ENTREPRENEURIAL COMPETENCIES AND PERFORMANCE OF YOUTH ENTERPRISES IN MANYATTA CONSTITUENCY, EMBU COUNTY, KENYA

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OCTOBER, 2018
DECLARATION

I hereby declare that this research project is my own original work and has never been submitted to any other university for any award.

Signed……………………………… Date……………………..

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D53/OL/EMB/26884/14

This research project has been submitted for examination with my approval as the supervisor

Signed……………………………… Date……………………..

Mr. Shadrack Bett
Department of Business Administration
Kenyatta University
DEDICATION

I dedicate this research project to my beloved husband and all those who have made this research project a success. Thank you for your time and support.
ACKNOWLEDGEMENT

Special thanks to my dear husband for his financial, emotional, and physical support. This work would not have been possible without my supervisor Mr. Shadrack Bett for his academic guidance and patience towards my academic work through-out the research process.

I would like to thank my confidants for their support and wonderful ideas throughout this process. I further wish to thank my mother and father for their invaluable advice and companion on how to tackle the life challenges; they have always been a source of inspiration from whom I get my intelligence. To all those who assisted in the success of this study, May God bless you all for the commendable work.
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<td>ECA</td>
<td>Economic Commission for Africa</td>
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<td>FGDs</td>
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<td>GEM</td>
<td>Global Entrepreneurship Monitor</td>
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<td>GOK</td>
<td>Government of Kenya</td>
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<td>ICT</td>
<td>Information Communications Technology</td>
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<td>IEF</td>
<td>Institute for Economic Affairs</td>
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<td>KIHBS</td>
<td>Kenya Integrated Household Budget Survey</td>
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<td>KNBS</td>
<td>Kenya National Bureau of Statistics</td>
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<td>MFI</td>
<td>Micro Finance Institution</td>
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<td>MoYA</td>
<td>Ministry of Youth Affairs</td>
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<td>NGOs</td>
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<td>MSEs</td>
<td>Micro and Small Enterprises</td>
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<td>SPSS</td>
<td>Statistical Package for Social Sciences</td>
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<td>WEF</td>
<td>Women Enterprise Fund</td>
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<td>YEDF</td>
<td>Youth Enterprise Development Fund</td>
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**OPERATIONAL DEFINITION OF TERMS**

**An Enterprise:** Is the business organization that is formed and which provides goods and services, creates jobs, and contributes to national income, exports and overall economic development.

**An Entrepreneur:** Is a person who pays a certain price for a product to resell it at an uncertain price, thereby making decisions about obtaining and using the resources while consequently admitting the risk of enterprise.

**Entrepreneurship:** Is defined as a systematic innovation, which consists in the purposeful and organized search for changes, and it is the systematic analysis of the opportunities such changes might offer for economic and social innovation.

**Self-Employment:** Is the second stage in the entrepreneurial process and refers to an individual’s fulltime involvement in his/her own occupation.

**Youth Group:** This refers to a collection of youths who are gathered to achieve or pursue one common goal or do similar activities or sport.

**Performance:** Performance is the state of yielding a financial gain. It is the capacity to make a profit whether accounting or economic.

**Financial Management** Is concerned with all areas of management, which involve finance not only the sources, and uses of finance in the enterprises, but also the financial implications of investment, production, marketing or personnel decisions and the total performance of the enterprise.

**Project Management** Aims to complete a project within time and planned cost and the quality is good.

**Marketing** Is regarded as a process that brings the firm in constant and direct contact with its customers.
Entrepreneurial competencies are generic competencies necessary for the success of self-employment over and above any occupational skills which may be required. They include and are not limited to the individual values, beliefs and attitudes, interpersonal skills, decision making, communication skills, and networking skills and realistic awareness of risks and benefits of self-employment. Youth enterprises play an important economic role among the youth in Kenya. However, they face a mixture of success and failure with past statistics indicating that three out of five fail within the first few months of operation. This study sought to establish the influence of entrepreneurial competencies on the performance of youth enterprises in Kenya with a special reference to youth enterprises in Manyatta Constituency, Embu County. The specific objectives of the study were to establish the influence of financial management skills, marketing skills and project management skills on the performance of youth enterprises in Manyatta Constituency, Embu County. The study was based on two main theories which include firm performance theory and entrepreneurship motivation theory all of which support the thriving of youth enterprises and some of the necessary prerequisites for them to perform. The study adopted descriptive statistics to establish the influence of entrepreneurial competencies on the performance of youth enterprises in Manyatta Constituency, Embu County. The sample size of the study was 81 youth enterprises drawn from 6 wards in Manyatta constituency. The study relied on primary data that was collected by structured questionnaires. The collected questionnaires were coded into SPSS Version 23.0 for analysis and interpretation. Coefficient of regression was 0.907 an indication of strong correlation. Coefficient of determination R-squared was 0.823 which translates to 82.3%. This means that 82.3% variations in dependent variable would be explained by the independent variable. The study concludes that financial management positively influence performance of the youth enterprise in Embu County. Financial management skills enable youth entrepreneurs to collect financial data, keep proper financial records, plan their business and prioritize in business cash flow. Marketing skills enabled youth entrepreneurs to assess the market viability of their enterprises and to assess the level of competition in the area of business. Marketing skills enabled youth entrepreneurs to draw a strategy for their business, enable youth entrepreneurs to reach out to customers and to solicit market information. Respondents were in agreement that they were trained on the importance of completing projects within provided timeframes, provided costing and delivering the quality promised at the time of signing a contract. The findings further show that youth entrepreneurs acquired skills on implementation of projects, importance of monitoring projects, evaluating projects and planning projects. The study recommends that financial management skills should enable youth entrepreneurs to collect financial data, keep proper financial records, plan their business and prioritize in business cash flow. Financial management statements should be used to track monetary value of goods and services in and out of the organization, enable youth entrepreneurs to manage their stock movement, analyze the performance of businesses and enable business forecasting for the enterprises. Marketing skills should enable youth entrepreneurs to draw a strategy for their business, enable youth entrepreneurs to reach out to customers and to solicit market information. Marketing skills should enable youth enterprises to interact with customers, promote innovation and collect well-structured information about their market. The study further recommends that youth entrepreneurs should acquire skills on implementation of projects, importance of monitoring projects, evaluating projects and planning projects.
1.1 Background of the Study

Abreast with globalization, companies encounter a challenging business environment in which they have to implement proper strategies to survive. A research on Iran’s small and medium sized enterprises reveals that only 10 percent of entrepreneurs are able to successfully run their own business while others fail even before launching their business (Amiri, Zali, & Majd, 2009). Furthermore, in an international level, young businesses share a high rate of failure as 20 percent of them would be eliminated by their first year of activity and hence, it reaches to 66 percent by the end of the sixth year (Franco & Haase, 2010). Also, Driessen and Zwart (2007) insert that 50 percent of businesses would vanish during their first five years of foundation.

Without sufficient performance, a business would not be able to survive especially in a competitive environment. Numerous factors may influence the business performance while entrepreneurs pay attention to those of financial and nonfinancial as external factors for performance improvement. Although businesses mostly are not aware of significant role of competencies in business performance, studies show that there is an indispensable relationship between competencies and business performance (Ahmed, Rafiq, & Saad, 2003; García-Zambrano, Rodríguez-Castellanos, & García-Merino, 2014; Short, 2008; Tien, Wang, & Tsai, 2005). Since entrepreneurial competencies are related to business performance (Mitchelmore and Rowley, 2010), entrepreneurs must pay a special attention to their competency improvement in order to boost performance.

Entrepreneurship research has shown that entrepreneurial competencies have a positive impact on SME performance. Enterprises with managers who have high levels of entrepreneurial competencies tend to scan and manage the environment in which they operate in order to find new opportunities and consolidate their competitive positions (Covin & Miles, 1999). According to Bird (1995), competencies are seen as observable behaviors’ that are more tied to performance than other entrepreneurial characteristics such as personality traits, intentions or motivations. Gartner and Starr (1993) noted that entrepreneurial competencies play an important role in enhancing firm performance, having both direct and indirect effects on firm performance. An
entrepreneur is expected to interact with these environmental forces which require him to be highly competent in different dimensions like intellectual, attitudinal, behavioral, technical, and managerial aspects. Entrepreneurs are therefore permanently challenged to deploy a set of competencies to succeed in their entrepreneurial endeavors.

In 2010, UN secretary-general, declared the year 2011 the International Year of Youth (UN-HABITAT, 2010). The global importance of the youth employment challenge cannot therefore be overemphasized. In 2001 just after the UN Millennium Earth Summit in 2000, which gave birth to the Millennium Declaration - mother of the now famed Millennium Development Goals (MDGs) - the Youth Employment Network (YEN) was established. YEN is an interagency partnership of the United Nations (UN), International Labor Organization (ILO) and the World Bank (WB). It was set up to find new and durable solutions to the youth employment challenge. It is a global network which sought to fulfill its mandate by helping prioritize youth employment in the development agenda of UN member states through exchange of knowledge on effective policies and programmes to improve youth employment, (UN-HABITAT, 2010). In recognition of and in solidarity with the global youth employment agenda, the 7th Ordinary Session of the Assembly of the African Union, held in Banjul, Gambia, adopted on 2nd July 2006 the ‘African Youth Charter’ (AYC) as the first legal framework of action for the African Youth and invited Member States to take appropriate steps for the signing and ratification of the AYC, as well as its popularization (AYC, 2006).

According to ILO (2006) Working Paper No 76, the world’s population is growing at time when traditional stable labor markets are shrinking. More than one billion people today are between 15-24 years of age and nearly 40 percent of the world populations are below the age of 20 years. The ILO estimates that 47 percent of the unemployed persons globally are young women and men and 660 million young people were either be working or looking for work. Over a quarter of all youth in sub-Saharan Africa are unemployed, however, they lack the necessary competencies to do business.

1.1.1 Entrepreneurial Competencies

Launching a new business requires different resources varying from financial to behavioral resources. As it is believed that an entrepreneur could find all the resources in the environment to
provide finance, information and social capital, there are some internal factors which make launching a business happen. Competency explains the notion for these internal factors. Generally, competency is categorized into knowledge, characteristics and skills (Mojab et al. 2011). Researchers investigated six types of entrepreneurial competencies in terms of entrepreneurial personality traits which include: opportunity, relationship, conceptual, organizing, and strategic and commitment competencies (Man, Lau, & Chan, 2002).

On the other hand, competency is divided into natural and artificial competencies. Natural competency is internally established in an entrepreneur like personality traits, attitudes, self-image, and social role while artificial competency is adventitious like skill, knowledge and experience (Ismail, 2012). Describing entrepreneur scan (E-Scan), researchers defined four types of competencies each of which consists of a group of features: Knowledge (market, people, finances, production), Motivation (autonomy, achievement, power), capabilities (manage, motivate, organize-plan, financial administration) and characteristics (taking risk, affiliation, tolerance of ambiguity etc.) (Driessen & Zwart, 2007).

Global Entrepreneurship Monitor investigates entrepreneurial competencies via assessing perceived capability, perceived opportunities, having less fear of failure and entrepreneur’s role models all year round (Autio, 2005). Studies reveals that according to the nature of competencies, perceived capability and opportunities refer to skills of an entrepreneur where role models and less fear of failure are targeted to define entrepreneur’s personality (Zali, Bastian, & Qureshi, 2013). Accordingly, in this study entrepreneurial competencies are defined as entrepreneur’s skills and entrepreneurial personality.

Along with globalization, SMEs face increasingly competitive business environment(s) resulting in difficulties to improve or sustain business performance (Kraus, Rigtering, Hughes, & Hosman, 2012). Considering three types performance including survival, profit and generated employment, human capital is an indispensable factor which influences business performance (Bosma et al. 2004). Human capital is every company’s tangible asset and regardless of industry type, it is significant to business performance (Bontis et al. 2000). On the other hand, competencies generate human capital of a company which represents education, experience,
skills, genetics and attitudes of business owner and his employees (Bontis et al., 2000). Studies show the effect of human capital on local employment performance and economic development (Appleton & Teal, 1998; Faggian & McCann, 2009; Gundlach, 1999; Plummer & Taylor, 2004). Thus, entrepreneurial competencies affect business performance (Faggian & McCann, 2009; Mitchelmore & Rowley, 2010). Also, a study shows that competency is related to a superior performance in any given circumstance (Hayton & Kelley, 2006) and successful businesses are led by competent owners (Chandler & Jansen, 1992).

1.1.2 Performance

Performance is the state of yielding a financial gain. It is the capacity to make a profit whether accounting or economic. Performance is measured using profitability. Profitability is a primary goal of any business venture without which the business cannot survive in the long run. It measured using income and expenses, income being money generated from the activities of the business for example interest income for banks and expenses being costs incurred or resources consumed by the activities of the business for example interest paid on deposits by banks. Profitability is measured using an income statement and it is the most important measure of business success. Increasing profitability therefore is one of the most important tasks of business managers. It is for this reason therefore that they are constantly looking for ways to change their businesses and consequently increase profitability and hence the adoption of policies such as the use of strategies such as entrepreneurial competencies which have the ultimate goal of increasing organisation profitability by reducing losses through loan defaults.

1.1.3 Youth Enterprises in Kenya

Kenya has a population of over 40 million people, 75 per cent of these people are under the age of 30 years. Young people account for 67 per cent of the unemployed and they are more exposed to poverty than other age groups (Kenya Bureau of Statistics, 2010). This situation, known in technical parlance as the youth bulge is the largest and perhaps the most inadequately addressed challenge to the attainment of Kenya’s national agenda, Kenya Vision 2030. Yet a large youthful population can turn out to be a great opportunity or a great danger, depending on the choices Kenya makes (GOK, 2007). The youth can exercise the power of social capital theory to liberate themselves from marginalization.
Youth projects have been a source of empowerment for this group in the developing world. Kenya is no exception to this global trend, with the government establishing a ministry to specifically address the needs of the youth in 2005. One of the cardinal mandates of this ministry is to provide the youth with funding for projects under the Youth Enterprise Development Fund. Non-governmental organizations have also come up to support the community in this endeavor. Kenya boasts of over 500 NGOs registered in the country and working in diverse fields of development, which includes enterprise assistance through development of income generating activities (Tubey, 2012). These interventions have been geared towards assisting the Youth enterprises to achieve enterprise performance goals in terms of changes in sales volumes, profits, number of employees, and accumulation of assets and maintenance of records.

When the UNDP-funded Jua Kali project in Kenya offered short training programmes to owner managers in the textile industry, it was found that they lacked management skills. It therefore started offering training in business management, accounts and bookkeeping and taught them how to prepare good business plans (Tubey, 2012). Technoserve, which has operated in Kenya since 1973, is an NGO whose mission is to develop business solutions to poverty, by linking people to information, capital and markets. Among their many projects is one that solely focuses on youth entrepreneurial training in Strengthening Rural Youth Development through Enterprise. However, little is known about the extent to which this training affects youth enterprises, especially in Manyatta Constituency, Embu County.

1.2 Statement of the Problem
The performance of entrepreneurship in Kenya has led to an increase in number of Youth Enterprises in Kenya. Thanks to entrepreneurship, the Youth Enterprises sector plays a key role in the economic development and contributes to a large extent to employment and poverty reduction among the youth in the country. According to the Economic Survey (2006), the sector contributed over 50 percent of new jobs created in the year 2005. In cognizance of the critical role Youth Enterprises play in the economy of the country, the Government has over time put in place diverse interventions aimed at stimulating and sustaining entrepreneurship performance (Ngugi & Bwisa, 2013).

Despite their significance, statistics however show that in Kenya, three out of five of the youth run small enterprises fail within the first three years of operations (Odhiambo, 2013), and those
that continue 80 percent fail before the fifth year. While little evidence exists that these small firms grow into medium-size firms (employing 50 to 100 workers), many of these small firms have the potential to grow and add one to five employees (Kanyari & Namusonge, 2013). The Youth Enterprises sector is notoriously volatile and experiences a high degree of business closure and shrinkage (Eriksson & Kuhn, 2006). Nyaga (2010) noted that the failure to engage the youth decently and productively has systematically driven them into crime. He further adds that, fundamentally, without active youth participation in the economic sector, the country may never realize its full economic potential. This study therefore sought to fill the knowledge gap by establishing the effect of entrepreneurial competencies influencing performance of youth Enterprises in Manyatta Constituency, Embu County.

1.3 Objectives of the Study

1.3.1 General Objective

The general objective of this study was to assess the influence of entrepreneurial competencies and performance of youth enterprises in Manyatta Constituency, Embu County.

1.3.2 Specific Objectives of the Study

The study was guided by the following objectives:

i. To investigate how financial management skills influence the performance of youth enterprises in Manyatta Constituency, Embu County.

ii. To establish how access to marketing skills affects the performance of youth enterprises in Manyatta Constituency, Embu County.

iii. To determine how project management skills, influence the performance of youth enterprises in Manyatta Constituency, Embu County.

1.4 Research Questions

This research aimed to answer the following questions:

i. To what extent do financial management skills influence the performance of youth enterprises in Manyatta Constituency, Embu County?
ii. How does access to market skills influence the performance of youth enterprises in Manyatta Constituency, Embu County?

iii. What is the effect of project management skills influence the performance of youth enterprises in Manyatta Constituency, Embu County?

1.5 Significance of the Study
The findings and recommendations of this research study would be useful since the success of projects funded by Youth Enterprise Development Fund (YEDF) would be very critical in contributing to the economic performance in the country. It would also serve as major motivation for the setup of the youth funds by the Government. The study’s findings and recommendations would be useful to the Youth Enterprise Development Fund management, shareholders and stakeholders to enhance feasibility of these projects as a step towards increasing economic opportunities for participation by Kenyan youth in nation building.

The findings and recommendations of this research study would be useful to the government of Kenya as well as global organizational bodies involved with youth entrepreneurial initiatives, since youth unemployment continues to be a developmental challenge not only in Kenya but globally. The study would be of great significance to the government as it would act as a guide as it develops policies, frameworks and legislations for managing the implementation of all aspects of the youth entrepreneurship initiatives.

1.6 Scope of the Study
The study focused on Manyatta Constituency in Embu County, as the area under study in the endeavor of establishing the entrepreneurial competencies affecting the performance of youth enterprises in Kenya. The targeted respondents were sampled entrepreneurs within the age bracket of youths in Kenya. The study was conducted in May 2018.

The scope of the study was Youth enterprises in Manyatta Constituency Embu County. It was believed that this would provide adequate information for the study and therefore gave reliable results and findings.
1.7 Limitations of the Study
The respondents were busy at work and were not interested in responding objectively. The respondents were notified in advance and no respondent was subjected to bias during the research. Anonymity was assured by the researcher to the respondents. Confidentiality concerns arose within youth enterprises as well as their benefit in the exercise. The researcher addressed this by assuring the management that the information gathered was shared with them for the purposes of making necessary improvements, hence also beneficial to the corporation. The respondents were notified by the researcher of the value addition the exercise would have to the youth enterprise initiatives and that the research study was for academic purposes.

1.8 Organization of the Study
The proposal comprised of three chapters. Chapter one involved background of the study, statement of the problem, objectives of the study, research questions, and significance of the study, scope of the study, limitation of the study, and organization of the study.

In chapter two, literature review examined the introduction, theoretical review: financial performance theory, micro credit theory and credit access theory. Empirical review includes; financial accessibility, financial knowledge, total savings and lending rates and financial performance of SMEs and the Conceptual Framework.

Chapter three dealt with research methodology under; Introduction, research design, target population, sampling design, rationale for sample selection, data collection instruments, validity of the research instrument, reliability, data analysis and ethical considerations.
CHAPTER TWO
LITERATURE REVIEW

2.1 Introduction
This chapter covers the theoretical foundations of the study, empirical literature review, research gaps and the conceptual framework which shows the relationship between the study variables.

2.2 Theoretical Review
A theory represents the coherent set of hypotheticals, conceptual and pragmatic principles forming the general frame for reference for the field of enquiry.

2.2.1 Firm Performance Theory
Penrose’s theory on the Performance of the Firm is reviewed to support the study. Penrose (1959) suggested that enterprises are a bundle of internal and external resources, which helps an enterprise to achieve competitive advantage. She further adds that in the long run, there can be a limit to the performance of an enterprise, but not to the size. Performance of an enterprise is determined by the rate at which experienced managerial staff can plan and implement this plan. She has further explained that the external environment of an enterprise is an image in the mind of the entrepreneur.

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

2.2.2 Motivation Need for Achievement Entrepreneurship Theory

The field of psychology has a long history of measuring traits of entrepreneurs. Despite this, no single clear psychological picture of the entrepreneur has emerged. Although the results of trait-based research may not be flawless, there are enough interesting findings to merit consideration. Shaver and Scott (1991) make an eloquent case for the validity or psychological trait-based research as long as it is rigorous and takes environment into account. Achievement motivation has been singled out as the most prevalent theory of entrepreneurship (Johnson, 1990). The concept of Need for Achievement was originated by Henry Murray in 1938. Murray measured nAch with the Thematic Apperception Test, where a subject writes a short story about a picture (Graham, 1994).

Achievement motivation was studied extensively by David McClelland and his associates, who believed that needs, are learned and therefore culturally, not biologically, determined. Individuals with a high level of nAch exhibit a strong desire to assume personal responsibility, to set and meet moderately difficult goals, and to receive performance feedback. McClelland believed that nAch was critical to economic development and advocated providing developing countries with achievement training rather than financial assistance (Cherrington, 1994). McClelland’s conclusion, that culture determines the creation of new businesses, may have helped to shut down economic development projects in the inner city and in third world countries (Carney, 1995).

In the Achieving Society (1961), McClelland reviews a prodigious number of theories on achievement and entrepreneurship, discussing at length sources and effects of nAch in different cultures across space and time. Throughout, however, McClelland tends not to question the assumption that achievement needs are expressed through venture creation, and he appears to minimize the extent to which this drive might be fulfilled in other ways. McClelland’s work on need achievement found nAch to be a key factor in entrepreneurship. Moreover, McClelland concluded that the relationship between nAch and entrepreneurship meant that nAch was essential to economic development, and that any country that wished to accelerate economic
progress should be interested in raising levels of need for achievement within its borders (McClelland, 1961).

McClelland’s work has attracted some criticism (e.g., Frey, 1984). Later researchers found spurious correlations between nAch and economic performance and questionable proxy measures, such as using changes in electricity generation to measure economic development (O’Farrell, 1986). The debate on nAch is far from settled. Some research indicates that entrepreneurs have significantly higher need for achievement than do non-entrepreneurs; other research finds no connection between achievement motivation and business venturing.

2.3 Empirical Literature Review
2.3.1 Financial Management skills and Performance of Youth Enterprises
Finance is a major resource in an enterprise, without which it cannot operate and so, this resource should be given the attention it deserves if the youth enterprises have to perform and survive. Financial activities in youth enterprises should be planned for, recorded, monitored and controlled if the projects have to be sustainable. According to Meredith (2003), financial management is concerned with all areas of management, which involve finance not only the sources, and uses of finance in the enterprises, but also the financial implications of investment, production, marketing or personnel decisions and the total performance of the enterprise.

Due to the many demands upon the funds available to an enterprise, it critical for a youth business owner to manage finances proactively in such a manner that ensures that even the smallest expenditure impacts positively on the enterprise’s income. A proactive finance manager must muster the skill of achieving more output with less input. Karanja (2014) noted that the demand for careful proactive financial management is a key activity in enterprises and organizations in general. Proactive financial management is the process of strategically and innovatively managing the financial resources, including accounting and financial reporting, budgeting, collecting accounts receivable, risk management, and insurance for a business. A proactive finance manager has not only to plan, procure and utilize the funds but also has to tactically exercise control over finances. This can be done through many techniques like ratio analysis, financial forecasting, budgeting, and cost and profit control, amongst others. In many
cases, a proactive financial manager plays a key role in developing the long-term financial goals of a company or organization to ensure a profitable future for the firm.

According to Kirby (2009), financial management involves setting objectives, assessing assets and resources, estimating future financial needs and making plans to achieve monetary goals. He continued to suggest that, one systematic approach for attaining effective management performance is proactive financial planning, budgeting and that sustainability of any undertaking lies in effective financial management right from the conception stage. Ondeng (2009) notes that it is important to budget for all funds available to a business. However, it is doubtful whether the youth run enterprises prepare and use finances appropriately. Saleemi (2009) points out that financial statement contains valuable information that youth entrepreneurs can use to analyze past performance of an enterprise. Financial statements are used to track the monetary value of goods and services in and out of the organization. This then calls for the youth entrepreneurs to have a careful financial management strategy to guarantee the sustainability of their enterprises.

2.3.2 Marketing Skills and Performance of Youth Enterprises
Reijoen (2010) posits that there are four perceptions by marketers in youth enterprises. These are: marketing as a philosophy, marketing as a strategy, marketing as tactics/ methods and marketing as market intelligence. Marketing as a philosophy postulates that marketing a firm aims to achieve competitive advantage by satisfying its customers more effectively and efficiently than its competitors and thus long-term profitability. Marketing is regarded as a process that brings the firm in constant and direct contact with its customers. Youth enterprises tend to follow some form of self-directed informal customer-centric philosophies because small firms tend to be interpersonal in their contact with primary customers and tend to invest in personal relationships with specific customers and other players in the market network. This is natural because of the nature, simple structure, limited scope and resources of small firms as well as the high level of customer contact by employees.

Marketing as an activity is therefore very central to the success of not only Youth enterprises but any other business venture. Tripathi & Siddiqui (2012) contends that business performance and performance has been associated with innovation in marketing orientation both for Youth enterprises and large organizations. Youth enterprises that survive are amongst the most
innovative and market oriented. Accordingly, the absence of current marketing practices and activities in majority of small and medium enterprises has led to concerns about the potential consequences of this apparent lack of engagement with innovation in marketing for the business success of youth enterprises.

Cacciolotti et al. (2011) in their research indicates that youth enterprises that make good use of structured marketing information presented a higher probability of performance. Scheers (2011) found that lack of marketing skills of Youth enterprises contribute to high business failure in South Africa. The study concluded that lack of marketing skills has a negative impact on success of small business. Mahmoud (2011) in a research in Ghana concluded that the higher the level of market orientation, the greater the level of performance in Ghanaian firms. Marketing an MSE determines in the long term whether the business is succeeding or go under. The assumption is, if potential customers are not aware of your products or services.

However, Youth enterprises face marketing limitations due to limited resources like finance, time and marketing knowledge, shortage of exclusive marketing techniques and limitation in market influence (Pandya, 2012). Small business deliberations involve informal, unplanned activities that heavily rely on the intuition and energy of owner/ manager to make things happen, (Mahmoud, 2011). It appears that when compared to other functions of their business Youth enterprises owners have a problem with marketing. They appear to give marketing a low priority, often regarding marketing as something large firms do (Stokes & Blackburn, 1999). Businesses must recognize that marketing is business development.

2.3.3 Project Management Skills and Performance of Youth Enterprises

In project management the main objective is to complete a project within time and planned cost and the quality is good. For this goal to be achieved one of the most important steps is to develop an effective performance monitoring and control system. This system will allow efficient monitoring of cost, time and quality of the project. Without a timely and regular performance control it becomes challenging to assess the project progress as well as the performance of the entire project (Yang, 2010).
Project teams always aim control three key performance indicators, which are cost, time and scope. Project monitoring is an iterative process, during which the actual values are compared to the planned values in order to predict the overall project cost and time and also undertake any preventive and corrective measures based on these predictions (PMI, 2013). According to Cheung (2008), small business owners often lack experience and training in management of their businesses. Previous study by Wawire & Nafukho (2010) shows that poor management is the second most cause of youth enterprises’ failure after lack of enough funds.

The study in Siaya County, Kenya, focused on the activities of the Ministry of Culture and Social Services in registration of youth groups, YEDF officers and Financial Institutions (FIs) in the management and disbursement of the Fund to the youth entrepreneurs. The study found out that the youth need to be sensitized on the need for entrepreneurial training in order to benefit from the Fund. The study recommended that, to improve on the viability of the youth enterprises, there is need for the government to engage youth in entrepreneurship training before and after accessing the loan.
2.4 Summary of Literature and Research Gaps

The researcher sought to summarize the literature. The findings are indicated in Table 2.1.

<table>
<thead>
<tr>
<th>Author</th>
<th>Topic/Title</th>
<th>Findings</th>
<th>Gap</th>
<th>Focus</th>
</tr>
</thead>
<tbody>
<tr>
<td>Okumu (20080)</td>
<td>Performance of youth owned small and medium enterprises in Kenya</td>
<td>Most Youth SMEs in Kenya have failed due to lack of experience and training in financial management skills</td>
<td>The study focused on performance and causes of the poor performance of the youth owned SMEs</td>
<td>This study focuses on the effect of entrepreneurial competencies on the performance of youth SMEs in Manyatta Constituency, Embu County, Kenya</td>
</tr>
<tr>
<td>Wamire and Nafukho (20100)</td>
<td>Youth SMEs and causes of their failure in Nairobi, Kenya</td>
<td>Youth SMEs have not succeeded due to poor financial management and lack of enough funds</td>
<td>The study was on causes of failure of youth SMEs in Nairobi, Kenya</td>
<td>The study seeks to establish the effect of skills possessed by the owners of SMEs on their performance</td>
</tr>
<tr>
<td>Maina (2013)</td>
<td>Performance of YEDF funded youth enterprises in Murang’a County</td>
<td>Lack of necessary skills and poor capacity business by YEDF are the main causes of poor performance of the SMEs</td>
<td>The study was done among YEDF funded youth enterprises in Murang’s County and only looked at causes of the poor performance</td>
<td>This study focuses the influence of entrepreneurial skills on the performance of youth SMEs in Manyatta Constituency, Embu County</td>
</tr>
<tr>
<td>Karlan and Vildiva (2010)</td>
<td>Role of entrepreneurship training on growth of youth enterprises in</td>
<td>Lack of formal training in business skills led to slow growth of youth enterprises</td>
<td>The study focused on the role of training and was based in Pakistan</td>
<td>Our study was done among youth SMEs in Manyatta Constituency, Embu County</td>
</tr>
<tr>
<td></td>
<td>Pakistan</td>
<td>Kenya</td>
<td></td>
<td></td>
</tr>
<tr>
<td>----------------------</td>
<td>--------------------------------------------------------------------------</td>
<td>----------------------------------------------------------------------</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Omondi (2010)</td>
<td>Relationship between trainings by MFIs and performance of youth enterprises in Siaya, Kenya</td>
<td>To enhance capacity of youth enterprises to achieve their mandate, MFIs need to tailor entrepreneurship training programs to the needs of the clients</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>The study was done among MFIs in Siaya County, Kenya and only focused on the role of training</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>This study was done in Manyatta Constituency, Embu County and focused on the influence of skills on performance of the SMEs</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Source: Author (2018)*

### 2.5 Conceptual Framework

The conceptual framework demonstrates the relationships that exist between the dependent and independent variables under investigation. The independent variables were entrepreneurial competencies whose main indicators are financial management skills, marketing skills and project management skills necessary for business management. The dependent variable that will be investigated is performance of youth enterprises in Manyatta Constituency, Embu County, Kenya.
Independent Variables

Entrepreneurship Competencies

Financial Management Skills
- Diligence
- Maintenance of financial statements
- Priority based expenditure

Marketing skills
- Market identification
- Market establishment
- Market maintenance

Project Management skills
- Planning
- Implementation
- Monitoring and evaluation

Dependent Variable

Performance of Youth Enterprises

Performance of Youth Enterprises
- Return on Assets
- Customer satisfaction
- Sustainability

Figure 2: Conceptual Framework

Source: Researcher, 2018
CHAPTER THREE
RESEARCH METHODOLOGY

3.1 Introduction
This chapter provides information on the target population, how the research data was collected and analyzed. This chapter sets its focus on the research methodology adopted by the researcher to implement the study. It describes among other things; the research design, target population, sample design, data collection instruments, validity and reliability of data, data analysis and presentation and ethical considerations.

3.2 Research Design
Descriptive design was used to conduct this study. This type of study attempt to define and describe a subject by creating a problem profile, events or population by collecting data and tabulating their frequencies or interaction, (Mugenda and Mugenda, 2009). The research design was guided by three independent variables; financial management skills, marketing skills and project management skills while the dependent variable will include the performance of youth enterprises in Manyatta Constituency, Embu County, Kenya.

3.3 Target Population
Target population in statistics is the specific population about which information is desired. According to Ngechu (2004), a population is a complete enumeration of well-defined set of people, services, elements, and events being investigated. The target population of this study was 271 youth enterprises in the Manyatta Constituency. The owners of the enterprises formed the respondents. There are 6 wards in Manyatta constituency. Therefore, a target population was 271 respondents spread as tabulated below across the wards.

<table>
<thead>
<tr>
<th>Ward</th>
<th>Population</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ruguru/Ngandori</td>
<td>48</td>
<td>17.71</td>
</tr>
<tr>
<td>Kithimu</td>
<td>37</td>
<td>13.65</td>
</tr>
<tr>
<td>Nginda</td>
<td>35</td>
<td>12.92</td>
</tr>
<tr>
<td>Mbeti North</td>
<td>56</td>
<td>20.66</td>
</tr>
<tr>
<td>Kirimari</td>
<td>44</td>
<td>16.24</td>
</tr>
<tr>
<td>Gatui South</td>
<td>51</td>
<td>18.82</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>271</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

*Source: Embu County, 2018*
3.4 Sample Design

From the population frame, the required number of respondents was selected in order to make a sample. Stratified sampling will be done; Kotler (2011) also argues that if well chosen, samples of about 30% of a population can often give good reliability. Therefore 30% of the target population was a total of 81 youth enterprises.

Table 3.2: Sample size

<table>
<thead>
<tr>
<th>Ward</th>
<th>Population</th>
<th>Rate</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ruguru/Ngandori</td>
<td>48</td>
<td>0.3</td>
<td>15</td>
</tr>
<tr>
<td>Kithimu</td>
<td>37</td>
<td>0.3</td>
<td>11</td>
</tr>
<tr>
<td>Nginda</td>
<td>35</td>
<td>0.3</td>
<td>10</td>
</tr>
<tr>
<td>Mbeti North</td>
<td>56</td>
<td>0.3</td>
<td>17</td>
</tr>
<tr>
<td>Kirimari</td>
<td>44</td>
<td>0.3</td>
<td>13</td>
</tr>
<tr>
<td>Gatui South</td>
<td>51</td>
<td>0.3</td>
<td>15</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>271</strong></td>
<td><strong>0.3</strong></td>
<td><strong>81</strong></td>
</tr>
</tbody>
</table>

*Source: Researcher, 2018*

3.5 Data Collection Instrument

Primary data was collected using self-administered questionnaires. This was preferred because of the technical nature of the items in the scale and the need to ensure reliability of feedback from the respondents. The questionnaire designed in this study comprised of two sections. The first part included the demographic and operational characteristics designed to determine fundamental issues including the demographic characteristics of the respondent. The second part dealt with the study variables. Secondary data was extracted from online platform for instance databases and internet findings. Journal articles from select libraries was also considered.

The structured questions were used in an effort to conserve time and money as well as to facilitate ease of analysis as they are in immediate usable form. Unstructured questions were used to encourage the respondent to give open and in-depth feedback. Each questionnaire was coded. The coding technique was used for the purposes of matching returns i.e. completed questionnaires against those delivered to the respondents.

3.5.1 Data Collection Procedure

The researcher contacted the department of trade in Embu County and the Youth Office and also at the Manyatta Constituency Development office with an introduction letter from the
university, requesting for permission to collect data. The researcher recruited and trained three research assistants in an effort to ensure that the exercise is carried professionally. The questionnaires were then delivered by the researcher and his assistants to the respondents. The respondents then completed the questionnaires. Those who were not in a position to respond immediately, were extended a further two weeks to complete the questionnaires.

3.6 Validity and Reliability of Data Collection Instrument

3.6.1 Validity of Data Collection Instrument

A research instrument is said to be valid if it measures what it is intended to quantify (Gall, 2003). A pilot test was carried out to evaluate face and content validity of the instrument. Face validity dealt with the researcher’s subjective evaluation of the validity of the measuring instrument. This refers to the extent to which the researcher believes the instrument was fit for purpose. The study relied on instruments developed in other related studies and concepts generated from a broad range of appropriate secondary source.

3.6.2 Reliability of Data Collection Instrument

This is a measure of uniformity of instruments of measurement (Hair et al. 2000). The Cronbach’s Alpha (α) generated by SPSS was used. It demonstrates the degree to which an arrangement of test units can be dealt as measuring one dormant variable (Cronbach, 1951). The reliability test of a coefficient of 0.7 is suggested for any researchable examination.

3.7 Data Analysis and Presentation

Descriptive statistics such as mean scores, Standard deviations, percentages, and frequency distribution was computed to describe the characteristics of the variables of interest in the study. These tools brought out the basic features of the data collected on the variables under study and provided the impetus for conducting further analysis (Mugenda, 2008). The data was broken down into the different financial reporting standards employed by the institution under study and how they affect financial reporting in the counties. This offered quantitative and qualitative description of the objectives under study. Data collected was analyzed using the Statistical Package for Social Sciences (SPSS) software. A descriptive and inferential approach will be used to analyze the data collected. Data analyzed was presented using graphs, tables, charts, and figures. Relationship between variables was conducted through
regression analysis method. Pearson correlation analysis was used to determine how entrepreneurship competencies contribute to performance of youth enterprises in Kenya.

In addition, the researcher carried out a multiple regression analysis so as to determine the relationship between the variables. The regression equation \( Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \varepsilon \): Whereby

\[
Y = \text{Performance of Youth Enterprises} \\
X_1 = \text{Financial management skills} \\
X_2 = \text{Marketing skills} \\
X_3 = \text{Project Management skills} \\
\beta_1, \beta_2, \beta_3 = \text{Regression Coefficients} \\
\varepsilon = \text{Error term}
\]

3.8 Ethical Consideration

Ethical research standards were strictly adhered to. The questionnaire did not contain any degrading, discriminatory or socially unacceptable matter that could offend any unit of the sample group. Journals and texts used in any part of this study was fully acknowledged using APA Referencing System. The questionnaires were designed to collect information related to the research questions, and no private or personal questions were asked from the respondents. The collected information was used for education purposes only. Consent was sought from the respondents and necessary authorities before data collection.
CHAPTER FOUR
RESEARCH FINDINGS AND PRESENTATION

4.1 Introduction
This chapter presents the findings and the discussions of the study. The study findings are presented to assess the influence of entrepreneurial competencies on the performance of youth enterprises in Manyatta Constituency, Embu County. Collected data was coded into SPSS Version 23.0 for analysis and presentation. The findings are indicated in subsequent sections.

4.2 Demographic and Reliability Tests

4.2.1 Response Rate
The study sampled 81 respondents in collecting data with regard to factors influencing entrepreneurial competencies on the performance of youth enterprises in Manyatta Constituency, Embu County. 61 questionnaires were dully filled and returned to the researcher giving a response rate of 75%. The findings are indicated in Table 4.1.

<table>
<thead>
<tr>
<th>Variable</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Response</td>
<td>61</td>
<td>75</td>
</tr>
<tr>
<td>Non-Response</td>
<td>20</td>
<td>25</td>
</tr>
<tr>
<td>Total</td>
<td>81</td>
<td>100</td>
</tr>
</tbody>
</table>

Table 4.1 shows that the study had a response rate of 75% an indication that the findings were sufficient and reliable. This is in agreement with Mugenda and Mugenda (2013) who indicated that when generalizing the findings of a study, the response rate should be at least 50%. Therefore, this study met the required minimum threshold.

4.2.2 Reliability Analysis
The researcher carried out a pilot test to establish the reliability of the questionnaires. A Cronbach alpha coefficient was established to measure the consistence on scale measures on variables. Gliem and Gliem (2003) established the Alpha value threshold at 0.7 is an indication that the questionnaires were reliable in conducting the study. The findings are indicated in Table 4.2.
Table 4.2: Reliability Analysis

<table>
<thead>
<tr>
<th>Variable</th>
<th>Frequency</th>
<th>Cronbach Alpha Coefficient</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial Management Skills</td>
<td>5</td>
<td>0.829</td>
</tr>
<tr>
<td>Marketing Skills</td>
<td>5</td>
<td>0.867</td>
</tr>
<tr>
<td>Project Management Skills</td>
<td>5</td>
<td>0.799</td>
</tr>
</tbody>
</table>

Table 4.2 indicates that financial management skills had a Cronbach Alpha coefficient of 0.829. Marketing skills coefficient was 0.867 and project management skills Cronbach coefficient was 0.799. Since the variables coefficients were greater than 0.7, this shows that questionnaires were reliable and sufficient results was sought.

4.2.3 Gender

The researcher requested respondents to indicate their respective gender. The findings are indicated in Figure 4.1.

![Figure 4.1: Gender](image)

Figure 4.1 shows that majority of the respondents 54% were female, 46% of the respondents were male an indication majority of youth enterprises in Manyatta Constituency, Embu County were female.

4.2.4 Age

Respondents were requested to indicate their respective age. The findings are indicated in Figure 4.2.
Figure 4.2: Age

The findings indicate that 41% of the respondents age was 30-40 years, 27.9% was 40-50 years, 21.3% was 20-30 years and 9.8% was 50 and above. The findings show that majority of the respondents were 30 years and above. This shows that majority of the Youth entrepreneurs were mature and committed to their enterprises.

4.2.5 Highest Level of Education

Respondents were requested to indicate their highest level of education. The findings are indicated in Figure 4.3.

Figure 4.3: Highest Level of Education

The findings of Figure 4.3 show that majority of the respondents 50.8% highest level of education was diploma, 29.5% had university certificate, 14.8% had secondary certificates and 4.9% of the respondents’ highest level of education was primary. Therefore, majority of the youth entrepreneurs were knowledgeable and understood the questionnaires therefore reliable results were sought.
4.2.6 Length of Service

Researcher requested the respondents to indicate their length of service in entrepreneurial business. The findings are indicated in Figure 4.4.

![Figure 4.4: Length of Service](image)

The findings show that 29.5% of the respondents’ length of service was 4-6 years, 26.2% of the respondents’ length of service was 2-4 years and 6-8 years. 11.5% of the respondents’ length of service was less than 1 year and 6.6% was more than 8 years. This shows that majority of the respondents’ length of service was above 4 years an indication that the respondents were skilled enough and gave reliable information.

4.2.7 Any Other Business

Respondents were requested to indicate if they had any other business prior to the current one. The findings are indicated in Figure 4.5.

![Figure 4.5: Any Other Business](image)
Figure 4.5 indicate that majority of the respondents of youth enterprises in Embu County 62% had no other prior business to the current one. 38% of the respondents indicated that they had other business prior to the current one. This indicates that majority of the respondents had no other business apart to the current one hence had no prior information on business running.

4.2.8 Business Registration

Respondents were requested to indicate whether they had registered their business. The findings are indicated in Figure 4.6.

![Figure 4.6: Business Registration](image)

Figure 4.6 indicate that 47.5% of the respondents’ businesses were registered as sole proprietorship type of business. 34.4% of the respondents’ businesses were partnership, 14.8% businesses were limited liability and 3.3% businesses were nor registered. This shows that majority of the enterprises in Embu county were registered as sole proprietorship.

4.2.9 Skills in Running Business Enterprise

Respondents were requested to indicate type of skills received and helpful in running their business enterprise. The findings are indicated in Figure 4.7.
Figure 4.7: Skills in Running Business Enterprise

The findings in Figure 4.7 shows that 45.9% of the respondents had gained entrepreneurship skills, 27.9% had gained management skills, 14.8% had gained technical skills and 11.5 had gained zero skills. This indicates that majority of the respondents’ helpful skills in running their entrepreneurial enterprises.

4.3 Performance of Youth Enterprise

Several statements on performance of youth enterprises in Embu County were identified by the researcher. A measurement of 4-point Likert Scale was used. The findings are indicated in Table 4.3.

Table 4.3: Performance of Youth Enterprise

<table>
<thead>
<tr>
<th>Category</th>
<th>Classification</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Performance of enterprise in terms of the sales margins over the last one year</td>
<td>Sales have increased by over 50%</td>
<td>22</td>
<td>36.1</td>
</tr>
<tr>
<td></td>
<td>Sales have increased by 20 - 50%</td>
<td>16</td>
<td>26.2</td>
</tr>
<tr>
<td></td>
<td>Sales have increased by 1 - 19%</td>
<td>14</td>
<td>23</td>
</tr>
<tr>
<td></td>
<td>Sales have declined</td>
<td>9</td>
<td>14.7</td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td><strong>61</strong></td>
<td><strong>100</strong></td>
</tr>
<tr>
<td>Performance of enterprise in terms of the gross profit margins over the last one year</td>
<td>Gross profit has increased by over 50%</td>
<td>24</td>
<td>39.3</td>
</tr>
<tr>
<td></td>
<td>Gross profit has increased by 20 - 50%</td>
<td>18</td>
<td>29.5</td>
</tr>
<tr>
<td></td>
<td>Gross profit has increased by 1 - 19%</td>
<td>15</td>
<td>24.6</td>
</tr>
<tr>
<td></td>
<td>Gross profit has declined</td>
<td>4</td>
<td>6.6</td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td><strong>61</strong></td>
<td><strong>100</strong></td>
</tr>
<tr>
<td>How to improve performance of youth enterprises</td>
<td>Through entrepreneurship mentorship programmes</td>
<td>23</td>
<td>37.7</td>
</tr>
<tr>
<td></td>
<td>Through entrepreneurial financial management education</td>
<td>20</td>
<td>32.8</td>
</tr>
<tr>
<td></td>
<td>Through entrepreneurial training</td>
<td>18</td>
<td>29.5</td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td><strong>61</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>
On performance of enterprise in terms of the sales margins over the last one year of youth enterprises in Manyatta Constituency, the study established that sales have increased by over 50% as indicated by 22(36.1%). Sales have increased by 20-50% as indicated by 16(26.2%), sales have increased by 1-19% as shown by 14(23%). Respondents indicated that sales had declined by 9(14.7%). This indicates that respondents were in agreement that performance of enterprise in terms of the sales margins over the last one year had increased. This is similar to a study by Tubey (2012) who indicated that interventions on enterprise assistance through development of income generating activities have been geared towards assisting the Youth enterprises to achieve enterprise performance goals in terms of changes in sales volumes, profits, number of employees, and accumulation of assets and maintenance of records.

Regarding performance of enterprise in terms of the gross profit margins over the last one year, the study established that gross profits had increased by over 50% by 24(39.3%), gross profits had increased by 20-50% as indicated by 18(29.5%). Respondents indicated that gross profit had increased by 1-19% as shown by 15(24.6%). Minority of the respondents indicated that gross profits had declined as indicated by 4(6.6%). This indicates that enterprises in Embu county had indicated an improvement of the gross profit margins over the last one year. This is similar to a study by Novy-Marx (2013) who indicated that profitability is a primary goal of any business venture without which the business cannot survive in the long run and it is the capacity to make a profit whether accounting or economic hence performance is measured using profitability.

On improving performance of the youth enterprises in Embu county, the study show that respondents indicated that entrepreneurship mentorship programmes would improve performance by 23(37.7%), entrepreneurial financial management education would improve performance by 20(32.8%) and entrepreneurial training would improve performance by 18(29.5%). This indicates that performance would gradually increase if youth entrepreneurs engaged on mentorship programmes and training. This is in agreement with Morris, Webb and Singhal (2013) who indicated that entrepreneurial requires having requisite entrepreneurial skills, entrepreneurial characteristics, management skills and entrepreneurship training to induce positive performance in the enterprise. From Penrose’s theory, good managerial and entrepreneurial skills can help performance and development of the firm.
4.4 Financial Management Skills

Statement on how financial management influenced performance of youth enterprises in Manyatta Constituency, Embu County were identified by the researcher. Respondents were requested to indicate the extent of their agreements on each statement on a scale of 1-5 where; 1 = not at all, 2 = little extent, 3 = moderate extent, 4 = large extent and 5 = very large extent was used. The findings are indicated in the Table 4.4.

Table 4.4: Financial Management Skills

<table>
<thead>
<tr>
<th>Statement</th>
<th>Mean</th>
<th>Std. Dev</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial management skills have enabled me collect financial data for my</td>
<td>3.86</td>
<td>1.33</td>
</tr>
<tr>
<td>business</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial skills have enabled me keep proper financial records for my</td>
<td>3.01</td>
<td>.000</td>
</tr>
<tr>
<td>business</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial management skills have enabled me to plan for my business</td>
<td>4.19</td>
<td>.748</td>
</tr>
<tr>
<td>Financial management skills have enabled in prioritizing business cash flow</td>
<td>4.57</td>
<td>.498</td>
</tr>
<tr>
<td>Financial management skills have enabled me to program my purchases</td>
<td>4.29</td>
<td>.823</td>
</tr>
<tr>
<td>Financial management skills have enabled me in managing my stock movement</td>
<td>4.11</td>
<td>.276</td>
</tr>
<tr>
<td>Financial management skills have enabled me to analyze the performance of</td>
<td>4.57</td>
<td>.590</td>
</tr>
<tr>
<td>my business</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial management skills have enabled business forecasting for my</td>
<td>4.02</td>
<td>.661</td>
</tr>
<tr>
<td>business</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial management skills have enabled me to budget for my business</td>
<td>3.42</td>
<td>1.41</td>
</tr>
<tr>
<td>Financial management skills have enabled me to minimize my costs of</td>
<td>4.44</td>
<td>.533</td>
</tr>
<tr>
<td>operations</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial management skills have enabled me to set objectives in my</td>
<td>3.42</td>
<td>1.44</td>
</tr>
<tr>
<td>business</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Table 4.4 shows that financial management skills enabled the respondents to collect financial data for their business as supported by a mean of 3.86 with standard deviation of 1.33. Financial skills enabled respondents to keep proper financial records for businesses by a mean of 3.01 with standard deviation of 0.00. Financial management skills enabled respondents to plan their business by a mean of 4.19 with standard deviation of 0.748. Financial management skills enabled in prioritizing business cash flow as indicated by a mean of 4.57 with standard deviation of 0.498. Financial statements are used to track the monetary value of goods and services in and out of the organization. This is in agreement with Saleemi (2009) who points
out that financial statement contain valuable information that youth entrepreneurs can use to analyze past performance of an enterprise.

The study further established that financial management skills had enabled respondents in managing their stock movement by a mean of 4.11 with standard deviation of 0.276. Respondents were in agreement to a great extent that financial management skills enabled them to analyze the performance of their business by a mean of 4.57 with standard deviation of 0.590. Respondents were in agreement that financial management skills enabled business forecasting for their business as supported by a mean of 4.02 with a standard deviation of 0.661. Financial management skills enabled respondents to budget for their business by a mean of 3.42 with standard deviation of 1.41. Karanja (2014) indicated that the demand for strategically and innovatively managing the financial resources, including accounting and financial reporting, budgeting, collecting accounts receivable, risk management, and insurance for a business is a key activity in enterprises and organizations in general.

The study established that financial management skills enabled respondents to minimize their costs of operations by a mean of 4.44 with standard deviation of 0.533. Financial management skills enabled respondents to set objectives in their business as indicated by a mean of 3.42 with standard deviation of 1.44. Financial management skills enabled respondents to program their purchases by a mean of 4.29 with standard deviation of 0.823. Meredith (2003) indicates that financial management is concerned with all financial implications of investment, production, marketing or personnel decisions and the total performance of the enterprise.

4.4.1 Extent of Financial Management
The researcher sought to establish the extent to which financial management influence performance of youth enterprises in Manyatta Constituency, Embu County were identified by the researcher. Respondents were requested to indicate the extent of their agreements on each statement on a scale of 1-4. The findings are indicated in the Table 4.5.
Table 4.5: Extent of Financial Management

<table>
<thead>
<tr>
<th>Category</th>
<th>Classification</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>How often do you prepare financial statements to project the performance of your enterprise</td>
<td>Weekly</td>
<td>14</td>
<td>23</td>
</tr>
<tr>
<td></td>
<td>Every month</td>
<td>19</td>
<td>31.1</td>
</tr>
<tr>
<td></td>
<td>Twice a year</td>
<td>21</td>
<td>34.4</td>
</tr>
<tr>
<td></td>
<td>Never</td>
<td>7</td>
<td>11.5</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>61</td>
<td>100</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Do you regularly refresh your financial management skills</th>
<th>Weekly</th>
<th>6</th>
<th>9.8</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Every month</td>
<td>17</td>
<td>27.9</td>
</tr>
<tr>
<td></td>
<td>Twice a year</td>
<td>23</td>
<td>37.7</td>
</tr>
<tr>
<td></td>
<td>Never</td>
<td>15</td>
<td>24.6</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>61</td>
<td>100</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>How would you rate financial management in relation to your enterprise?</th>
<th>very satisfactory</th>
<th>17</th>
<th>27.9</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Satisfactory</td>
<td>21</td>
<td>34.4</td>
</tr>
<tr>
<td></td>
<td>Unsatisfactory</td>
<td>23</td>
<td>37.7</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>61</td>
<td>100</td>
</tr>
</tbody>
</table>

On how often respondents prepared financial statements to project the performance of enterprise, the study found out that majority 21(34.4%) of the respondents prepared financial statements twice a year, 19(31.1%) indicated monthly, 14(23%) indicated weekly and 7(11.5%) indicated zero preparation of financial reports. This indicates that majority of the respondents prepared their financial statements to project the performance of their enterprise. This is in agreement with Kirby (2009) who stated that financial management involves setting objectives, preparing financial statement, assessing assets and resources, estimating future financial needs and making plans to achieve monetary goals. Systematic approach for attaining effective management performance is proactive financial planning, budgeting and that sustainability of any undertaking lies in effective financial management right from the conception stage.

Regarding, respondents regularly refreshing financial management skills, the study reported that 23(37.7%) of the respondents refreshed financial management skills twice a year, 17(27.9%) indicated every month, 15(24.6%) indicated never and 6(9.8) indicated weekly. The study shows that majority of the youth entrepreneurs registered refreshed their management skills. Cherrington (1994) stated that its crucial to train a country on business ideas rather than financially supporting them. Culture that determines the creation of new businesses, have helped to create economic development projects in third world countries.
On rating financial management in relation to the enterprise, the study indicated that majority of the respondents 23(37.7%) were unsatisfied with their financial management in relationship to their enterprise. 21(34.4%) indicated satisfaction and 17(27.9%) indicated a very high satisfaction. This shows that majority of the respondent were satisfied with financial management in relationship to the enterprise. Wawire and Nafukho (2010) indicates that poor management is the second most cause of youth enterprises’ failure after lack of enough funds.

4.5 Marketing Skills

Statement on how marketing skills influenced performance of youth enterprises in Manyatta Constituency, Embu County were identified by the researcher. Respondents were requested to indicate the extent of their agreements on each statement on a scale of 1-5 where; 1= not at all, 2 = little extent, 3 = moderate extent, 4 = large extent and 5 = very large extent was used. The findings are indicated in the Table 4.6.

<table>
<thead>
<tr>
<th>Table 4.6: Marketing Skills</th>
<th>Mean</th>
<th>Std. Dev</th>
</tr>
</thead>
<tbody>
<tr>
<td>Marketing skills enabled me assess the market viability of my business</td>
<td>3.91</td>
<td>1.18</td>
</tr>
<tr>
<td>Marketing skills enabled me in assessing the level of competition in the area of my business</td>
<td>3.96</td>
<td>1.27</td>
</tr>
<tr>
<td>Marketing skills enabled me to draw a strategy for my business</td>
<td>4.23</td>
<td>.559</td>
</tr>
<tr>
<td>Marketing skills enabled me reach out to my customers</td>
<td>4.11</td>
<td>.639</td>
</tr>
<tr>
<td>Marketing skills enabled me to solicit market information</td>
<td>3.85</td>
<td>.997</td>
</tr>
<tr>
<td>Marketing skills enabled me interact with my customers</td>
<td>4.19</td>
<td>.572</td>
</tr>
<tr>
<td>Marketing skills have promoted innovation in my business</td>
<td>4.62</td>
<td>.758</td>
</tr>
<tr>
<td>Marketing skills have enabled me to collect well-structured information about my market</td>
<td>4.53</td>
<td>.536</td>
</tr>
</tbody>
</table>

The study established that respondents were in agreement to a great extent that marketing skills enabled the them to assess the market viability of their business as supported by a mean of 3.91 with standard deviation of 1.18. Marketing skills enabled respondents to assess the level of competition in the area of business as supported by a mean of 3.96 with standard deviation of 1.27. Respondents indicated that marketing skills enabled them draw a strategy for their business as supported by a mean of 4.23 with standard deviation of 0.559. Reijoen (2010) indicated that marketing a firm aims to achieve competitive advantage by satisfying its customers more effectively and efficiently than its competitors and thus long-term profitability. This is similar to a study by Tripathi and Siddiqui (2012) contends that business performance and performance has
been associated with innovation in marketing orientation both for Youth enterprises and large organizations.

The study further established that marketing skills enabled respondents to reach out to customers as indicated by a mean of 4.11 with standard deviation of 0.639. Marketing skills enabled respondents to solicit market information by a mean of 3.85 with standard deviation of 0.997. Marketing skills enabled respondents to interact with customers as indicated by a mean of 4.19 with standard deviation of 5.72. Marketing skills promoted innovation in respondents’ business by a mean of 4.62 with standard deviation of 0.58. Respondents indicated that marketing skills enabled them to collect well-structured information about their market by a mean of 4.52 with standard deviation of 0.536. Scheers (2011) found that lack of marketing skills has a negative impact on success of small business. Similarly, Mahmoud (2011) established that the higher the level of market orientation, the greater the level of performance in Ghanaian firms.

4.6 Project Management Skills

Several statements on how project management skills influenced performance of youth enterprises in Manyatta Constituency, Embu County were identified by the researcher. Respondents were then requested to indicate the extent of their agreements on each statement. A Likert scale of 1-5 where; 1 = Not at all, 2 = little extent, 3 = Moderate extent, 4 = Large extent and 5 = Very large extent was used. From the response, descriptive measure of dispersions was used for ease of interpretation. The findings are indicated in the Table 4.7.

<table>
<thead>
<tr>
<th>Statement</th>
<th>Mean</th>
<th>Std. Dev</th>
</tr>
</thead>
<tbody>
<tr>
<td>I have been trained on the importance of completing projects within provided timeframes</td>
<td>3.98</td>
<td>.741</td>
</tr>
<tr>
<td>I have been trained on the importance of completing projects within provided costing</td>
<td>3.95</td>
<td>.739</td>
</tr>
<tr>
<td>I have been trained on the importance of delivering the quality promised at the time of signing a contract</td>
<td>3.68</td>
<td>1.57</td>
</tr>
<tr>
<td>I have acquired skills on implementation of projects</td>
<td>4.57</td>
<td>.498</td>
</tr>
<tr>
<td>I have been trained on the importance of monitoring projects</td>
<td>4.19</td>
<td>.962</td>
</tr>
<tr>
<td>I have been trained on the importance of evaluating projects</td>
<td>3.83</td>
<td>1.10</td>
</tr>
<tr>
<td>I have been trained on the importance of planning in projects</td>
<td>4.00</td>
<td>.816</td>
</tr>
</tbody>
</table>
Table 4.7 shows that respondents were in agreement that they were trained on the importance of completing projects within provided timeframes as supported by a mean of 3.98 with a standard deviation of 0.741. Respondents were in agreement that they were trained on the importance of completing projects within provided costing as supported by a mean of 3.95 with a standard deviation of 0.739. Respondents were trained on the importance of delivering the quality promised at the time of signing a contract by a mean of 3.68 with standard deviation of 1.57. Yang (2010) states that the most important steps is to develop an effective performance monitoring and control system in running a business. This system will allow efficient monitoring of cost, time and quality of the project. Similarly, Cheung (2008), established that small business owners often lack experience and training in management of their businesses hence leading to its downfall.

The findings show that respondents had acquired skills on implementation of projects as supported by a mean of 4.57 with standard deviation of 0.498. Respondents were trained on the importance of monitoring projects as indicated by a mean of 4.19 with standard deviation of 0.962. Respondents were trained on the importance of evaluating projects as supported by a mean of 3.83 with standard deviation of 1.01. Respondents indicated that they were trained on the importance of planning in projects by a mean of 4.00 with standard deviation of 0.816. Yang, (2010) established that without a timely and regular performance control it becomes challenging to assess the project progress as well as the performance of the entire project. Wawire and Nafukho (2010) indicates that poor management is the second most cause of youth enterprises’ failure after lack of enough funds.

### 4.7 Correlation Analysis

The researcher conducted correlation analysis to access the relationship of entrepreneurial competencies with the performance of youth enterprises in Manyatta Constituency, Embu County. The findings are indicated in Table 4.8.
Table 4.8: Correlation Analysis

<table>
<thead>
<tr>
<th></th>
<th>Performance</th>
<th>Financial Management</th>
<th>Marketing Skills</th>
<th>Project Management Skills</th>
</tr>
</thead>
<tbody>
<tr>
<td>Performance</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pearson Correlation</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sig. (2-Tailed)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>N</td>
<td>61</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial Management</td>
<td>.813**</td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pearson Correlation</td>
<td>.000</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sig. (2-Tailed)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>N</td>
<td>61</td>
<td>61</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Marketing Skills</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pearson Correlation</td>
<td>.573*</td>
<td>.752**</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Sig. (2-Tailed)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>N</td>
<td>61</td>
<td>61</td>
<td>61</td>
<td></td>
</tr>
<tr>
<td>Project Management Skills</td>
<td>.670**</td>
<td>.908**</td>
<td>.609**</td>
<td>1</td>
</tr>
<tr>
<td>Pearson Correlation</td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
<td></td>
</tr>
<tr>
<td>Sig. (2-Tailed)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>N</td>
<td>61</td>
<td>61</td>
<td>61</td>
<td>61</td>
</tr>
</tbody>
</table>

**. Correlation is significant at the 0.01 level (2-tailed).

Table 4.8 shows the findings of correlation analysis. Huber (2004) held that in the interpretation of results for the linear relationships in the study, for a weak correlation, “r” ranges from ±0.10 to ±0.29; in a moderate correlation, “r” ranges between ±0.30 and ±0.49; while in a strong correlation, “r” ranges from ±0.5 and ±0.9.

The findings indicate that financial management had a Pearson correlation of 0.813 an indication of strong correlation with performance, the p value of 0.00<0.05 an indication that the variable significantly influenced the study. Marketing skills had a Pearson correlation of 0.573 an indication of strong correlation with performance. Project management skills had a Pearson correlation of 0.670 an indication of strong correlation with performance, the p value was 0.00<0.05 an indication that the variable significantly influenced performance.

Table 4.6 shows that financial management had the strongest Pearson correlation followed by project management skills and marketing skills. This p value for all the variables was less than
0.05 an indication that the variables significantly influenced performance of youth enterprises in Manyatta Constituency, Embu County.

4.8 Regression Analysis

The researcher conducted regression analysis to establish the effect of entrepreneurial competencies on the performance of youth enterprises in Manyatta Constituency, Embu County. The findings of the Model Summary, ANOVA and Regression Coefficients.

4.8.1 Model Summary

The researcher identified the findings of coefficient of correlation and coefficient of determination. The findings are indicated in Table 4.9.

Table 4.9: Model Summary

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.907a</td>
<td>.823</td>
<td>.729</td>
<td>1.21103</td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), Project Management Skills, Marketing Skills, Financial Management

The findings in Table 4.9 indicate that coefficient of correlation was 0.907 an indication of strong correlation. Coefficient of determination R-squared was 0.823 which translates to 82.3%. This means that 82.3% variations in dependent variable would be explained by the three-independent variable (Project Management Skills, Marketing Skills, Financial Management). The residual of 17.7% can be attributed to other factors beyond the scope of the current study.

4.8.2 ANOVA

An ANOVA was conducted out of 5% level of confidence. A comparison between \( F_{\text{Critical}} \) and \( F_{\text{Calculated}} \) was carried out. The findings are indicated in Table 4.10.

Table 4.10: ANOVA

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regression</td>
<td>600.362</td>
<td>3</td>
<td>200.121</td>
<td>88.354</td>
<td>.000b</td>
</tr>
<tr>
<td>Residual</td>
<td>129.118</td>
<td>57</td>
<td>2.265</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>729.480</td>
<td>60</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), Project Management Skills, Marketing Skills, Financial Management

From the findings, \( F_{\text{Calculated}} \) was 88.854, \( F_{\text{Critical}} \) was 2.766 an indication that, \( F_{\text{Calculated}} > F_{\text{Critical}} \).
This show that the overall regression model was significant in establishing the influence of entrepreneurial competencies on the performance of youth enterprises in Manyatta Constituency, Embu County. The p value was 0.00<0.05 an indication that the variables significantly influenced that study.

4.8.3 Coefficients

To determine the individual factors influencing performance of youth enterprises in Manyatta Constituency, Embu County, the following coefficients of regression were determined.

Table 4.11: Coefficients

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Constant)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial management Skills</td>
<td>1.140</td>
<td>.144</td>
<td>7.922</td>
<td>.000</td>
</tr>
<tr>
<td>Marketing skills</td>
<td>.984</td>
<td>.171</td>
<td>5.750</td>
<td>.000</td>
</tr>
<tr>
<td>Project management skills</td>
<td>.503</td>
<td>.151</td>
<td>3.339</td>
<td>.001</td>
</tr>
<tr>
<td>a.  Dependent Variable: Performance of Youth Enterprises</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The resultant equation becomes;

\[ Y = 35.508 + 1.140X_1 + 0.984X_2 + .503X_3 \]

Whereby: Y = Performance of Youth Enterprises, \( X_1 \) = Financial management skills, \( X_2 \) = Marketing skills and \( X_3 \) = Project Management skills

From the findings, when all the variables (Financial management skills, Marketing skills and Project Management skills) are held constant performance of youth enterprise would be at 35.508. A unit increase of financial management skills when all other factors were held constant, performance of youth enterprises would be at 1.14. A unit increase in marketing skills when all other factors were held constant, performance of youth enterprises would be at 0.984. A unit increase in project management skills when all other factors were held constant, performance of youth enterprises would be at 0.503.

The p value for financial management skills was 0.00<0.05 an indication that the variable significantly influenced performance of youth enterprises. This is in agreement with Karanja (2014) who noted that the demand for careful proactive financial management is a key activity in
enterprises and organizations in general. Similarly, Meredith (2003) stated that financial management is mainly concerned with all areas of management, which involve finance not only the sources, and uses of finance in the enterprises, but also the financial implications of investment, production, marketing or personnel decisions and the total performance of the enterprise.

The p value of marketing skills was 0.00<0.05 an indication that the variable significantly influenced performance of youth enterprises at Embu county. This is similar to a study by Reijoen (2010) who stated that marketing aims to achieve competitive advantage by satisfying its customers more effectively and efficiently than its competitors and thus long-term profitability achieved in the organization.

The p value of project management skills was 0.01<0.05 an indication that the variable significantly influenced performance of the youth enterprise in Embu county. This is supported by Wawire and Nafukho (2010) who indicates that poor management is the second most cause of youth enterprises’ failure after lack of enough funds. Cheung (2008) stated that small business owners often lack experience and training in management of their businesses.

4.9 Chapter Summary

This chapter has presented the data as collected from the field on: the influence of entrepreneurial competencies on the performance of youth enterprises in Manyatta Constituency, Embu County. The study was guided by three research questions which included: To what extent do financial management skills influence the performance of youth enterprises in Manyatta Constituency, Embu County? How does access to market skills influence the performance of youth enterprises in Manyatta Constituency, Embu County? How does project management skills influence the performance of youth enterprises in Manyatta Constituency, Embu County? The next chapter presents summary, discussions, conclusions and recommendations.
CHAPTER FIVE
SUMMARY, CONCLUSION AND RECOMMENDATION

5.1 Introduction

This chapter presents the summary of key data findings, conclusion drawn from the findings, recommendation made and suggestions for further studies. The conclusions and recommendations drawn were focused on addressing the purpose of the study which was to determine the factors influencing entrepreneurial competencies on the performance of youth enterprises in Manyatta Constituency, Embu County.

5.2 Summary

The purpose of the study was to assess the influence of entrepreneurial competencies on the performance of youth enterprises in Manyatta Constituency, Embu County. The study was guided by the following objectives; financial management skills, marketing skills and project management skills.

The study adopted descriptive statistics to establish the influence of entrepreneurial competencies on the performance of youth enterprises in Manyatta Constituency, Embu County. The sample size of the study was 81 youth enterprises drawn from 6 wards in Manyatta constituency. The study relied on primary data that was collected by structured questionnaires. The collected questionnaires were coded into SPSS Version 23.0 for analysis and interpretation. Coefficient of regression was 0.907 an indication of strong correlation. Coefficient of determination R-squared was 0.823 which translates to 82.3%. This means that 82.3% variations in dependent variable would be explained by the independent variable.

5.2.1 Financial Management Skills

The study established financial management positively significantly influenced performance of the youth enterprise in Embu county. Financial management skills enabled the respondents to collect financial data, keep proper financial records, plan their business and prioritize in business cash flow. The study further established that financial management statements were used to track the monetary value of goods and services in and out of the organization, enabled respondents in
managing their stock movement, analyzed the performance of their business and enabled business forecasting for their business.

5.2.2 Marketing Skills
The study established that market skills positively influenced performance of the youth enterprise in Embu County. The study found out that marketing skills enabled respondents to assess the market viability of their business and to assess the level of competition in the area of business. Respondents indicated that marketing skills enabled them draw a strategy for their business, enabled respondents to reach out to customers and to solicit market information. Marketing skills enabled respondents to interact with customers, promotion of innovation and collection of well-structured information about their market.

5.2.3 Project Management Skills
Project management skills positively influenced performance of the youth enterprise. Respondents were in agreement that they were trained on the importance of completing projects within provided timeframes, provided costing and delivering the quality promised at the time of signing a contract. The findings further show that respondents had acquired skills on implementation of projects, importance of monitoring projects, evaluating projects and planning projects.

5.3 Conclusion
The study concludes that financial management positively influence performance of the youth enterprise in Embu County. Financial management skills enable youth entrepreneurs to collect financial data, keep proper financial records, plan their business and prioritize in business cash flow. Financial management statements were used to track the monetary value of goods and services in and out of the organization, enabled youth entrepreneurs to manage their stock movement, analyze the performance of businesses and enabled business forecasting for the enterprises.

The study further concludes that marketing skills influence performance of youth enterprises in Embu County. Marketing skills enabled youth entrepreneurs to assess the market viability of their enterprises and to assess the level of competition in the area of business. Marketing skills
enabled youth entrepreneurs to draw a strategy for their business, enabled youth entrepreneurs to reach out to customers and to solicit market information. Marketing skills enabled youth enterprises to interact with customers, promote innovation and collect well-structured information about their market.

The study concludes that project management skills positively influence performance of the youth enterprise. Respondents were in agreement that they were trained on the importance of completing projects within provided timeframes, provided costing and delivering the quality promised at the time of signing a contract. The findings further show that youth entrepreneurs acquired skills on implementation of projects, importance of monitoring projects, evaluating projects and planning projects.

5.4 Recommendation

The study recommends that financial management skills should enable youth entrepreneurs to collect financial data, keep proper financial records, plan their business and prioritize in business cash flow. Financial management statements should be used to track monetary value of goods and services in and out of the organization, enabled youth entrepreneurs to manage their stock movement, analyze the performance of businesses and enable business forecasting for the enterprises.

The study recommends that marketing skills should enable youth entrepreneurs to assess the market viability of their enterprises and to assess the level of competition in the area of business. Marketing skills should enable youth entrepreneurs to draw a strategy for their business, enable youth entrepreneurs to reach out to customers and to solicit market information. Marketing skills should enable youth enterprises to interact with customers, promote innovation and collect well-structured information about their market.

The study further recommends that youth entrepreneurs should trained on the importance of completing projects within provided timeframes, provided costing and delivering the quality promised at the time of signing a contract. The study further recommends that youth entrepreneurs should acquire skills on implementation of projects, importance of monitoring projects, evaluating projects and planning projects.
5.5 Suggestion for Further Studies

The current study relied on primary data, future scholars are encouraged to carry out similar study by use of both primary and secondary data for precise results. The current study focused on youth enterprises in Embu county, the study recommends future studies should to be carried out in different counties. Coefficient of determination R-squared was 0.823 which translates to 82.3%. The residual of 17.7% can be attributed to other factors beyond the scope of the current study that future studies should focus on.
REFERENCES


Ernst & Young (2013). *Avoiding a lost generation: Young entrepreneurs identify 5 imperatives for action*. White paper produced for the G20 Young Entrepreneurs Alliance Summit.


Kumar, N. (2007). Small information technology services employment and entrepreneurship development; some explorations into Indian experience. Indian journal of labour Economic, 43(4).


APPENDICES

APPENDIX I: INTRODUCTION LETTER

Rosyln Miano
Kenyatta University,
P.O. Box 702 – 60100,
NAIROBI.

RE: Request to fill in the Questionnaire

Dear Respondent,

I am a graduate student at Kenyatta University, carrying out research on the influence of entrepreneurial competencies on the growth of youth enterprises in Manyatta Constituency, Embu County, Kenya. This is in partial fulfillment of the requirement of the Master of Business Administration degree program at the Kenya University.

You have been randomly selected among many to participate in this study. It is estimated that it will take less than twenty (20) minutes of your time to complete the questionnaire. Please respond as honestly and objectively as possible. Your participation is very essential for the accomplishment of this study and it will be highly appreciated. I guarantee that the information that you will provide will be treated with the utmost confidentiality and will be used only for academic purposes.

This is an academic research and confidentiality is strictly emphasized, your name will not appear anywhere in the report. Kindly spare some time to complete the questionnaire attached.

Thank you.

Yours faithfully,

Roslyn Miano
APPENDIX II: QUESTIONNAIRE

I am a student at Kenyatta University taking an MBA course. As part of my academic requirements I am carrying out a study on “Entrepreneurial Competencies and growth of the youth enterprises in Manyatta Constituency, Embu County, Kenya”. Please assist in filling this questionnaire to enable me complete writing this research. Thank you.

Please answer all Questions by inserting a TICK where appropriate or alternatively please write in the space provided.

SECTION A: GENERAL INFORMATION

1. Your age in years;
   a) 20 – 30 ( )
   b) 30-40 ( )
   c) 40 -50 ( )
   d) 50 and above ( )

2. Gender: Female ( )
   Male ( )

3. Level of Education
   - Primary
   - Secondary
   - University
   - None

4. How long have you been in business?
   - Less than 1 year
   - 2-4 years
   - 4-6 years
   - 6-8 years
   - More than 8 years

5. Have you had any other business prior to the current one?
   - Yes
   - No
6. Is the business registered?
   a) Sole proprietorship
   b) Partnership
   c) Limited liability
   d) Not registered

7. Tick the skills below which you have received and are helpful in running business enterprise?
   a) Technical
   b) Entrepreneurship
   c) Management
   d) None

SECTION B: PERFORMANCE OF YOUTH ENTERPRISES

8. How is the performance of your enterprise in terms of the sales margins over the last one year?
   a) Sales have increased by over 50%
   b) Sales have increased by 20 - 50%
   c) Sales have increased by 1 - 19%
   d) Sales have declined

7. How is the performance of your enterprise in terms of the gross profit margins over the last one year?
   a) Gross profit has increased by over 50%
   b) Gross profit has increased by 20 - 50%
   c) Gross profit has increased by 1 - 19%
d) Gross profit has declined ( )

8. How can performance of youth enterprises be improved?
   a) Through entrepreneurship mentorship programmes ( )
   b) Through entrepreneurial financial management education ( )
   c) Through entrepreneurial training ( )
   d) Other means (please specify) ( )

........................................................................................................................................

SECTION C: FINANCIAL MANAGEMENT

19. How often do you prepare financial statements to project the performance of your enterprise?
   a) Weekly ( )
   b) Every month ( )
   c) Twice an year ( )
   d) Never ( )

9. Do you regularly refresh your financial management skills?
   a) Weekly ( )
   b) Every month ( )
   c) Twice an year ( )
   d) Never ( )

16. How would you rate financial management in relation to your enterprise?
20. Below are several elements of financial management skills and how they influence business performance. Kindly indicate the level of your agreement using a scale of 1-5 where 1=strongly disagree 2=disagree 3=Neutral 4=Agree 5=strongly agree

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<thead>
<tr>
<th>Statements</th>
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<th>2</th>
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<tbody>
<tr>
<td>Financial management skills have enabled me collect financial data for my business</td>
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<td>Financial skills have enabled me keep proper financial records for my business</td>
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<td>Financial management skills have enabled me to plan for my business</td>
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<td>Financial management skills have enabled in prioritizing business cash flow</td>
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<td>Financial management skills have enabled me to program my purchases</td>
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<td>Financial management skills have enabled me in managing my stock movement</td>
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<td>Financial management skills have enabled me to analyze the performance of my business</td>
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<td>Financial management skills have enabled business forecasting for my business</td>
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<td>Financial management skills have enabled me to budget for my business</td>
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<td>Financial management skills have enabled me to minimize my costs of operations</td>
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<td>Financial management skills have enabled me to set objectives in my business</td>
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## SECTION D: MARKETING SKILLS

Below are several aspects of marketing skills acquisition on performance of enterprises. Kindly indicate the extent to which you agree with each of them in regard with your business. Use a scale of 1-5 where 1= strongly disagree, 2= disagree, 3= neutral, 4= agree and 5= strongly agree.

<table>
<thead>
<tr>
<th>Aspects of marketing Skills</th>
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<tbody>
<tr>
<td>Marketing skills enabled me assess the market viability of my business</td>
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<td>Marketing skills enabled me in assessing the level of competition in the area of my business</td>
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<td>Marketing skills enabled me to draw a strategy for my business</td>
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<td>Marketing skills enabled me reach out to my customers</td>
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<td>Marketing skills enabled me to solicit market information</td>
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<td>Marketing skills enabled me interact with my customers</td>
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<td>Marketing skills have promoted innovation in my business</td>
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<td>Marketing skills have enabled me to collect well structured information about my market</td>
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</table>
SECTION D: PROJECT MANAGEMENT SKILLS

Below are several statements on the influence of project management skills on performance of businesses. Kindly indicate the extent to which you agree with each of them in regard with your business. Use a scale of 1-5 where 1= strongly disagree, 2= disagree, 3= neutral, 4= agree and 5= strongly agree.

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<thead>
<tr>
<th>Aspects of Project Management Skills</th>
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<td>I have been trained on the importance of completing projects within provided timeframes</td>
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<td>I have been trained on the importance of completing projects within provided costing</td>
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<td>I have been trained on the importance of delivering the quality promised at the time of signing a contract</td>
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<td>I have acquired skills on implementation of projects</td>
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<td>I have been trained on the importance of monitoring projects</td>
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<td>I have been trained on the importance of evaluating projects</td>
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<td>I have been trained on the importance of planning in projects</td>
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