weaker it becomes. The findings were presented in Table 4.7. The correlation between SME performance and nature was strong and positive (0.623) and was statistically significant (0.000). The correlation between SME performance and challenges was weak and negative (-0.464) and was statistically significant (0.000). The correlation between SME performance and trainee characteristics was strong and positive (0.562) and was statistically significant (0.000). The correlation between SME performance and training characteristics was strong and positive (0.649) and was statistically
The findings imply that all the independent variables; nature, challenges, trainee characteristics and training characteristics were important determinants of performance of youth owned SMEs in Nakuru County.

These findings are consistent with those of Kagona, Shukla and Oduor (2015) studied the effect of employee training on project performance, found that trainee characteristics, peer support, trainer characteristics and training design account for 10.6% (R squared .106) variance in the performance. The model was significant in the prediction of performance due to employee training. They also agree with those of Aragon, Jiménez and Valle (2013) who conducted a study on training and performance with the mediating role of organizational learning in Spain and the study findings suggested a positive association between a training and performance.

**Table 4.7 Pearson’s Correlation Analysis**

<table>
<thead>
<tr>
<th>variable</th>
<th>SME Performance</th>
<th>Nature</th>
<th>Challenges</th>
<th>Trainee Characteristics</th>
<th>Training Characteristics</th>
</tr>
</thead>
<tbody>
<tr>
<td>SME Performance</td>
<td>Pearson Correlation</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Nature</td>
<td>Pearson Correlation</td>
<td>0.623</td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td>0.000</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Challenges</td>
<td>Pearson Correlation</td>
<td>-0.464</td>
<td>-0.586</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td>0.000</td>
<td>0.000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trainee Characteristics</td>
<td>Pearson Correlation</td>
<td>0.562</td>
<td>0.515</td>
<td>-0.480</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td>0.000</td>
<td>0.000</td>
<td>0.000</td>
<td></td>
</tr>
<tr>
<td>Training Characteristics</td>
<td>Pearson Correlation</td>
<td>0.649</td>
<td>0.668</td>
<td>-0.534</td>
<td>0.553</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td>0.000</td>
<td>0.000</td>
<td>0.000</td>
<td>0.000</td>
</tr>
</tbody>
</table>

**Source:** Researcher (2017)
4.6 Regression Analysis

Table 4.8 below shows the fitness of the regression model in explaining the variables under study. The results indicate that the independent variables; nature, challenges, trainee characteristics and training characteristics were satisfactorily explaining performance of youth owned SMEs in Nakuru County. This conclusion is supported by the R square of 0.522 (52.2%). This implies that the independent variables can explain 52.2% of the independent variable (SME performance).

Table 4.8 Model Summary

<table>
<thead>
<tr>
<th>Model</th>
<th>Coefficient</th>
</tr>
</thead>
<tbody>
<tr>
<td>R</td>
<td>0.722</td>
</tr>
<tr>
<td>R Square</td>
<td>0.522</td>
</tr>
<tr>
<td>Adjusted R Square</td>
<td>0.491</td>
</tr>
<tr>
<td>Std. Error of the Estimate</td>
<td>0.37897</td>
</tr>
</tbody>
</table>

Source: Researcher (2017)

4.7 Analysis of Variance

ANOVA statistics presented on Table 4.9 indicate that the overall model was statistically significant. This was supported by a probability (p) value of 0.000. The reported p value was less than the conventional probability of 0.05 significance level and thus significant in the study. These results indicate that the independent variables are good predictors of performance of youth owned SMEs in Nakuru County. The study results are consistent with those of Mayuran (2015) who studied the Impact of entrepreneurship training on performance of small enterprises in Jaffna District and using a linear regression analysis, concluded that entrepreneurship training contributed towards the performance of small enterprise in Jaffna district.
Table 4.9 Analysis of Variance

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regression</td>
<td>9.708</td>
<td>4</td>
<td>2.427</td>
<td>16.898</td>
<td>0.000</td>
</tr>
<tr>
<td>Residual</td>
<td>8.904</td>
<td>62</td>
<td>0.144</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>18.612</td>
<td>66</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Researcher (2017)

Regression of coefficients results were presented in Table 4.10. The results show that there is a positive relationship between SME performance and nature, trainee characteristics and training characteristics whose beta coefficients are 0.210, 0.217 and 0.275 respectively. However, the challenges showed a negative relationship with SME performance with a beta coefficient of -0.009. There was a statistically significant relationship between nature, trainee characteristics and training characteristics and SME performance with significance levels of 0.037, 0.041 and 0.012 respectively. However, challenges had a statistically insignificant relationship with SME performance. The study findings are consistent with Al-Awawdeh (2011) who conducted a study which aimed mainly to analyze the relationship between the strategy of training (training design) and staff performance statistically and found statistically significant effects of all independent variables on the performance; the effect was statistically significant on morale.

Table 4.10 Regression of Coefficients

<table>
<thead>
<tr>
<th>Variable</th>
<th>B</th>
<th>Std. Error</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Constant)</td>
<td>1.311</td>
<td>0.606</td>
<td>2.165</td>
<td>0.034</td>
</tr>
<tr>
<td>Nature</td>
<td>0.210</td>
<td>0.099</td>
<td>2.131</td>
<td>0.037</td>
</tr>
<tr>
<td>Challenges</td>
<td>-0.009</td>
<td>0.061</td>
<td>-0.152</td>
<td>0.880</td>
</tr>
<tr>
<td>Trainee Characteristics</td>
<td>0.217</td>
<td>0.104</td>
<td>2.083</td>
<td>0.041</td>
</tr>
<tr>
<td>Training Characteristics</td>
<td>0.275</td>
<td>0.106</td>
<td>2.598</td>
<td>0.012</td>
</tr>
</tbody>
</table>

Source: Researcher (2017)
The regression equation was as follows;

\[ \text{SME Performance} = 1.311 + 0.210 \text{ Nature} - 0.009 \text{ Challenges} + 0.217 \text{ Trainee Characteristics} + 0.275 \text{ Training Characteristics} \]

The results indicated that nature, trainee characteristics and training characteristics were important determinants of bank performance. The results indicate that; an increase in nature by one unit leads to an increase in SME performance by 0.210 units; an increase in challenges by one unit leads to a decrease in SME performance by 0.009 units; an increase in trainee characteristics by one unit leads to an increase in SME performance by 0.217 units; an increase in training characteristics by one unit leads to an increase in SME performance by 0.275 units.

The study findings are consistent with those of Bowen et al. (2009), in a study done in Nairobi, Kenya, who found that 49.5% of those who had received training in the area of business reported that their businesses were doing well. The study results also showed that 60.8% of those not trained reported that their businesses were doing poorly as compared to 39.2% whose entities were doing well without training.
CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

The chapter addressed the summary capturing the major findings in line with the objectives. A conclusion on the relationship between the study variables was deduced in line with the objectives. Suggestions for recommendations and areas for further studies were then drawn.

5.2 Summary

The summary is presented in line with the study objectives. The general objective of the study was to study business management training and its relationship to SME performance in youth owned SMEs in Nakuru County.

5.2.1 Nature of Entrepreneurial Training

The first objective was to establish the nature of entrepreneurial training programs of youth owned SMEs in Nakuru County and how they affect performance. Results indicated that nature was important in determining performance of Youth owned SMEs in Nakuru County. This was supported by majority of the respondents who agreed that there was a defined overall objective in the training program that effectively gives direction, qualified specialists are often engaged to spearhead and lead the training program, that the core modules of the program are well structured, the contents and sequencing of the training items was well carried out and that the program is accommodative with respect to ethical values and behavior. The correlation results indicate that the association between SME performance and nature
of the programs was strong and positive and was statistically significant. Regression results also show a positive and statistically significant relationship between performance and nature of the entrepreneurial training programs of youth owned SMEs in Nakuru County.

5.2.2 Challenges and Entrepreneurship Training

The second objective was to find out the challenges in entrepreneurship training programs and how they affect performance of youth owned SMEs in Nakuru County. Results indicated that challenges were important in determining performance. The correlation results indicate that the association between SME performance and challenges of the programs was weak and negative and was statistically significant. Regression results also show a negative but statistically insignificant relationship between performance and challenges of the entrepreneurial training programs of youth owned SMEs in Nakuru County.

5.2.3 Trainee Characteristics and Performance

The third objective was to establish the effect of trainee characteristics on performance of youth owned SMEs in Nakuru County. Results indicated that trainee characteristics were important in determining performance of Youth owned SMEs in Nakuru County. The correlation results indicate that the association between SME performance and trainee characteristics of the programs was strong and positive and was statistically significant. Regression results also show a positive and statistically significant relationship between performance and trainee characteristics of the entrepreneurial training programs of youth owned SMEs in Nakuru County.
5.2.4 Training Design and Performance

The forth objective was to determine how training design affects performance of youth owned SMEs in Nakuru County. Results indicated that training characteristics were important in determining performance of Youth owned SMEs in Nakuru County. The correlation results indicate that the association between SME performance and training characteristics of the programs was strong and positive and was statistically significant. Regression results also show a positive and statistically significant relationship between performance and training characteristics of the entrepreneurial training programs of youth owned SMEs in Nakuru County.

5.3 Conclusions

From the study findings, one can conclude that the youth owned SMEs in Nakuru County had put in place functional entrepreneurial training programs and their nature was a determinant of performance. This was supported by majority of the respondents who agreed that there was a defined overall objective in the training program that effectively gives direction, qualified specialists are often engaged to spearhead and lead the training program, that the core modules of the program are well structured, the contents and sequencing of the training items was well carried out and that the program is accommodative with respect to ethical values and behavior. It can also be concluded that the training programs were positively associated and important determinants of performance.

It can also be concluded that there were challenges associated with youth owned SMEs in Nakuru County and these had a negative effect on performance. This was supported by the findings which indicated that constrained resources had proven to be a hindrance in planning for management training, increasing competition made
managers focus more on increasing the market share rather than adopt such programs, operational issues in institutions had rendered such programs as miscellaneous hence posing a challenge, rigidity in the management had been a stumbling block for business training programs and that legal/regulatory issues have at times set an unfavorable environment for entrepreneurs. It can also be concluded that the challenges were negatively associated and important determinants of performance.

It can be concluded that trainee characteristics in entrepreneurial training programs were a determinant of performance of youth owned SMEs in Nakuru County. This was supported by the findings which indicated that perception of a relationship between effort and progress had enabled them focus and be actively engaged in the training program, high cognitive ability was needed for someone to undertake the training program effectively, the learner needed to have training motivation so that he could successfully go through the program, that self-efficacy had been a key driver in the training program and that the attainable outcomes from business training are valued hence motivate me to learn. It can also be concluded that the trainee characteristics was positively associated and was an important determinant of performance.

It can also be concluded that training characteristics in entrepreneurial training programs were a determinant of performance of youth owned SMEs in Nakuru County. This was supported by the findings which indicated that training program was learner focused hence gave them the attention they required, the training program inspired and motivated them hence they looked forward to its successful completion, that the training program included their active participation and effort into its structure, there was relevant content in the program which enabled them to be well
informed and there was regular feedback during and after training used to address ongoing issues in the program. It can also be concluded that the training characteristics were positively associated and were important determinant of performance.

5.4 Recommendations

Based on the study findings, there were gaps and the researcher recommends that the management of the SMEs ensure that the program is accommodative with respect to ethical values and behavior. There should also be allocation of sufficient resources on the training programs as constrained resources are hindrance in planning for management training. The operational issues in SMEs should be streamlined efficiently so that they do not render such entrepreneurial programs as miscellaneous. The management should ensure there is no rigidity in the management which is usually a stumbling block for business training programs.

5.5 Area for Further Study

In view of the study findings, the model was found to predict 52.2% of SME Performance. This means that there were factors other than business management training which were not captured by this study and such factors could explain 47.8% of the dependent variable. Another study can be done on those other factors to investigate whether the findings will hold true. Another study can be done in a different context such as large manufacturing companies or multinational corporations to assess if the findings with be consistent with those of this study.
REFERENCES


Doo H. L. (2010). Training design factors influencing transfer of training to the workplace within an international context, Journal of Vocational Education & Training, 52:2, 243-258, DOI


APPENDICES

Appendix I: Letter of Introduction

TO WHOM IT MAY CONCERN

Dear Sir/Madam

REF: RESEARCH STUDY

I am a post graduate student studying Master of Business Administration at Kenyatta University, Nairobi. I am writing a research project which is a requirement for the award of the degree. The topic of my research is; “Business Management Training on Performance of Youth Owned Small and Medium Enterprises in Nakuru County, Kenya”. I kindly request your assistance by availing time to respond to the questionnaire. All data collected will be treated in strict confidence and used only for purpose of this study.

Your co-operation will be highly appreciated.

Yours faithfully

Leah Mbogo

D53/OL/22497/2011
Appendix II: Questionnaire

SECTION A: DEMOGRAPHIC DATA (Please tick as appropriate)

1) Please indicate your gender

   1) Male [  ]

   2) Female [  ]

2) Please specify your age

   a. Below 35yrs [  ]

   b. 36-50 years [  ]

   c. 51 years and above [  ]

3) Please indicate your work experience

   Below 5 years [  ]

   5 to 10 years [  ]

   10 to 15 years [  ]

   Above 15 years [  ]

4) Please indicate your highest attained level of education

   Diploma [  ]

   Degree [  ]

   Masters [  ]

   PhD [  ]

SECTION B: BUSINESS MANAGEMENT TRAINING AND PERFORMANCE

This subsection is concerned with assessing the independent variables and their relationship to performance of SMEs.
Section B1: Nature of Programme and Performance

This subsection is concerned with assessing nature of programme and its relationship with SME performance. Please mark (x) in the box which best describes the extent to which you agree with each of the following statements.

Rate your response on a scale of 1 to 5;

(1= Strongly Disagree; 2= Disagree; 3= Neutral; 4= Agree; 5= Strongly Agree)

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<tr>
<td>There is a defined overall objective in the training program that effectively gives direction</td>
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<td>Qualified specialists are often engaged to spearhead and lead the training program</td>
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<td>The core modules of the program are well structured</td>
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<td>The contents and sequencing of the training items is well carried out</td>
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<td>The program is accommodative with respect to ethical values and behavior</td>
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Section B2: Challenges and Performance

This subsection is concerned with assessing challenges and their relationship with SME performance. Please mark (x) in the box which best describes the extent to which you agree with each of the following statements.

Rate your response on a scale of 1 to 5;

(1= Strongly Disagree; 2= Disagree; 3= Neutral; 4= Agree; 5= Strongly Agree)
Constrained resources have proven to be a hindrance in planning for management training.

Increasing competition has made managers focus more on increasing the market share rather than adopt such programs.

Operational issues in institutions have rendered such programs as miscellaneous hence posing a challenge.

Rigidity in the management has been a stumbling block for business training programs.

Legal/regulatory issues have at times set an unfavorable environment for entrepreneurs.

Section B3: Trainee Characteristics and SME Performance

This subsection is concerned with assessing trainee characteristics and its relationship with SME performance. Please mark (x) in the box which best describes the extent to which you agree with each of the following statements.

Rate your response on a scale of 1 to 5;

(1= Strongly Disagree; 2= Disagree; 3= Neutral; 4= Agree; 5= Strongly Agree)
program effectively

The learner needs to have training motivation so that he can successfully go through the program

Self-efficacy has been a key driver in the training program

The attainable outcomes from business training are valued hence motivate me to learn

Section B4: Training Characteristics and SME Performance

This subsection is concerned with assessing training characteristics and its relationship with SME performance. Please mark (x) in the box which best describes the extent to which you agree with each of the following statements.

Rate your response on a scale of 1 to 5;

(1= Strongly Disagree; 2= Disagree; 3= Neutral; 4= Agree; 5= Strongly Agree)

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<tr>
<td>The training program is learner focused hence gives me the attention I require</td>
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<td>The training program inspires and motivates me hence I look forward to its successful completion</td>
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<td>The training program includes my active participation and effort into its structure</td>
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<td>There is relevant content in the program which enables me to be well informed</td>
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<td>There is regular feedback during and after training used to address ongoing issues in the program</td>
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Section B5: SME Performance
This subsection is concerned with assessing SME performance. Please mark (x) in the box which best describes the extent to which you believe that the following measures of SME performance have been affected by business management training.

Rate your response on a scale of 1 to 5;

(1=Very Small Extent; 2=Small Extent; 3= Neutral; 4= Large Extent; 5= Very Large Extent)

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<td>Increase in Market outreach</td>
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<td>Increase in Efficiency</td>
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<td>Increase in Staff Capacity</td>
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<td>Growth in Customer Base</td>
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<td>Growth in Profitability</td>
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<td>Processes and systems</td>
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THANK YOU
Appendix III: Research Authorization

NATIONAL COMMISSION FOR SCIENCE, TECHNOLOGY AND INNOVATION

NACOSTI/P/17/72232/15867

9th March, 2017

Leah Wambui Mbogo
Kenyatta University
P.O. Box 43844-00100
NAIROBI.

RE: RESEARCH AUTHORIZATION

Following your application for authority to carry out research on “Evaluation of business management training on performance of Micro Small and Medium Enterprises among youth owned Small Medium Enterprises in Nakuru County, Kenya,” I am pleased to inform you that you have been authorized to undertake research in Nakuru County for the period ending 9th March, 2018.

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

On completion of the research, you are expected to submit two hard copies and one soft copy in pdf of the research report/thesis to our office.

DR. STEPHEN K. KIBIRU, Ph.D.
FOR: DIRECTOR-GENERAL/CEO

Copy to:

The County Commissioner
Nakuru County.

The County Director of Education
Nakuru County.