This study examined the effect of education, in comparison to training the experiential factors on Business Skills Cognition. Business Skills Cognition was a quantitative dependent variable whose measures were generated from five dimensions of business knowledge and practice. Specifically, these dimensions were; Business Growth and Diversification, Risk Aversion and Financing, Business Promotion and Marketing, Business Documentation and Business Organization, Pricing and Supervision.

Independent variables were Education, which was considered in terms of levels, kinds of schools attended and subject preferences; Training, defined in terms of period in apprenticeship and type or level, and Experience. The latter variable included factors such as residential background, family background in business, business location, period in business previous employment experienced and age.

Data were collected from 208 respondents drawn from a cross-section of informal sector entrepreneurs in nine trading centres from Kisii, Kisumu and Nakuru districts. The centres were categorized into major urban, semi-urban and rural according to their level of urbanicity and threshold of activities. The respondents were selected through stratified random sampling procedure. The sampling frame was constructed from a preliminary census survey, which was initially carried out to determine the accessible population for the study.

An interview schedule, a checklist and an observation schedule were used to collect data which was analysed on computer based Statistical Package for Social Science (SPSS) programme. Specifically, the Chi-Square, Cramer's V, t-test, Analysis of Variance and Multiple Regression Analysis were used in analysing the data and testing the hypotheses respectively. The main findings are summarized in the paragraphs that follow.

A majority of the were male, (76 percent) were between 25 and 40 years of age and were previously in some of wage employment prior of reverting to self-employment in the informal sector. Similar, most of the respondents were of secondary level of education. About 22 percent had received their training within the informal sector training system. Three of the respondents had received university education.

The associations between education level and business location, form of business organization, occupation type and business origin, (Founder or Non-Founder) were low and not significant. However, the inclination for self-employment tended to decrease with increasing education levels. Similarly, period in business was negatively correlated with education levels, (gamma=-0.3 was significant at 0.01).

Both Education and Training levels were significantly correlated with Business Skills Cognition. Respondents with higher points on Business Skills Cognition than those with lower. However, the differences between Diploma and Degree qualifications were not significant at 0.05 level, neither were the differences between primary 5-8 and Secondary 3-6 levels of education.

Experiential factors that were significantly associated with Business Skills Cognition were business location, and previous employment experience. Respondents who were operating their business in urban centres and those who were previously in wage employment scored
significantly higher points on Business Skills Cognition than their counterparts. Apparently, Business skills Cognition were not a function of residential background, Occupation type, period in business and family background in business.

Greater proportions of the respondents were between the ages of 20 and 45 years old. The proportions decreased with advanced age groups. Similarly, a majority of the respondents had stayed in business for between 10 and 15 years. This proportion decreased as period in business increased. This could suggest that the probability of departing informal sector employment increased with the respondents’ age and period in which they had stayed in business. It also implies that the informal sector was likely to be a place for the youth and middle aged.

All the explanatory variables entered for regression analysis were positively associated with Business Skills Cognition, except age, which was negative. However, only education, period in business and previous employment experience were significantly related to Business Skills Cognition. The regression model was found to be strong in testing the research hypotheses.

Based on the findings of this study, it was suggested that education be included in the school and tertiary institutions’ curricula, especially at university. This might assist in strengthening the impact and effectiveness of vocational education towards the objective of promoting self-employment. In addition, training modules for informal sector workers need to be tailored towards their specific needs based on such factors as age, location, education and training levels. Family background in business and residential background. Areas for further research are suggested, for example the possibility of establishing an Informal Sector Bank, reasons for respondents' fatigue to research activities and the relationship between Business Skills Cognition and Success in business.