INFLUENCE OF SELECTED FACTORS ON THE PERFORMANCE OF YOUTH OWNED ENTERPRISES IN NAKURU MUNICIPALITY, KENYA

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DECLARATION AND RECOMMENDATION

DECLARATION

I hereby declare that this is my original work and has not been submitted in part or whole for an award in any institution.

Sign.  ..... Date……20/03/2024.....

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EME21/14520/15

RECOMMENDATION

This thesis has been submitted with our approval as supervisors for examination according to Egerton University regulations.

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DEDICATION

I dedicate this thesis to my family and friends, who have always invested their time and resources to enable me to pursue my education.

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I take this opportunity to thank the Almighty God for the love, care and gift of good health enabled through this work. I would also like to extend my profound gratitude to Egerton University for my chance to pursue a Master of Science Degree in Community Studies and Extension.

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ABSTRACT

Youth entrepreneurship is paramount in creating employment opportunities, generating income and alleviating poverty in Kenya. Micro and Small Enterprises (MSEs) employ 14.9 million persons in Kenya. The government of Kenya came up with institutional financing mechanisms like the Youth Enterprise Development Fund (YEDF) and UWEZO fund to provide youth in Kenya with access to finance for self-employment in small and micro activities and entrepreneurial skill development. However, numerous youth-owned micro and small enterprises continue to close shop in less than five years of establishment. This study aimed to determine the influence of socio-demographic factors, sources of business capital, type of training and type of market research on the performance of youth-owned enterprises in Nakuru Municipality. The Neoclassical Analysis Theory guided this study. This study adopted a predictive correlational research design to determine whether there were predictive relationships between independent variables (socio-demographic factors, sources of business capital, type of training, and type of market research) and dependent variables (performance of youth-owned enterprises). The target population was 8312 youth-owned enterprises in Nakuru Municipality registered with the County Council of Nakuru. Ronda, Central Business District, Kaptembwo, Lanet and Shabab host a quarter (25%) of all the youth-owned enterprises (2,076) in Nakuru Municipality and these were chosen as the accessible population of the study. The sample size of 145 youth-owned enterprises was selected from the 2,076 youth enterprises in the five estates using the formula by Creswell. Data was collected using a questionnaire piloted at Njoro Town to ascertain its reliability. The Cronbach's Alpha coefficient for the data collection instrument was found to be 0.769, which was above the threshold value of 0.7. Data were analysed using inferential statistics, particularly multiple regression analysis. Statistical Package for Social Science (SPSS version 26) aided data analysis. The study established that the socio-demographic, type of enterprise training, sources of business capital, and type of market research were significant predictors of the performance of youth-owned enterprises in Nakuru Municipality ($R^2 = 0.1117$, $F = 6.19$, $p < 0.05$), ($R^2 = 0.0838$, $F = 8.2$, $p < 0.05$), ($R^2 = 0.1205$, $F = 4.79$, $p < 0.05$) and ($R^2 = 0.0608$, $F = 4.59$, $p < 0.05$) respectively. The study's findings could inform policymakers in national and county governments concerning the implications of socio-demographic factors, entrepreneurship skills, access to financial services, and market research on the performance of youth-owned enterprises countrywide.

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LIST OF ABBREVIATIONS AND ACRONYMS

AGPO	Access to Government Procurement Opportunities Program
CBD	Central Business District
CGN	County Government of Nakuru
EU	European Union
ILO	International Labour Organization
KNBS	Kenya National Bureau of Statistics
MSEs	Micro and Small Enterprises
MSMEs	Micro, Small and Medium-sized Enterprises
SPSS	Statistical Package for Social Science
YAGPO	Youth Access to Government Procurement Opportunities Program
YEDF	Youth Enterprise Development Fund

CHAPTER ONE
INTRODUCTION

1.1 Background to the Study

The micro and small enterprise sector is a central pillar in global economies, accounting for 99.8 percent of all enterprises in the European Union non-financial business sector (NFBS) in 2019 Fogoros et al. (2020), 90 percent of enterprises in the Philippines (Canare et al., 2017) and employing above forty percent of youth in Kenya (Ouko et al., 2022). According to the International Labor Organization (ILO) (2016), a small portion of the youth, 37% of the total in Africa, is in the formal labour force, while the rest are unemployed and the percentage of the unemployed is expected to rise rapidly in Africa than anywhere else in the world. In a report by the Kenya National Bureau of Statistics (KNBS) (2016), the unemployment rate in Kenya alarmingly grew from 12.7% in 2006 to 40% in 2011. Youth entrepreneurship offers an excellent opportunity for developing countries to deal with unemployment and increase the prospect of successful economic growth (Arogundade, 2011). According to Sharu and Guyo (2015), small and micro youth enterprises contribute to the development of the economy and employment opportunities for young people.

The Government of Kenya established funds such as the Youth Accessing Government Procurement Opportunities (YAGPO) and UWEZO funds to encourage wealth creation and youth employment for poverty reduction as enshrined in Vision 2030 (Mang'eni, 2019). The government also initiated the Youth Enterprise Development Fund (YEDF) as an institutional financing mechanism to provide youth in Kenya with access to finance for self-employment activities and the development of entrepreneurial skills (Issa & Kiruthu, 2019). Additionally, through tax incentives, the government supports youth in forming new enterprises in Kenya. Despite the importance of these enterprises and the efforts by the Government of Kenya (GOK) to support youth-owned small and micro enterprises in Kenya, 80% of new businesses owned by youth collapse within their first three years due to various challenges, including financial challenges (Nyangweso & Wambua, 2019).

Government support for youth enterprises has not produced the desired results (Obiora & Nwokorie, 2018). According to Shibru and Sodo's (2018) study, youth-owned businesses fail or cease to exist because they cannot identify business opportunities, lack creativity, and lack innovation. Other factors, including entrepreneurial alertness, aid in the identification process. Competitive, creative and innovative entrepreneurs are likely to run their businesses efficiently (Adomako et al., 2018).

Despite the efforts made by governments, non-governmental organizations (NGOs), communities, and individual entrepreneurs, many businesses face challenges that could be linked to entrepreneurs' educational background, whether or not they have received relevant training and the duration are all factors that Nagel et al. (2019) attribute to business failure. Adequate funding is crucial for enhancing profitability, yet it remains the most significant obstacle for budding entrepreneurs despite the availability of various financing sources, such as personal savings, public finance, business angels, and contributions from friends and relatives (Dumbuya, 2019).

Accessing credit facilities for business finance is vital for small and medium enterprises to succeed in their drive to build productive capacity, compete, create jobs and contribute to poverty alleviation in developing countries. Many young entrepreneurs in developing nations depend mainly on personal savings or family and friends for initial capital and expansion (Omondi & Jagongo, 2018). Financial institutions have greatly limited the competitiveness of youth-owned enterprises by restricting the amount of finance they can access. Financial institutions consider young people high-risk due to their lack of collateral, credit history, guarantors, or working experience. As a result, financial institutions are hesitant to provide young people with credit facilities (Ruathdel, 2020).

Market research helps learn more about buyers' buying behaviours or how much buyers might pay for a product or a service (Zin & Ibrahim, 2020). Formal and informal market research helps entrepreneurs discover new ideas and potential market opportunities (O'Shea et al., 2021). Market research is used to explore a situation or search for a problem. Market research eradicates uncertainties and links marketing variables with the environment and consumers. Marketing research provides information on controllable and uncontrollable factors and enhances the effectiveness of decisions made by entrepreneurs (Sievidova et al., 2020). According to Beeka and Rimmington (2011), Entrepreneurs must look for business information by conducting market research to help them identify excellent and viable business opportunities (Sun et al., 2020).

Entrepreneurial training imparts basic management skills, which include marketing products and services, record-keeping, and financing (Mbanefo & Eboka, 2017). Entrepreneurial training results in better enterprise performance even in different cultural settings (Khalid et al., 2019). Most entrepreneurs running small enterprises in Kenya have no management training or experience (Mburu & Njoroge, 2018). Evidently, there is a mismatch between what skills graduate entrepreneurs develop in higher education and what they need

to survive in the business world (Amjad et al., 2011). This also applies to youth entrepreneurs in Nakuru municipality in Nakuru County.

Nakuru is the largest urban town in the Rift Valley, with Eldoret in Uasin Gishu following closely behind (Nderitu, 2018). Nakuru hosts several businesses, with many companies venturing into Nakuru's municipality. Nakuru is the home of startups that have birthed some of the renowned brands in Kenya (Onchwari, 2018).

The attainment of entrepreneurial skills through training has been identified as the most critical factor for business success, even more so than the business idea or industry setting (Kim et al., 2018). However, since training needs can vary, it is important to customize training programs to align with different enterprises' and individual employees' goals and objectives. Thus, there is a need to determine the influence of Socio-demographic factors, sources of business capital, type of training and type of market research on the performance of youth-owned micro and small enterprises within Nakuru Municipality. Furthermore, this study aims to provide insights into ownership patterns by analysing if youth entrepreneurs own single or multiple enterprises and determining if there are gender differences in the propensity for multiple enterprise ownership.

1.2 Statement of the Problem

According to a Kenya National Bureau of Statistics survey, about 1.56 million licensed and 5.85 million unlicensed SMEs were employing 14.9 million persons by 2017 in Kenya. Youth employment is supreme in the economy and in realizing Vision 2030 goals, which seek to transform Kenya into a newly industrialized economy. This is echoed by the Kenyan government’s efforts to conceive the idea of institutional financings, such as the Youth Enterprise Development Fund (YEDF) and UWEZO fund to provide young people with access to finance for self-employment activities and entrepreneurial skills development as a way of addressing unemployment and poverty, which essentially are youth problems. However, numerous youth-owned micro and small enterprises continue to close shop in less than five years of establishment. Numerous factors potentially influencing enterprises' performance include entrepreneurs’ characteristics, firm characteristics, and business environment. However, there is a need to establish the influence of socio-demographic factors, type of training, sources of business capital, and market research on the performance of youth enterprises. This study, therefore, sought to determine the influence of socio-demographic factors, type of training, sources of business capital and kind of market research on the performance of youth-owned enterprises in Nakuru Municipality.

1.3 Objectives of the Study

The study's main objective was to establish the influence of socio-demographic factors, sources of business capital, type of training, and type of market research on the performance of youth-owned enterprises in Nakuru Municipality, Kenya.

The following specific objectives guided the study:

(i) To establish the influence of socio-demographic factors on the performance of youth-owned enterprises in Nakuru Municipality

(ii) To determine the influence of the type of enterprise training on the performance of youth-owned enterprises in Nakuru Municipality

(iii) To determine the influence of sources of business capital on the performance of youth-owned enterprises in Nakuru Municipality

(iv) To determine the influence of the type of market research on the performance of youth-owned enterprises in Nakuru Municipality

1.4 Hypotheses of the Study

The following hypotheses guided this study:

H_{01}: Socio-demographic factors have no statistically significant influence on the performance of youth-owned enterprises in Nakuru Municipality

H_{02}: Type of enterprise training has no statistically significant influence on the performance of youth-owned enterprises in Nakuru Municipality

H_{03} Sources of business capital have no statistically significant influence on the performance of youth-owned enterprises in Nakuru Municipality

H_{04}: The type of market research has no statistically significant influence on the performance of youth-owned enterprises in Nakuru Municipality

1.5 Significance of the Study

This study could contribute to the existing literature on youth entrepreneurship by examining the influence of socio-demographic factors, sources of business capital, type of training, and type of market research on the performance of youth-owned enterprises. This could add new knowledge to the field and help identify factors that can affect the success of youth-owned enterprises in Nakuru Municipality, Kenya.

The findings of this study could provide valuable information for policymakers and stakeholders in developing policies and programs to support youth entrepreneurship. The results can be used to design programs tailored to young entrepreneurs' specific needs and challenges in Nakuru Municipality, Kenya.

In terms of economic development, this study could provide insights into the factors that can influence the success of youth-owned enterprises, which can help to create more job opportunities and boost economic activity in the country.

1.6 Scope of the Study

The study was conducted in Nakuru Municipality in Nakuru County. The study was restricted to the youth-owned enterprises (Trading, Service and Manufacturing), socio-demographic factors, type of training, sources of business capital, and market research.

1.7 Limitations of the Study

Youth entrepreneurs did not feel free to give information about their businesses, and others did no keep records. However, the researcher explained to the respondents that their responses were anonymous. Probing was employed to help respondents remember the required information since the questionnaire was self-administered.

1.8 Assumptions of the Study

The study was conducted under the assumption that the respondents gave honest responses.

1.9 Definition of Terms

The following terms are defined and operationalized according to this study.

Commercial loans: Refers to a debt-based funding arrangement between a business and a financial institution such as a bank (Abor, 2017). In this study, it refers to the funding of youth enterprises by financial institutions for enterprise startups or covers operational costs that the youth-owned enterprises may otherwise be unable to afford.

Enterprise: Refers to a project or undertaking that is especially difficult, complicated, or risky (Williams & Williams, 2017). In this study refers to a business started and run by youth entrepreneurs in Kenya to create employment.

Entrepreneur: One who organizes, manages and assumes a business or enterprise (Thuse, 2016). In this study, it refers to someone who can think of a business and transform it into a real enterprise.

Entrepreneurship training: Refers to entrepreneurship education focused on equipping entrepreneurs with the supplementary knowledge, traits and capabilities essential in setting up a new business (Gielnik et al., 2017). In this study, it refers to the youth going through the process of equipping them with skills and knowledge before they start running their enterprises.

Experience: Practical knowledge, skill, or practice derived from direct observation or participation in events or activities (Kustermans, 2016). In this study, it refers to the number of years one has been doing the same business or enterprise.

Financial services: Refers to the economic services the finance industry provides, which encompasses a broad range of businesses that manage money (David-West et al., 2020). In this study, financial services refer to services of lending money to the youth by banks or Youth Enterprise Fund, among other institutions.

Formal market research: Refers to the methodical, logical and objective gathering and study of information relating to certain target markets (Tarka, 2018). In this study it refers to a systematic and organized process by which youth entrepreneurs owning micro and small enterprises learn new information to understand the market better and enhance their enterprises' performance.

Informal market research: Refers to the unplanned process by which youth entrepreneurs who own micro and small enterprises learn new information by taking reasonable opportunities to collect information and market intelligence to understand the market better, for instance, use of the internet to check the buying or selling prices of products or goods in

different markets to enhance their decision to purchase or sell the products respectively considering profit margins.

Innovation: Refers to the process of translating an idea or invention into a good or service that creates value for which customers will pay (Varadarajan, 2018). In this study, it refers to the ability of youth to think of an idea on how to do business from creating a business idea and marketing it using new ways or technology.

Legal requirements: Refers to regulations of and terms of any license or permit issued by the Government (Gehman et al., 2017). In this study, Legal requirements refer to valid licenses issued by the government of Nakuru county to operate a business within the municipality.

Loaning: Refers to the action of allowing a person or organization to use the sum of money under an agreement to pay back later (Weksler, 2018) In this study, it refers to financial institutions funding or giving credit to young people to use in their enterprise on an agreement that they will pay back as per the agreement.

Managerial skills: This term refers to the required skills (competencies), which include: planning, organizing, directing and decision-making (Armstrong & Taylor, 2020). In this study, managerial skills refer to the required skills for youth entrepreneurs to run their enterprises efficiently, enhancing enterprise performance.

Managerial training: Refers to training activity that centres on improving an individual's skills as a manager (Olugbola, 2017). In this study, it refers to a training activity that focuses on improving youth entrepreneurial skills in managing micro and small enterprises.

Market research: Refers to the process of establishing the viability of a new service or product through research done directly with potential customers (Ind et al., 2017). In this study, it refers to the action or activity of gathering information by youth entrepreneurs operating micro and small enterprises about consumers' needs and preferences.

Marketing training: Refers to training that focuses on the increase of sales (McKenzie & Puerto, 2017). In this study, it refers to training activity that focuses on equipping youth entrepreneurs with skills in promoting and selling products or services based on the type of enterprise.

Own savings Refers to money an individual has put away for non-immediate use (Iacobucci, 2019. In this study, it refers to money that an individual youth has put away for business purposes like capital.

Performance of enterprises: Refers to the ability of the enterprise to continue operating profitably (Omondi & Jagongo, 2018). In this study, the Performance of youth-owned

Enterprises refers to the ability of youth-owned enterprises to continue operating profitably. The performance of youth-owned enterprises in this study was measured by the change in net profit, business assets, sales, and the number of employees working in a youth-owned enterprise.

Performance: Refers to the ability of youth-owned enterprises to achieve business growth and profitability objectives over time.

Risk-taking Is the act or fact of doing something involving danger or risk to achieve a goal (Morgan & Andrews, 2016). In this study, the term refers to an act of the youth committing money on enterprise ventures, not knowing whether it will get profit or loss.

Small and Micro Enterprise: A micro-enterprise is a firm or service enterprise whose annual turnover does not exceed five hundred thousand shillings and employs less than ten people. In contrast, a small enterprise is a firm or service enterprise engaged in a business activity whose annual turnover ranges between five hundred and five million shillings and whose employees are between ten and fifty (GOK, 2011). In this study, it refers to Small and Micro Enterprises run by the youth that engage in goods and service providers to the public.

Socio-demographic: According to Recklies (2001), socio-demographics are factors like the gender of the respondent, age, education level and experience. That definition is adopted in this study.

Youth targeted financial services: Refers to financial services purposely initiated by the government to offer youth owning micro and small enterprises the opportunity to get funds to start and expand their enterprises without collaterals, for instance, Youth Enterprise Development Fund (YEDF) and UWEZO fund.

Youth: Youth is a period of transition from the dependence of childhood to adulthood. Youth is defined in Kenya as all individuals in the republic of Kenya aged between 18 and 34 years (Awiti & Orwa, 2019).

CHAPTER TWO
LITERATURE REVIEW

2.1 Introduction

This chapter presents relevant literature on the factors influencing the performance of youth enterprises in Nakuru Municipality. This chapter includes the theoretical review and conceptual framework which guided this study regarding each variable under investigation. The literature has identified the knowledge gaps filled by the empirical study.

2.2 Concept of Small and Micro Enterprises

Small and Micro Enterprises (SMEs) are significant in many economies, specifically developing countries. Most businesses worldwide are SMEs, which contribute to the global development of economies and employment (Abisuga-Oyekunle & Fillis, 2017). According to the International Labor Organization (ILO) (2016), a small portion of the youth, 37% of the total in Africa, is in the formal labour force, while the rest are unemployed and the percentage of the unemployed is expected to rise rapidly in Africa than anywhere else in the world. In a report by the Kenya National Bureau of Statistics (KNBS) (2016), the unemployment rate in Kenya alarmingly grew from 12.7% in 2006 to 40% in 2011. Youth entrepreneurship offers an excellent opportunity for developing countries to deal with unemployment and increase the prospect of successful economic growth (Arogundade, 2011). According to Sharu and Guyo (2015), small and micro youth enterprises contribute to the development of the economy and employment opportunities for young people.

A micro-enterprise is an enterprise whose annual turnover does not exceed five hundred thousand Kenyan shillings and employs less than ten people. In contrast, a small enterprise is a firm or service enterprise engaged in a business activity whose annual turnover ranges between five hundred and five million Kenyan shillings and whose employees are between ten and fifty (GOK, 2011).

Micro and small enterprises employ 95 percent of youth in Nigeria, which has been recognized as the central pillar for swift economic growth and development, directly linked to the creation of jobs and output production. The government of Nigeria developed a youth development fund to offer credit to youth-owned SMEs at affordable interest rates to enhance their performance (Igwe et al., 2018). Despite the support, most youth-owned enterprises fail to expand and close shop in less than a year.

Cant (2017) postulated that worldwide, SMEs represent about 90% of enterprises and more than 50% of employment. Formal SMEs in developing countries, including Kenya, contribute up to 40% of the Gross Domestic Product (GDP), which is significantly higher

when informal SMEs are counted (Nzioki et al., 2018). In emerging economies, SMEs create 7 out of 10 jobs despite their numerous challenges, including financial constraints (Akinyemi & Adejumo, 2017).

In Kenya, SMEs are the main contributors to employment creation, including wealth generation in all sectors of the economy (Orwaru et al., 2019). MSEs, commonly known as Jua Kali sectors in Kenya, employ about 80 percent of the population, ultimately contributing tremendously to the country (Odongo & Wang, 2016). Four main sub-sectors of SMEs include manufacturing, service, trade and agribusiness, which are anticipated to spark an industrial revolution in Kenya by enhancing the development through value addition of farm produce and natural resources, development of manufacturers and service providers in addition to stimulating the specialization of cottage industries, for instance, curios and handcrafts among others (Ogot et al., 2018).

2.3 Importance of Small and Micro Enterprises to the Economy

Youth-owned enterprises contribute primarily to employment opportunities in most countries as they are found in every economy, including industrialized and developing countries. According to the industrial pyramid, there is a large number of SMEs at the bottom, followed by medium enterprises and then a few large enterprises at the top (Gao, 2009). Any nation's economic development depends on the industrial sector, including small, micro, medium, and large enterprises. The contribution of small and micro enterprises is quite significant in the generation of employment opportunities and industrial production for local consumption and export. This is attributed to the advantages of low capital investment, short gestation period and low cost of technology (Esselaar et al., 2006). SMEs play a critical role in job creation, and it is reported that they contribute to the largest percentage of formal jobs in developing and low-income countries (Hölzl, 2009). Developed economies like Italy, France, the USA, Germany, and Greece have SMEs contributing to 99% of total employment (Rajeevan et al., 2015).

The youths in SMEs can mobilize untapped capital and human skills to invest in businesses and contribute to the growth of villages, small towns, and regions lagging economically. The SMEs promote balanced regional development through the next generation of employment opportunities (Kumar, 2010). The SMEs are the second largest source of employment in Kenya after agriculture, whereby the sector mobilizes talents and resources to create jobs (Matambalya & Wolf, 2001). SMEs can help alleviate poverty in developing countries by dealing with unemployment (Aremu & Adeyemi, 2011).

Beeka and Rimmington (2011) indicated that entrepreneurship is one of many solutions to reduce youth unemployment in Kenya. However, small businesses in Kenya are not doing well, according to the Kenya National Bureau of Statistics report (2017). Non-profitability was the reason for the closure of 67 percent of businesses in 2017. According to the Kenya National Bureau of Statistics, poor business ideas (miscalculation of opportunities) and a lack of access to markets are cited as reasons for non-profitability. In addition, the Kenya National Bureau of Statistics notes a lack of affordable, efficient support structures (transport and electricity). It was also pointed out in the Kenya National Bureau of Statistics Report (2017) that non-profitability is linked to Kenyan youth entrepreneurs operating in a saturated market with high levels of competition, which threatens the stability of their businesses (Monitor, 2017).

2.4 Role of Youth Entrepreneurship in Kenya

Youth entrepreneurship has been recognized as improving employment opportunities for Kenyan youths. However, the performance of youth entrepreneurship cannot be realized without the involvement of the private sector, civil society and the public sector to provide young people with sustainable projects for generating income (Issa & Kiruthu, 2019). The increased funding for youth-related enterprises has resulted in increased capacity building, training and entrepreneurship education to encourage youth to venture into businesses. The youths have benefited from entrepreneurship skills to initiate community services and create jobs (Wiger et al., 2015). The youths engaging in SMEs face problems including lack of finance, market access, low production capacity, lack of interest, access to bank credit and appropriate technology (Kongolo, 2010). The youths in Kenya are engaging in several businesses, including entertainment, transport, agribusiness, fashion, and retail shops, among other several service industries. There has been an increased number of youths in major cities and towns in Kenya venturing into the informal sector due to decreased jobs in the formal sector (Bezu & Holden, 2015).

Since its establishment in 2006, the Youth Enterprise Development Fund has provided training and funding for young people to start their businesses (Gachugia et al., 2014). However, the Kenyan government still needs to create a conducive environment for more young people to pursue entrepreneurship. This offers huge potential for Kenya's young people, who can generate more income than unskilled informal jobs. The effects of unemployment among youths are scarring; the unemployed are unhappier and may experience health issues (Rathmann et al., 2016). Such problems can be solved by integrating youth into the labour market by increasing youth entrepreneurship. Youth entrepreneurship

increases innovation and job creation to empower young people to be self-reliant, thus reducing the chances of youths engaging in unlawful acts (Kellogg, 2015).

Multiple enterprise ownership, whereby youth entrepreneurs establish and run more than one business, has received increasing attention in entrepreneurship research since it creates more employment (Melyoki, 2021). Studies have found mixed evidence on the prevalence of multiple enterprise ownership among entrepreneurs. While some research shows it is relatively common (Citation), other studies reveal most entrepreneurs focus on a single enterprise (Bignotti & Le-Roux, 2020). Furthermore, a few studies have pointed to gender differences in multiple enterprise ownership, with male entrepreneurs exhibiting a greater tendency towards establishing several ventures (Zhao & Yang, 2021). However, there remains limited empirical evidence on multiple enterprise ownership, specifically among youth entrepreneurs. This represents a gap in understanding ownership patterns and potential gender differences in this demographic group.

Studies have shown that more than 40% of young people want to be entrepreneurs, yet they have not realized this dream. Over an extended period, older people have demonstrated a higher likelihood of being self-employed than younger individuals (Caliendo et al., 2014). This study could help uncover ways to reverse this situation by establishing the influence of socio-demographic factors, type of enterprise training, sources of business capital and market research on the performance of youth-owned enterprises in Nakuru Municipality.

2.5 Socio-demographic Characteristics and Performance of Youth-owned Enterprises

According to Andaregie et al. (2022), various enterprise characteristics, which include age, experience, gender and the level of education of the entrepreneur, influence the growth of small and micro-enterprises. Female entrepreneurs exhibit specific behavioural characteristics, including risk aversion, creativity, persistence, and search for higher opportunities. , men have a higher level of confidence and persuasion and can evaluate the risk for profit. According to Bruwer and Smith (2018), successful entrepreneurs have been reported to have flexibility, determination, confidence, experience and the ability to run their enterprises. Boldureanu et al. (2020) mentioned that successful entrepreneurs are competitive with a desire for change and success. The current global trends in business have resulted in modern theories exploiting other elements like gender, human and social capital, personal characteristics and macroeconomic factors as explanatory entrepreneurship variables.

Other research studies, for example, the Wall Street Journal (2015) and Haxhiu (2015), postulate that gender inequalities disadvantage women in developing themselves fully as entrepreneurs. However, Jennings and Brush (2013) reported no disparities between male and female entrepreneurs. Additionally, the reports by Poggesi et al. (2016) indicate a positive growth of women entrepreneurs in 67 nations. Statistics show that 126 million women engaged in new businesses, and 98 million had been operating for a long time. In a report by the World Bank (2013), women's firms in the US generate revenue of $ 3 trillion and create 23 million jobs from their women's enterprises. It reports further that the same trends have been observed in developing economies. Therefore, bear in mind that the Youth Enterprise Development Fund was established with the intention of averting unemployment by enhancing self-employment among the youth. The fund does not discriminate on the gender of the beneficiary. Thus, there is a need to understand the gender of the owners of youth enterprises to give statistics on the position of gender parity in this study.

According to Hossain (2019), even in Bangladesh, female entrepreneurs experienced obstacles in accessing credit. While Ewoh (2014) further posits that men have an easy time accessing the necessary training required for successful performance in different enterprises, but women face a rough time due to other obligations they have, for instance, the household chores that take most of their time, hence an observed difficulty for women in accessing the desired skills in managing their enterprises (Niethammer, 2013; Ewoh, 2014) It is in accordance with this backdrop that the current study anticipates understanding whether the male and female youths face any challenges that influence the performance of their enterprises in Nakuru Municipality.

World Bank (World Bank, 2013) report shows that women's enterprises contribute to household income and national revenue. Ewoh (2014) indicated that priorities that motivate men and women differ in that men engage in entrepreneurship with the remote end of economic development while women are driven by the desire to achieve household needs. Against these varying views, the current study anticipates understanding how gender disparity influences the performance of the male and female youths-owned enterprises in Nakuru Municipality, Kenya.

Age in entrepreneurship has been regarded as a factor since it affects the quantity of human and financial capital for starting and running a business (Zhao et al., 2021). Older people are known to have higher social and business networks as well as greater access to capital that eases business ventures. A study by Carr (1996) and Blanchflower (2000) revealed a positive correlation between self-employment and age. Other scholars, for

instance, Reynolds (2007), stated that entrepreneurs under 30 years of age made more profit than those who were 30 years and above. But, according to Kumar (2010), entrepreneurs over 30 years old are more resilient and can survive in enterprise ventures compared to those below the age of 30. However, other studies (Boldureanu et al., 2020; Johansson, 2000) found that self-employment is risky and less desirable for older people who do not want to work for longer hours. Older people are less likely to allocate time and money to a business whose benefits may be realized in the future (Stefanovic & Stosic, 2012).

Age is a determinant for the amount of financial, social and human capital, thus increasing the possibility of becoming an entrepreneur for older people. However, older people are less willing to venture into self-employment. In this regard, people in the middle of their careers and youths are more likely to engage in business activities (Bandiera et al., 2022). Based on these disagreeing findings, the current study aims to explore the influence of age on the performance of youth-owned enterprises in Nakuru Municipality.

A low level of education has been cited as one of the reasons for youth unemployment in Kenya (Youth Agenda, 2013). The empirical finding in a study by Kemunto (2014) found that attaining tertiary education enhanced the skills and success of youth entrepreneurs. In contrast, Awiti and Scott (2016) postulated that Kenya's population is predominantly young, representing 80%. Awiti and Scott (2016) further reported that most of these youths are interested in venturing into entrepreneurship, and a significant number, 39% of these youths, have attained post-secondary education.

The research findings by Wube (2010) established that the businesses of young entrepreneurs who had secondary school education performed much better than those who did not attain that level of education. In addition, this study by Wube (2010) shows some worries that educated entrepreneurs were likely to endanger the success of their enterprises if another lucrative enterprise emerged and was ready to accept to divert attention from them. Olugbola (2017) further postulated that when the youth reach secondary school, they should be exposed to entrepreneurship to enhance successful entrepreneurship among future youth. While access to primary education in Kenya is free, Ochola (2012) disclosed that several pupils have limited access to secondary education in Kibra and other parts of Kenya, which calls for the inclusion of life skills training in the education Curriculum, even in Primary education.

Oketch (2023) asserted that the intention of most youths, especially those who have attended middle-level colleges and universities, is formal employment. The more educated individuals in developing countries prefer formal paid employment instead of self-

employment (Gindling & Newhouse, 2014). Generally, educated persons can identify business opportunities, understand market trends, and carry out entrepreneurial activity more effectively and efficiently; thus, a higher formal education positively affects entrepreneurship (Johansson, 2000), Kimando et al. (2012) highlight that a good picture of white-colour jobs has been painted in the minds of the youth by their parents and members of society at large; hence little has been done to encourage them to embrace entrepreneurship. Further still, the Kenya Voluntary Development Association (KVDA) (2015) argues that there exists a conflict between the expectations of the youth, society, parents and older persons whose expectations exert pressure on them and all in some way affect youth's entrepreneurship.

Senou and Soro (2022) argued that every unemployed youth who meets the definition of youth would take up financial loans and hence engage in entrepreneurship. However, they noted that many youths do so without fully understanding the dynamics that influence entrepreneurial behaviour. Specifically, Senou and Soro pointed out that youths often overlook the personal choices within themselves that impact performance. These can include motivation, self-discipline, time management, and willingness to seek knowledge. Therefore, while loans provide funding, youth must also focus on developing critical soft skills to succeed as entrepreneurs. Providing guidance on both financing and personal development may better equip young people to excel in starting and running their own enterprises.

2.6 Entrepreneurship Training and Performance of Youth-owned Enterprises

The government of Kenya emphasized the importance of equipping youth with innovative skills during the launch of the Youth Enterprise Development Fund, stating it was vital for enterprise development and success (GOK, 2005). Supporting this, research by Mira and Kennedy (2013) found limited financial management knowledge hindered small and micro enterprises (SMEs) from properly managing the credit facilities of their enterprises. Further studies by Thuku (2017) noted entrepreneurs required both entrepreneurship education and business association affiliation to improve financial access. Additionally, Omondi and Jagongo's (2018) study observed a significant association between training and performance of youth-owned enterprises. These findings highlight the critical role proper entrepreneurship training plays in building the skills and networks youth entrepreneurs need to access key resources like financing, ultimately enhancing the growth and sustainability of their enterprises. The government's initial assertions are strongly backed by empirical evidence on the positive influence of targeted training programs.

In addition, Mersha and Sriram (2019) postulate that it is a primary requisite to equip entrepreneurs with proper training before they are given a loan for the success of their

enterprises. Several businesses perform poorly due to a lack of innovativeness (Tambwe, 2015). Lack of innovativeness and exposure results in limited awareness of business opportunities and constrains the development of the private sector. Lack of entrepreneurship training results in poor financial management, causing business failure. The entrepreneurs, in some cases, do not understand the importance of innovativeness, customer care, quality brands, and credibility and thus duplicate businesses from their neighbours, leading to the failure of the venture a few months from the start (Tambwe, 2015).

Managerial issues were found to contribute to the failure of many enterprises within years of founding, stemming from minimal training and experience (Nyoike et al., 2017). Entrepreneurship training can provide youth with the proper knowledge and skills in areas like business start-up, management, and growth, boosting enterprise performance (Rathnasiri, 2014). Specific training needs identified include record keeping, product promotion, and financial management. However, despite evidence of the benefits of training, a high education level has been cited as a factor in youth unemployment in Kenya (Youth Agenda, 2013). This presents a paradox, as education enhances skills that can translate to enterprise success yet also seems to discourage youth entrepreneurship. Targeted, practical entrepreneurial training programs may help bridge the gap between academic knowledge and real-world business demands, equipping Kenya's educated yet unemployed youth with the tools to succeed in starting and managing enterprises.

2.7 Management Skills and Performance of Youth-owned Enterprises

Entrepreneurs with a university education were found to have stronger managerial skills and higher success rates (Brixiová et al., 2020). Similarly, Kemunto's (2014) study showed tertiary education improved youth entrepreneurs' abilities and performance. However, Kagika (2016) argues small businesses allow little margin for simple management errors given their scale, making failure likely without the chance to learn from mistakes. Contrary to these findings, research in Chile found that educated youth had limited time for business monitoring (Orobia et al., 2020).

Success depends on having management skills suited to the enterprise (Kamunge et al., 2014). Key reasons identified for business failure include poor financial and human resource management, low product quality, and weak customer relationships. Entrepreneurs with the required expertise in their domain outperform others lacking such skills (Ewoh, 2014). Enhanced abilities through training can raise income, marketing capabilities, accountancy knowledge, and overall management, boosting profits and loan repayment (Nawai & Shariff, 2012).

Early exposure to entrepreneurship can provide lasting motivation (Njuguna, 2019). Youth with entrepreneurial parents tend to have higher drive and develop complementary talents to aid success. Gaining experience also builds skills and networks to improve performance (Masenya, 2021). However, many youth lack the necessary experience, hampering their entrepreneurial growth and competence development.

2.8 Financial Options and Performance of Youth-owned Enterprises

According to the GOK (2009), overcoming the high rates of unemployment and poverty among the youth necessitated the establishment of youth financial institutions, such as the Youth Enterprise Development Fund (YEDF), to facilitate youth-owned enterprises with finances to enable self-employment on the youths' activities and entrepreneurship skills development. Further still, according to GOK (2009), the youth are encouraged to form new enterprises enhanced by government support through tax incentives, Youth Access to Government Procurement Opportunities Program (YAGPO), UWEZO fund, buildings, roads and a communication system to encourage wealth creation and youth employment opportunities in alleviating poverty as it is stipulated in the vision 2030. Against this backdrop, the current study anticipates establishing the performance of youth enterprises in creating youth self-employment and wealth creation in Nakuru Municipality.

According to the study by Kamau et al. (2014), financial institutions funding youth enterprises found that accessible and affordable credit enabled youth to take advantage of new entrepreneurial opportunities and expand their enterprises. This aligns with findings by Caliendo and Schmidl (2016) that lack of access to finances was a key barrier for youth and SMEs interested in self-employment. On the contrary, an empirical study by Sambo (2016) found no significant association between credit access and an enterprise's growth and development. While a survey by Omondi and Jagongo (2018) found a significant relationship between access to credit, collateral, and the performance of enterprises, additionally, Mwangi and Ouma (2012) report that it was hard for youths from rural and urban poor households to access credit and hence experienced difficulty in enhancing the growth and development of their Small and Micro Enterprises (SMEs). Against this background, the current study was interested in understanding how financial institutions enhanced the performance of the youth enterprises towards employment opportunities and wealth creation in Nakuru Municipality.

According to the World Bank (2014), regulatory prerequisites can impede youth's access to financial services and funds. Some countries have removed those regulatory barriers to enable easier access for their youth. Understanding the regulatory processes of youth financial institutions in Kenya could reveal whether they promote or hinder the performance

of youth-owned enterprises. Findings by Leavy and Hossain (2014) indicated farm size determines credit access from financial institutions. This poses a challenge since most youth do not own farms. Hence, it is important to understand the regulatory requirements of youth financing institutions in enhancing the performance of youth enterprises in Nakuru Municipality.

Small and micro enterprises often failed to qualify for loans given their size, as lending historically relied on assessments of repayment capacity (Rowe-Haynes, 2017). Those deemed unlikely to repay were denied funding, though they needed it most. However, research in Tanzania found enterprise size enabled greater financial access for SMEs, contrasting with barriers in other contexts like the UK. Lack of security still obstructed financing for potential beneficiaries despite their repayment abilities. These variances indicate a need to investigate how financial institutions in specific settings like Nakuru Municipality influence youth enterprise performance. The unique localized landscape shapes both lending practices and entrepreneurs' realities, demanding an in-depth understanding of their interaction. Broad generalizations may not capture nuances driving credit access and business success.

Past research by Omondi and Jagongo (2018) found some youth enterprises had defaulted on loan repayments. Though only 25% of their respondents could access loans, they did not realize defaulting caused their enterprises to fail. Possible reasons for defaulting include lacking proper training in financial management, experiencing unexpected losses, or failing to generate adequate revenue. To avoid similar issues, it is in the government's interest to benefit youth enterprises to repay YEDF loans after a 3-month grace period (Okoth et al., 2013). The fund is intended to be revolving, supporting many youths through loan disbursement and repayment. Without repayment, the fund's purpose cannot be achieved. It is important to examine how repayment requirements of youth financial institutions influence the performance of youth enterprises in Nakuru Municipality.

According to Okoth et al. (2013), it was in the government's interest that the youth enterprise funds be repaid after a grace period of three months by the benefiting youth enterprises because the funds were designed as a revolving fund intended to benefit many youths. Those youths get the loan, and upon repayment, the money is loaned to others to support their enterprises. Therefore, a lack of repayment would affect the intention and the purpose for which it was founded (Okoth et al., 2013). Following these views, the current study examines how loan repayment as a framework for financial institutions influences the performance of youth-owned enterprises in Nakuru Municipality.

2.9 Market research and Performance of Youth-owned Enterprises

Market research refers to collecting, analysing and interpreting business information about a product or service to be offered for sale in a particular market. It involves the past, present and potential customers for a specific service or product (Armstrong et al., 2018). Market research seeks information about the spending habits of consumers, business competitors, location and needs of the enterprise's target market and the industry as a whole (Deepak & Jeyakumar, 2019).

Market research offers the opportunity to acquire relevant data to aid in solving marketing constraints that youth-owned enterprises will most likely face from the onset of the business (Nyangweso & Wambua, 2019). It is impossible to employ strategies like market segmentation, which involves the identification of definite groups within a market, and product differentiation, which consists of the creation of an identity for a service or product that differentiates it from the competitor's products and services without proper market research (Wilson & Makau, 2018).

Donnelly et al. (2015) assert that the two types of market research are formal and informal. Formal market research is anchored on protocol and methodology based on the type of business enterprise. It encompasses learning what other market researchers have done in a specific market, reviewing the main findings and ideas already known, and then aligning the enterprise target based on previous market research other business enterprises do (Blankson et al., 2018).

According to Kolk and Rivera-Santos (2018), informal market research is less organized and systematic. The entrepreneur approaches the market as an interested party, seeking information to start the business. The enterprise may or may not have any new product or service to introduce. Accurate information is crucial for a successful business enterprise because it provides vital information about existing and prospective customers, market competition, and the industry (Kibati, 2018). Market research allows youth entrepreneurs to decide the viability of an enterprise before committing significant resources to the business enterprise.

2.10 Theoretical Framework

Neoclassical Analysis Theory guided this study, which was grounded on foundations laid by classical theorists Adam Smith (1723-1790) and David Ricardo (1772-1823) (Stevens, 2023). The theory focuses on the conditions necessary to sustain an equilibrium, a benchmark for enterprise profitability and success. The neoclassical analysis focuses on the requirements for maintaining equilibrium, echoed by Schumpeter, which uses the innovator's destructive

creation to explain the progress in the capitalistic system. Moreover, Kirzner (1997), who based his research on the exposition of the neoclassical analysis theory as the analytical core of mainstream economics, argued that Neoclassical economics operates on the assumption that the market economy mirrors the relationships that would prevail in equilibrium models. Kirzner (1997) claims that the economy initially exists in a disequilibrium position before attaining equilibrium due to competition among entrepreneurs. Kirzner (1997) recognizes that markets are not always clear. Thus, entrepreneurs need incentives for change from the differences among agents in information and knowledge (Ahmed et al., 2019).

According to Kirzner, a shift in preference or an improvement in production techniques leads to change (disequilibrium) in the market where initially there was equilibrium (Fumo & Jose, 2011). The existence of equilibrium means the entrepreneur has no opportunity for exchange and profit since all players in the market carry out the determined exchange plans. However, the occurrence of disequilibrium prevents the realization of planned activities (Blanchflower, 2006). Kirzner states that there is no room for entrepreneurial creativity since the course of the market event is foreordained by the data of the market situation. Therefore, an exogenous shock to the system is required to create profit opportunities for the entrepreneur. The constant shock hitting the system causes the economy to be in disequilibrium (Fumo & Jose, 2011). Further evidence is that the economic agents are ignorant of additional information available (Johnson, 2005). The entrepreneur explores new opportunities to eliminate ignorance and move the economy to an equilibrium state whereby no more information can be discovered (Okello, 2010).

According to Kirzner, entrepreneurial progress depends on innovative individuals who take risks in the business arena. He identifies disequilibrium in markets that entrepreneurs can correct by producing goods and facilitating exchanges to restore equilibrium (Vaughn, 1992). Kirzner believes a new venture may initially operate at a loss before reaching the break-even point where revenue covers costs. Due to uncertainties in the business environment, profits are speculative for entrepreneurs. Thus, entrepreneurship requires risk-taking (Vaughn, 1992). Kirzner argues that extraordinary effort is needed to achieve success as an entrepreneur. Therefore, the performance of youth-owned enterprises likely depends on market forces of supply and demand that generate equilibrium and disequilibrium. Uncertainties in the economic environment also shape performance and factors like entrepreneurs' demographics, training, capital sources, and market research.

2.11 Conceptual Framework

The conceptual framework illustrates the study's conceptualisation which assumes that socio-demographic characteristics (age, gender, number of years of schooling completed and background in entrepreneurship), type of training (Entrepreneurship, Managerial, and marketing training), type of market research (Formal, informal and no research) and source of business finance (Own savings, commercial loans, youth-targeted financial services, for instance, YEDF, borrowing from friends and relatives) have a significant direct influence on the performance of youth-owned enterprises in Nakuru Municipality. The intervening variable was the legal requirements associated with business, which the study postulated did not directly affect the relationship between the independent and dependent variables of the study. In Figure 2.1, the independent variables, socio-demographic factors, entrepreneurship skills, market research, and sources of business capital have been hypothesized to influence youth-owned enterprises' performance directly. Figure 2.1 shows the conceptual framework of the study.

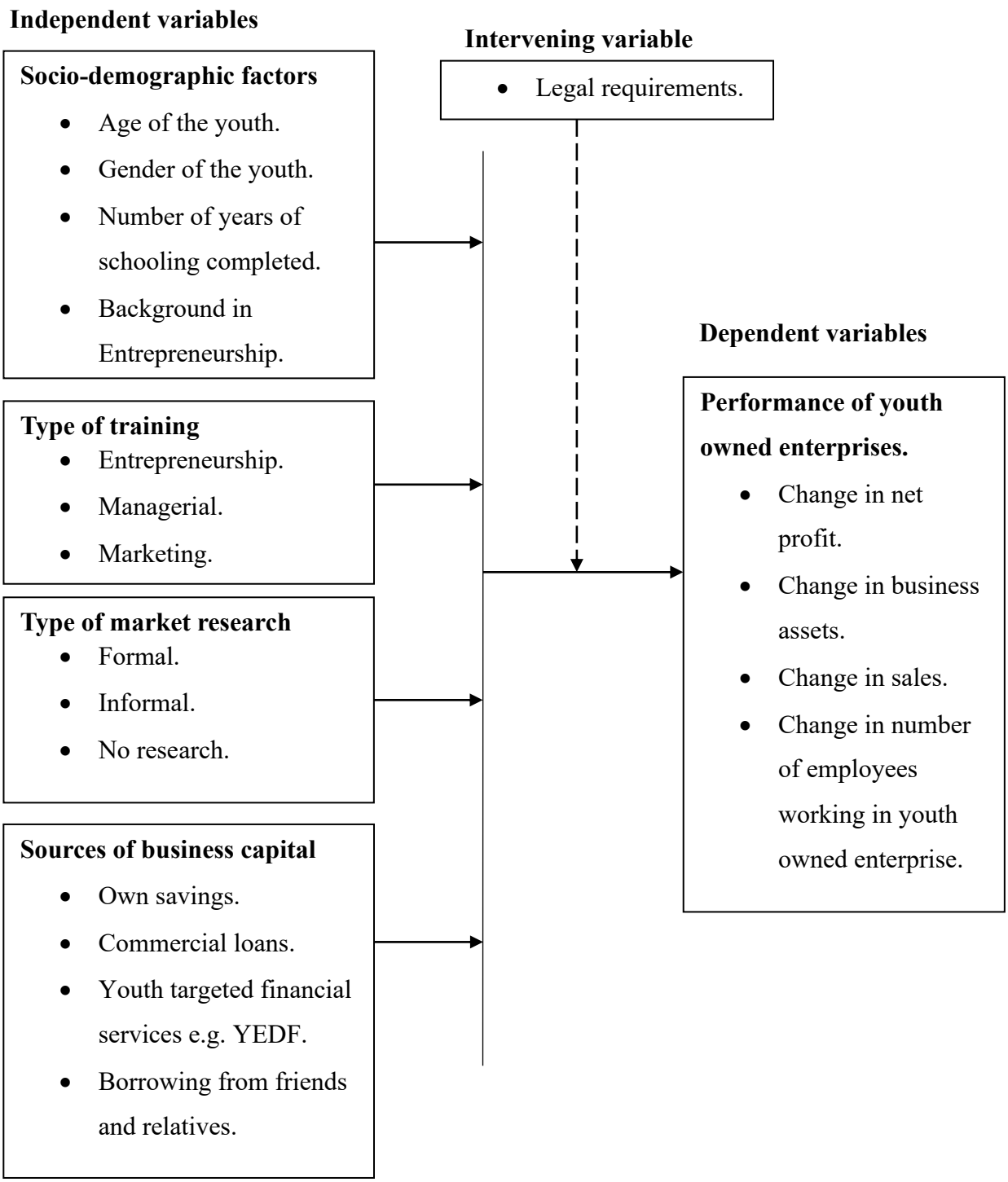

Figure 2.1: *Relationship Between Independent and Dependent Variables of the Study*

CHAPTER THREE
RESEARCH METHODOLOGY

3.1 Introduction

This chapter describes the procedures used to determine the factors determining the performance of youth-owned enterprises in Nakuru Municipality, Kenya. The research design, area of the study population, sampling procedures and sample size, instrumentation, validity and reliability of research instruments, data collection, and data analysis procedures are presented in this section.

3.2 Research Design

This study adopted a predictive correlational research design. The design was suitable since the study sought to identify predictive relationships between the independent and dependent variables. According to Mugenda and Mugenda (2003) and Mertler and Charles (2005), correlational research seeks to answer questions concerning the relationship between the independent and dependent variables of the study. The research design was appropriate in determining the predictive relationship between independent variables (socio-demographic factors, sources of business capital, type of training and type of market research) and dependent variables (performance of youth-owned enterprises).

3.3 Study Area

The study was conducted in Nakuru Municipality of Nakuru County, Kenya. Nakuru Municipality, located in Nakuru County, is the centre of Kenya's Rift Valley region. As the largest urban area between Nairobi, Kisumu, Eldoret, Kericho, and other major towns, Nakuru serves as a key transportation and commercial hub. The municipality hosts a thriving small business sector, with many micro and small enterprises operating across industries like retail, hospitality, manufacturing, and professional services. Compared to rural parts of the county, Nakuru Municipality provides greater market access, business support services, and opportunities for youth entrepreneurs to launch and grow new enterprises. However, high competition and saturation in certain sectors pose challenges. Given Nakuru's strategic importance for county and regional economic development, understanding the factors influencing the success of youth-owned enterprises in the municipality provides key insights needed to foster growth in this sector. The lessons learned can potentially be applied to strengthen youth entrepreneurship in other urban centres across Kenya. Nakuru Municipality is made up of 29 estates. The study focused on five selected estates: Ronda, CBD, Kaptembwo, Lanet and Shabab. According to statistics from the County Council of Nakuru (2017), five specific estates - Ronda, Central Business District (CBD), Kaptembwo, Lanet

and Shabab - collectively host 25% (2,076) of all youth-owned enterprises registered within the municipality's 29 estates.

The selection of these five estates was based on their high representation of the target population of youth entrepreneurs operating micro and small enterprises across diverse sectors like retail, services, and manufacturing. The CBD and its surrounding higher-density areas of Kaptembwo and Shabab were chosen due to the large number of enterprises concentrated there and the entrepreneurship opportunities available in commercial hubs. The outlying estates of Ronda and Lanet were included to capture the perspectives of youth entrepreneurs operating in semi-urban and residential areas, which may face different challenges compared to those in the city centre.

By focusing on these five estates that constitute a sizeable subset (25%) of the overall population spread across Nakuru's urban, semi-urban and residential localities, the study aimed to enhance population validity and ensure adequate representation of youth entrepreneurs from varied settings within the municipality's boundaries. The insights gathered have the potential to inform policies and initiatives for strengthening youth entrepreneurship across Nakuru.

3.4 Population of the Study

The target population of this study was all the youth enterprises in 29 estates of Nakuru Municipality. The target population was 8312 youth-owned enterprises in Nakuru Municipality registered with the County Council of Nakuru (County Council of Nakuru, 2017). According to the County Council of Nakuru (2017), Ronda, CBD, Kaptembwo, Lanet and Shabab host many youth-owned enterprises (2,076). In addition, it hosts diverse youth enterprises, including electronic shops, barbershops, manufacturing, food and beverage restaurants, boutique shops, and grocery shops, among others. Table 3.1 shows the population of youth-owned enterprises operating in Ronda, CBD, Kaptembwo, Lanet and Shabab based on the type of enterprise.

Table 3.1

The Population of Youth-owned Enterprises Operating in Nakuru Municipality

Estate	Type of enterprise	Number of enterprises
Ronda	Trading	212
	Service	65
	Manufacturing	2
	Sub-total	**279**
CBD	Trading	467
	Service	152
	Manufacturing	0
	Sub-total	**619**
Kaptembwo	Trading	372
	Service	130
	Manufacturing	7
	Sub-total	**509**
Lanet	Trading	130
	Service	56
	Manufacturing	2
	Sub-total	188
Shabab	Trading	402
	Service	76
	Manufacturing	3
	Sub-total	481
	Total	**2076**

Source: Nakuru County Council (2017)

3.5 Sampling Procedure

Five estates within the municipality were purposefully selected based on the accessibility and proximity to the Central Business District: The Central Business District (CBD), two estates from the surrounding area and two from the outskirts of the town. The two estates are from the surrounding (Katembwo and Shabab), and two are from the town's outskirts (Ronda and Lanet). To get a proportionate representation of the population in the five estates, Proportionate stratified random sampling was adopted, as shown in Table 3.2, since it allows for a comparable representative sample selection. To ensure each youth enterprise had an equal chance of being selected, the researcher randomly selected one youth enterprise from a group of youth enterprises within an area factoring in the type of business.

3.6 Sample Size

One hundred forty-five youth-owned enterprises were selected proportionately from the estates as the sample size. This sample size of 145 participants from the 2,076 youth enterprises was arrived at using the formula by Creswell (2007), as shown below:

$$n = \frac{NC^2}{C^2 + (N-1)^{e2}}$$

Where n = Sample size, N = Population, C = Coefficient of variation, and e = Standard error.

C=25% is acceptable according to Creswell (2007) e = 0.02 and N=2,076

$$n = \frac{2076 \times 0.25^2}{0.25^2 + (2076-1)0.02^2} = \frac{129.75}{0.8925} = 145$$

Table 3.2

Sample Size Distribution

Estate	**Type of enterprise**	**Number of enterprises**	**Sample size**
Ronda	Trading	212	15
	Service	65	5
	Manufacturing	2	0
	Sub-total	**279**	**19**
CBD	Trading	467	33
	Service	152	11
	Manufacturing	0	0
	Sub-total	**619**	**43**
Kaptembwo	Trading	372	26
	Service	130	9
	Manufacturing	7	0
	Sub-total	**509**	**36**
Lanet	Trading	130	9
	Service	56	4
	Manufacturing	2	0
	Sub-total	**188**	**13**
Shabab	Trading	402	28
	Service	76	5
	Manufacturing	3	0
	Sub-total	481	34
	Total	**2076**	**145**

3.7 Data Collection Instruments

Closed-ended questionnaire was used to elicit the data from the youth owning the enterprises at the place of their respective enterprises. The questionnaire was selected because it provides high data standardization and the adoption of generalized information amongst any population (Chandran et al., 2021). The questionnaire was divided into two parts; Part A captures the Socio-demographic information of respondents, and Part II addresses the responses based on the study's objectives (Appendix 1).

3.8 Validity of the Research Instrument

Validity can be defined as the degree to which a test measures what it is supposed to measure (Porter, 2010). The researcher developed the questionnaire in line with the study's objectives and with assistance from the supervisors and research experts to help improve the instrument's content validity.

3.9 Reliability of Research Instrument

Reliability refers to the extent to which an instrument consistently measures what it intends to measure (Porter, 2010). The reliability of the research instrument was tested through a pilot study with 20 respondents in Njoro Town who were excluded from the final sample. Conducting a pilot study assists in refining the data collection items (Orodho, 2003). Cronbach's alpha coefficient was calculated to assess the internal reliability of the questionnaire items related to business capital sources and enterprise performance. Cronbach's alpha measures scale or test items' internal consistency and accuracy (Mugenda & Mugenda, 2003). The Cronbach's alpha for this research instrument was 0.769, exceeding the minimum threshold of 0.7. This suggests adequate internal reliability of the questionnaire for assessing the key constructs in this study.

3.10 Data Collection Procedure

The researcher obtained an introductory letter from the board of postgraduate studies, research ethical clearance from the Egerton University ethics committee and a research permit from the National Commission for Science, Technology, and Innovation (NACOSTI). Permission was sought from the Nakuru County's department of education office. The researcher requested the respondents to complete the questionnaire within one day, and then the filled questionnaire was collected upon completion the following day at their business premises.

3.11 Data Analysis

Both SPSS (Version 28) and STATA (Version 17) software programs were utilized for data analysis in this study. SPSS was employed for data cleaning, processing and

preliminary descriptive analysis due to its user-friendly interface and visualization capabilities. However, for the inferential statistics and econometric modelling aspects of the analysis, STATA was preferred due to its specialized capabilities. STATA is renowned for its robust performance in regression analysis, hypothesis testing and other advanced statistical techniques commonly used in economic and social science research.

This was done using both descriptive and inferential statistics. Descriptive statistics, frequencies, means, percentages and standard deviation (SD) were generated to describe various attributes of the variables under study. Inferential statistics include Pearson moment coefficient correlation, Chi-square tests and multiple linear regression. Data will be analysed to provide the distribution of youth entrepreneurs owning single versus multiple enterprises. Chi-square tests will be used to test if there is a significant association between gender and multiple enterprise ownership. Multiple regression analysis was used to test the hypotheses at a significant level of $\alpha = 0.05$. To enter the study's independent and dependent variables into the regression model, categorical variables with yes and no choices were coded as dummy variables (1 = yes and 0 = no).

The continuous data for the independent variables, which was used in the regression model, was derived from the average scores of the responses for each variable. Similarly, the data for the dependent variable, which is the performance of youth-owned enterprises, was derived from a combined average score of the responses for each sub-variable. This process of deriving data ensures that the regression model is based on representative values for both the independent and dependent variables.

3.11.1 Multiple Regression Model Equation

The following multiple regression model is specified for the study:

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \ldots + \beta_n X_n + \varepsilon \quad \ldots\ldots 3.1$$

Where Y = Dependent variable (Performance of youth-owned enterprises)

α = Constant

β_1- β_n = Regression coefficients

X_1 - X_n= Independent variables

ε = error term

Objective one

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \varepsilon \quad \ldots\ldots 3.2$$

Where Y = Performance of youth-owned enterprises

α = Constant

β_1-β_4 = Regression coefficients

X_1 = Age of the youth

X_2 = Gender of the youth

X_3 = Education level of the youth

X_4 = Background in Entrepreneurship

ε = error term

Objective two

$Y = \alpha + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \varepsilon$……...……3.3

Where Y = Performance of youth-owned enterprises

α = Constant

β_1-β_3 = Regression coefficients

X_1 = Entrepreneurship training

X_2 = Managerial training

X_3 = Marketing training

ε = error term

Objective three

$Y = \alpha + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \varepsilon$……...……3.4

Where Y = Performance of youth-owned enterprises

α = Constant

β_1-β_3 = Regression coefficients

X_1 = Informal research

X_2= Formal research

X_3= No research

ε = error term

Objective four

$Y = \alpha + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4 + \varepsilon$……...……3.5

Where Y = Performance of youth-owned enterprises

α = Constant

β_1-β_4 = Regression coefficients

X_1 = Own savings

X_2 = Commercial loans

X_3 = Youth-targeted financial services, e.g., YEDF and UWEZO fund

X_4 = Borrowing from friends and relatives

ε = error term

3.12 Ethical Considerations

This study adhered to the ethical principles outlined by the Egerton University Ethics Review Committee. Prior to data collection, the research proposal underwent an ethical review process by the committee to ensure it aligned with institutionally approved ethical guidelines and addressed potential risks. Upon receiving ethical approval, the researcher proceeded to obtain a research permit from the National Commission for Science, Technology and Innovation (NACOSTI), as mandated by the regulatory framework governing research activities in Kenya. Further permission was also sought from relevant county government authorities before conducting the study within Nakuru Municipality.

Upholding ethical conduct, the researcher ensured voluntary participation by clearly explaining the study's purpose to respondents and assuring confidentiality. No respondents were coerced, and all data was securely handled to protect privacy. The research findings will be disseminated through appropriate scholarly channels while maintaining the anonymity of the participants.

CHAPTER FOUR
RESULTS AND DISCUSSION

This chapter presents analysed data and its interpretations. The study's main objective was to establish the influence of socio-demographic factors, sources of business capital, type of training, and type of market research on the performance of youth-owned enterprises in Nakuru Municipality, Kenya. Data was analysed and presented in the form of tables and graphs. Descriptive statistics comprise frequencies, percentages, minimums, maximums, means, standard deviations, and chi-squares, while inferential statistics include Pearson moment coefficient correlations and multiple linear regressions. In order to use categorical data in multiple regression analysis, a technique called "dummy coding" or "indicator variable coding" was employed. This process involved transforming categorical variables like gender, among other categorical variables, into a series of binary (0 or 1) variables that were included as independent variables in the regression model.

4.2 Questionnaire Return Rate

In Nakuru Municipality, the study targeted 145 respondents across five estates (Ronda, CBD, Kaptembwo, Lanet and Shabab). An excellent response rate of 100% was achieved, with all 145 questionnaires returned fully completed. According to Kline (2017), a response rate of over 70% is considered excellent for the representativeness and adequacy of data analysis. The 100% response rate in this study ensures the sample is highly representative of the target population across the selected estates.

4.1 Social-demographic Factors of the Respondents

The study analysed the respondents' social-demographic factors, including age, gender, number of years of schooling, number of businesses owned, business-related training and type of training. The majority (55.9%) of the youth entrepreneurs in Nakuru municipality were male, compared to 44.1% who were female. These findings further indicate that men were more actively involved in entrepreneurship than their female counterparts in Nakuru municipality. Most (90.10%) of the entrepreneurs in Nakuru municipality owned one business enterprise compared to the 9.9% who owned more than one business enterprise.

4.1.1 Distribution of Youth Entrepreneurs by Age

In this section, the distribution of youth entrepreneurs was analysed based on their age. The aim was to gain a comprehensive understanding of how youth entrepreneurs were distributed across different age groups and to uncover patterns and trends that shed light on

the varying levels of participation and engagement in entrepreneurship within specific age brackets. The results presented in Table 4.1 were examined to facilitate this analysis.

Table 4.1

Percentage Distribution of Youth Entrepreneurs by Age

Age	Frequency	Percent
24-26 years	1	0.7
27-29 years	25	17.2
30-32 years	56	38.6
33-35 years	63	43.4
Total	**145**	**100.0**

The results in Table 4.1 indicate that 43.4% of youth entrepreneurs in Nakuru municipality were aged between 33 to 35 years, 8.6% were between 30 and 32 years, 17.2% were between 27 and 29 years, and 0.7% were between 24 and 26 years. The results reveal that the majority (82%) of youth entrepreneurs owning a business in Nakuru municipality were aged between 30 to 35 years. These findings provide important insights into the age distribution of youth entrepreneurship engagement in Nakuru County. The results indicate that the early to mid-30s appear to be the peak age range for youth entrepreneurs to own and operate enterprises in Nakuru municipality. In contrast, engagement in youth entrepreneurship declines considerably for those in their late 20s and is nearly negligible for those aged 24-26 years.

This skewed age distribution has implications for understanding the evolution of youth entrepreneurship over the life course. The low participation in the early 20s suggests many youths may lack the skills, resources, experience or motivation to launch enterprises straight out of schooling. However, engagement rises substantially in the late 20s to mid-30s, indicating this is when many youth accumulate the capabilities and opportunities to establish businesses. The narrow peak age range implies that for youth entrepreneurs in Nakuru, there may be a relatively short window of optimal conditions or preferences for owning enterprises.

These insights can inform policies and programs aimed at stimulating youth entrepreneurship engagement across more age brackets. Special efforts may be needed to provide early training, mentorship and start-up support to young adults in their early-to-mid 20s to boost enterprise creation. Furthermore, research is warranted to uncover why engagement drops off after the mid-30s in order to extend the productive entrepreneurship window.

4.1.2 Distribution of Respondents by the Number of Years of Schooling

In this section, the distribution of respondents based on the number of years of schooling was analysed to gain insights into their educational backgrounds. The objective was to comprehensively understand how respondents were distributed across different categories according to their years of schooling. By examining the results presented in Table 4.2, valuable information on respondents' years of schooling was obtained regarding the percentage distribution and educational attainment levels within the study population. Understanding the educational levels of the respondents is crucial in assessing their knowledge, skills, and qualifications, which can have implications for their participation in various activities, including entrepreneurship.

Table 4.2

Percentage Distribution of Respondents by the Number of Years of Schooling

Number of years of schooling	Frequency	Percent
6-10 years	12	8.3
11-15 years	109	75.2
16-21 years	24	16.6
Total	**145**	**100.0**

The results in Table 4.2 indicate that the majority (75.2%) of youth entrepreneurs owning enterprises in Nakuru Municipality had 11-15 years of schooling. This suggests most respondents attained a secondary school education up to the Kenya Certificate of Secondary Education (KCSE), which typically requires 12 years of schooling. A proportion of 16.6% had even higher educational attainment of 16-21 years, indicating university-level qualifications. Only a small share (8.3%) had minimal formal education of 6-10 years.

This educational attainment profile has important implications. The predominance of secondary school-level education points to adequate basic education being an important foundation for youth entrepreneurship engagement in Nakuru. However, the modest proportion with university-level training (16-21 years) suggests there may be constraints for highly educated youth to establish enterprises.

One explanation may be that tertiary graduates have greater access to formal wage employment, reducing incentives for entrepreneurship. Additionally, the costs and risk of starting enterprises may seem less feasible for university graduates, especially if they lack targeted training in entrepreneurial skills. Nevertheless, the participation of highly educated

youth underscores that entrepreneurship is an alternative career pathway at all education levels.

These findings demonstrate that secondary-level schooling provides a sufficient basis for acquiring basic skills and knowledge to operate youth enterprises in Nakuru Municipality. Tailored entrepreneurship education and training programs in secondary school and higher education institutions could help more youth translate education into business ownership. Support programs should ensure youth at all education levels can overcome start-up hurdles.

4.1.3 Gender by Ownership of More Than One Business Enterprise

In this section, the distribution of gender in relation to the ownership of multiple business enterprises was analysed. The analysis focused on the findings presented in Figure 4.1, which provided insights into the distribution of gender among individuals who owned more than one business. The aim was to understand the representation and participation of different genders in multiple business ownership, as observed in the past. By exploring this distribution, past trends and patterns were identified, providing valuable information for understanding gender dynamics and entrepreneurial activities in relation to multiple business ownership.

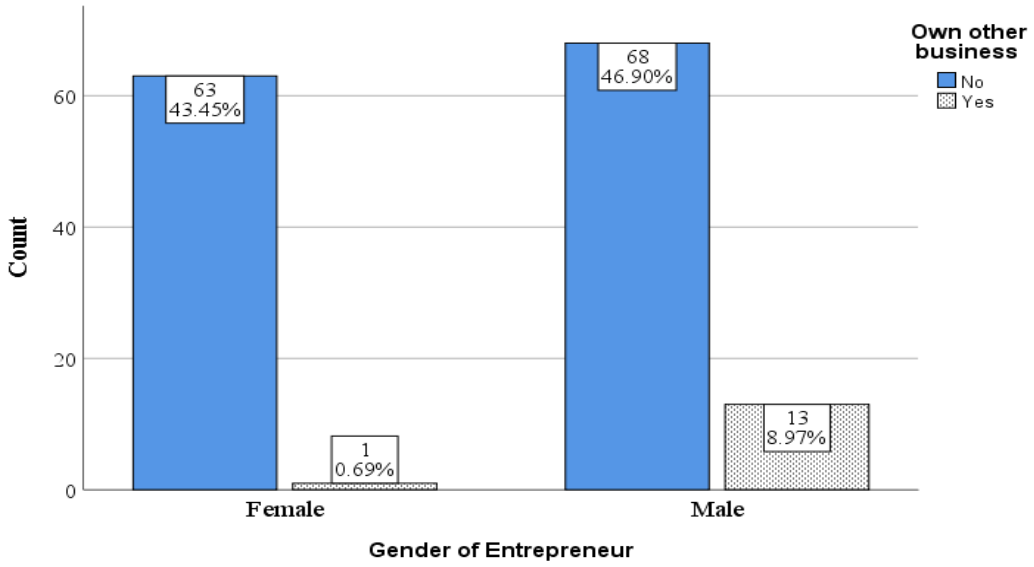

Figure 4.1: *Gender by Ownership of More Than One Business Enterprise*

Regarding the percentage distribution of any other business owned and the gender of the youth entrepreneur, the study's outcome in figure 4.1 shows that the majority (90.35%) of youth entrepreneurs in Nakuru Municipality operated one business enterprise. In comparison, a smaller proportion of 9.655% owned more than one business. Specifically, 46.9% of male youth entrepreneurs owned one business enterprise, while 8.97% of male youth entrepreneurs owned more than one business in Nakuru Municipality. This implies that most youth

entrepreneurs focused on a single enterprise, while a subset owned multiple businesses in Nakuru municipality.

The results from Figure 4.1 provide important insights into the business ownership patterns among youth entrepreneurs in Nakuru Municipality. The predominance of single business ownership, with 90.35% of youth operating one enterprise, aligns with expectations. Managing multiple enterprises concurrently can present significant challenges for youth entrepreneurs, who often lack extensive business experience and skills (Kabonga et al., 2021). However, the modest proportion of youth entrepreneurs who owned more than one business, at 9.655%, points to an important segment exhibiting more advanced entrepreneurial activity in the region. This group indicates that some ambitious youth are able to run multiple enterprises successfully and simultaneously in Nakuru.

Furthermore, the results revealed noticeable gender differences, with higher multi-business ownership among male entrepreneurs at 8.97% compared to just 0.69% for females. This discrepancy suggests potential disparities in the entrepreneurial engagement and growth orientation of male and female youth entrepreneurs that warrant further investigation through qualitative research. Gender norms, family obligations, and access to resources may contribute to fewer female youth managing multiple enterprises. These business ownership patterns provide valuable insights into the current entrepreneurial landscape and growth ambitions of youth-owned enterprises in Nakuru Municipality. The predominance of single business ownership reflects the challenges many youth entrepreneurs face in making the leap to operating multiple enterprises. However, the segment with multiple businesses demonstrates the potential for some youth to succeed as serial entrepreneurs in the region. The findings can inform policies and programs aimed at nurturing advanced entrepreneurial skills and providing tailored support across gender lines.

4.1.4 Chi-Square Test Results on Gender by Ownership of Any Other Business

Table 4.3 presents the results of the Chi-Square test conducted to analyse the relationship between gender and ownership of any other business. The test aimed to determine if there was a significant association between these variables. These results provide important insights by indicating a significant relationship exists between gender and ownership of multiple businesses among youth entrepreneurs in Nakuru Municipality.

Table 4.3

Chi-Square Test Results on Gender by Ownership of Any Other Business

	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	8.602	1	0.003
N of Valid Cases	145		

The results revealed that ownership of more than one business among youth entrepreneurs significantly varied among different gender, where the male was more likely to own more businesses than the female in Nakuru municipality (X^2 (df=1, N = 145) = 8.602, p < 0.05). Therefore, gender among youth entrepreneurs significantly influences the ownership of more than one business enterprise in Nakuru municipality. The results suggest gender plays an influential role in determining the propensity for multi-business ownership among youth entrepreneurs in the region. The test results shed light on potential gender disparities in entrepreneurial engagement and growth ambitions. The findings can inform policies and programs aimed at supporting female youth entrepreneurs to scale their operations through multiple ventures at rates comparable to their male peers. This is consistent with the findings of Mwangi (2020), who did a study on "Credit, Entrepreneurship Training and Performance of Micro and Small Enterprises in Nakuru County, Kenya", and found there was a significant link between gender and access to credit.

4.1.5 Chi-Square Tests for Business-related Training by Type of Training

This section examined the relationship between business-related training and the type of training received by youth entrepreneurs using SPSS statistical software. The aim was to understand the association between different types of training and the specific business-related skills acquired by youth entrepreneurs. Exploring this relationship provided insights into the effectiveness and relevance of various types of training in developing entrepreneurial competencies among the youth. Figure 4.2 indicates the relationship between business-related training and the type of Training the youth entrepreneur received.

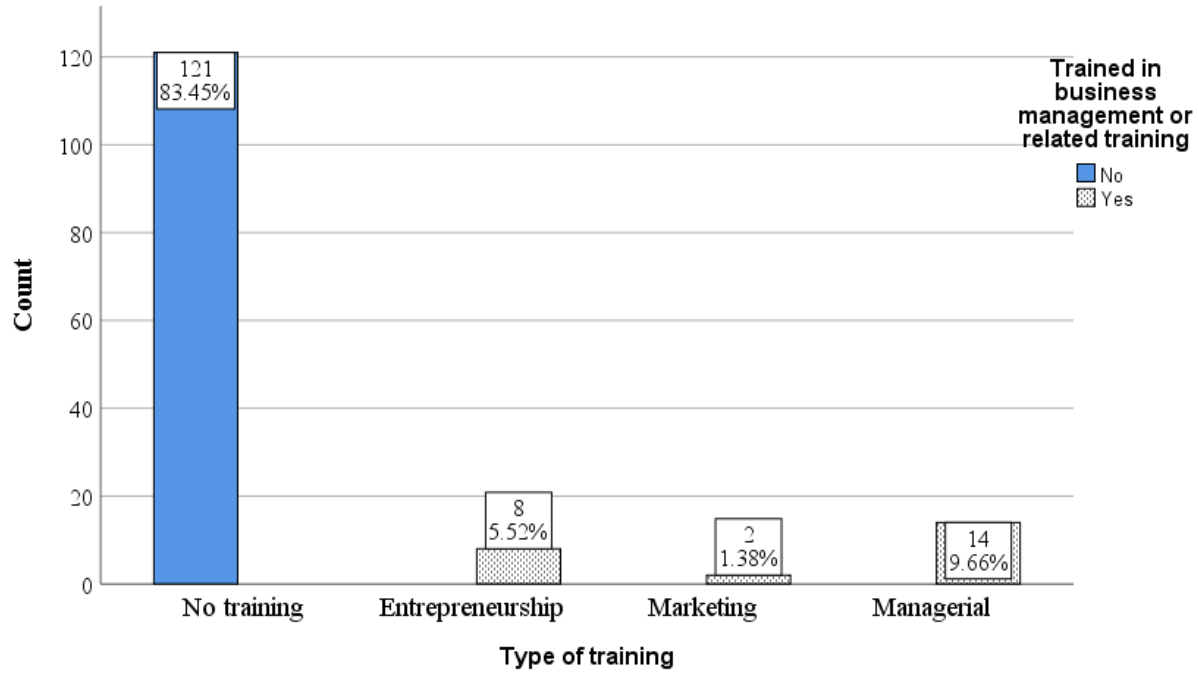

Figure 4.2: *Business-Related Training by Type of Training*

The study's outcome indicates that 83.45% of the youth entrepreneurs had not been trained in business management or business-related training. In contrast, 5.52%, 1.38%, and 9.66% had been trained in entrepreneurship, marketing and managerial, respectively (Figure 4.2). This implies that two in ten youth entrepreneurs owning business enterprises in Nakuru municipality had been trained on a business-related topic. This could have contributed to the closure of several youth-owned enterprises.

4.1.6 Results of Chi-Square Tests for Business-Related Training by Training Type

Table 4.4 presents the Chi-Square test results conducted to analyse the relationship between business-related training and the type of training received. The Chi-Square test aimed to determine if there was a significant association between these variables. The Chi-Square test results on business-related training by type of training are presented in Table 4.4.

Table 4.4

Results of Chi-Square Tests for Business-Related Training by Training Type

	Value	Df	Asymptotic Significance (2-sided)
Pearson Chi-Square	32.667	2	0.000
N of Valid Cases	24		

The results show that the training of youth entrepreneurs in business management significantly varied from the training the youth entrepreneurs received in Nakuru municipality (X^2 (df = 3, N = 24) = 32.667, $p < 0.05$). Therefore, the training of youth entrepreneurs was significant, depending on the type of training they received.

4.2 Business Characteristics

The study analysed the business characteristics, including business permit payment, frequency of stock-taking by youth entrepreneurs, number of employees, years in operation, market research, type of market research and loan access. The analysis of these business characteristics provides valuable insights into the operational aspects, market orientation, and financial dynamics of youth-owned enterprises in Nakuru Municipality.

4.2.1 Frequency of Stock-Taking by Youth Entrepreneurs

The frequency of stock-taking by youth entrepreneurs was examined in this section. The analysis focused on the findings presented in Table 4.5, which showed the percentage distribution of stock-taking frequency among youth entrepreneurs in the past. The aim was to understand how frequently youth entrepreneurs conducted stock-taking activities in their businesses. Understanding the frequency of stock-taking is crucial as it directly influences inventory control, decision-making, and business performance.

Table 4.5

Percentage Distribution of Stock-Taking Frequency by Youth Entrepreneurs

Stock taking frequency	Frequency	Percent
Daily	1	0.7
Monthly	86	59.3
Quarterly	40	27.6
Weekly	18	12.4
Total	**145**	**100.0**

The results show that 59.3% of youth entrepreneurs conducted regular stocktaking on a monthly basis. Meanwhile, 27.6% carried out stocktaking quarterly, 12.5% weekly, and only 0.75% performed stocktaking daily. This indicates that while some youth entrepreneurs engaged in frequent, regular stocktaking, the majority only conducted annual stocktaking activities. This further implies that a few youth entrepreneurs were actively monitoring and managing their inventory more frequently despite the importance of regular stock-taking, which enables entrepreneurs to maintain accurate inventory records, identify potential stock shortages or surpluses, and make informed decisions regarding procurement, production, and sales. The failure of the majority of youth entrepreneurs to conduct daily stock-taking results in a lack of timely information on how well a product is performing against others, which eventually results in higher holding costs brought about by stocking too much of a product and the risk of holding dead stock.

4.2.2 Distribution of Business Permit Payments by Total Annual Payment

This section examined the distribution of business permit payments by the total amount paid annually. The analysis focused on the findings presented in Table 4.6, which illustrate the percentage distribution of business permit payments based on different payment ranges. The objective is to understand how business permit payments are distributed across various annual payment categories. By exploring this distribution, insights could be gained into the financial burden placed on businesses and the variations in payment amounts. The predominance of younger enterprises implies policies may be needed to support newly established youth-owned businesses to survive beyond five years. Table 4.6 shows the percentage distribution of business permit payments by the total amount paid annually.

Table 4.6

Percentage Distribution of Business Permit Payment by Total Annual Payment

The total amount paid annually (KES)	Frequency	Percent
4000 – 6000	63	43.4
7000 – 9000	71	49.0
10000 – 12000	8	5.5
13000 – 15000	3	2.1
Total	**145**	**100.0**

Most (49%) smallholder youth entrepreneurs owning business enterprises in Nakuru municipality paid a total of Kenya shillings 7,000 to 9,000 annually for business (Table 4.6). 43.4% paid KES 4000 – 6000, 5.5% paid KES 10,000 – 12,000, and 2.1% paid 13000 – 15000 annually as business permit payment**.** The county government of Nakuru charges a different amount for a business permit based on the type of business, hence the variance in the total amount paid annually for the business permit by youth entrepreneurs in Nakuru Municipality.

4.2.3 Distribution of the Number of Employees by Youth-Owned Enterprise

This section analysed the distribution of the number of employees within youth-owned enterprises. The analysis focused on the findings presented in Table 4.7, which displayed the percentage distribution of the number of employees in youth-owned enterprises in the past. The aim was to gain insights into the composition and size of the workforce employed by these enterprises. By exploring this distribution, past trends and patterns were identified, providing valuable information about the employment scales prevalent among youth-owned businesses. This analysis may have had implications for understanding the job creation potential and growth dynamics of youth entrepreneurship in the past.

Table 4.7

Percentage Distribution of the Number of Employees by Youth-Owned Enterprise

Number of employees	Frequency	Percent
1 - 2 employees	115	79.3
3 - 4 employees	29	20.0
5 - 6 employees	1	0.7
Total	**145**	**100.0**

Most (79.3%) youth entrepreneurs owning business enterprises in Nakuru Municipality employed one to two employees in their business enterprises. 20% employed 3 - 4 employees and 0.7% employed 5 - 6 employees in their business enterprises (Table 4.7). This indicates that a significant portion of youth entrepreneurs operated small-scale businesses with a limited number of staff members. This could be attributed to the profitability and type of the business enterprises, which dictate the number of employees. Ozcan et al. (2017) stated that profitability is positively associated with the number of employees.

4.2.4 Distribution of Businesses by the Number of Years in Operation

In this section, the distribution of businesses based on the number of years they were in operation was analysed. The analysis focused on the findings presented in Table 4.8, which displayed the percentage distribution of businesses categorized by the number of years in operation in the past. The aim was to gain insights into the longevity and stability of businesses owned by youth entrepreneurs. By exploring percentage distribution of businesses by the number of years in operation, valuable information was identified about the maturity and sustainability of youth entrepreneurship ventures. This analysis had implications for understanding the challenges and opportunities faced by youth-owned businesses over time.

Table 4.8

Percentage Distribution of Businesses by the Number of Years in Operation

Number of years in operation	Frequency	Percent
3 - 5 years	86	59.3
6 - 8 years	50	34.5
9 - 11 years	8	5.5
12 - 14 years	1	0.7
Total	**145**	**100.0**

The majority (59.35) of youth-owned enterprises in Nakuru Municipality have been in operation for three to five years. 34.5% had operated for 6 - 8 years, 5.5% had operated for 9-11 years and 0.7% of the youth-owned enterprises had operated for 12 - 14 years (Table 4.5). This implies that most of the youth-owned enterprises in Nakuru municipality were in operation for less than eight years. This could be attributed to the high cost of running a

business within Nakuru municipality, which catapults the closures of businesses in less than eight years. According to Obebo et al. (2018), youth-owned enterprises close within a short period due to the high cost of running them.

4.2.5 Market Research by Market Research Type

This section examined the relationship between conducting market research and the type of market research done by youth entrepreneurs in Nakuru municipality. The analysis focused on the findings presented in Figure 4.3, which illustrated the distribution of market research types among youth entrepreneurs. Understanding the market research practices employed by youth entrepreneurs provided valuable insights into their decision-making processes and the strategies they adopted to gather information about their target markets. This analysis aimed to shed light on the different approaches used by youth entrepreneurs in conducting market research, which could have had implications for their business success and competitiveness. Figure 4.3 provides a visual representation of the relationship between conducting market research and the type of market research conducted by youth entrepreneurs. The figure presented the different types of market research and their corresponding proportions.

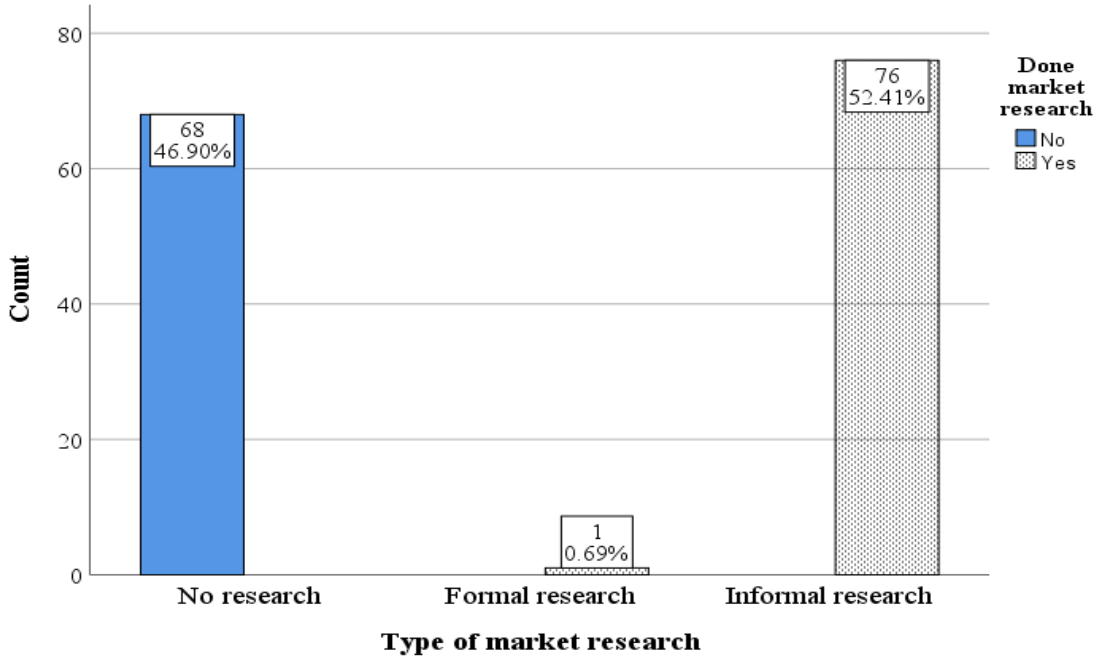

Figure 4.3: *Market Research by the Type of Market Research*

The results in Figure 4.3 provide insights into the market research practices of youth entrepreneurs in Nakuru Municipality. The findings show that slightly over half (53.1%) of youth entrepreneurs had conducted some form of market research related to operating their

business. This indicates that close to half of the youth entrepreneurs surveyed did not engage in any kind of market research.

Among those youth entrepreneurs who did conduct market research, the vast majority (52.41%) relied on informal methods. This could include seeking information through word-of-mouth, personal observations, or conversations with customers. In contrast, only a tiny fraction (0.69%) undertook formal market research involving more rigorous data collection and analysis.

The heavy reliance on informal research combined with the lack of participation in formal methods implies potential gaps in the market knowledge and strategic planning of many youth-owned enterprises. With 46.9% conducting no research and only 0.69% doing formal research, most youth entrepreneurs may be missing out on vital insights into competition, industry trends, and customer needs.

While informal research has its benefits, the lack of formal techniques could put many youth enterprises at a disadvantage. The minimal use of formal methods underscores the need for training and resources to enable more youth entrepreneurs to leverage formal research to make informed business decisions and boost competitiveness. Targeted support in market research could strengthen the performance and sustainability of youth-owned enterprises in Nakuru Municipality.

4.2.6 Descriptive Statistics of Access to Loans

In this section, the descriptive statistics of access to loans by youth entrepreneurs were presented. The analysis focused on the findings presented in Table 4.9, which illustrated the percentage distribution of access to loans among youth entrepreneurs. Understanding the access to loans among youth entrepreneurs provided valuable insights into their financial capabilities and the support they received for their small-scale business ventures, including retail shops, food kiosks, personal services, and light manufacturing. This analysis aimed to shed light on the proportion of youth entrepreneurs who had access to loans, which could have had implications for the growth and development of these small and micro-enterprises. Specifying the types of youth-owned ventures provides more context about the scale and nature of the businesses that may rely on external loans.

Table 4.9

Percentage Distribution of Access to Loans

	Frequency	Percent
No	52	35.9
Yes	93	64.1
Total	145	100.0

The results of the study indicate that 64.1% of them (93 youth entrepreneurs) had access to loans, while 35.9% (52 youth entrepreneurs) did not have access to loans (Table 9). This indicated that a majority of youth entrepreneurs were able to secure financial support through loans to fund their business activities and meet their financial needs, while a smaller proportion of youth entrepreneurs faced challenges in obtaining loans, potentially limiting their ability to invest in their businesses and expand their operations. However, while 64.1% of youth entrepreneurs had accessed loans, the amounts were often inadequate to expand their enterprises substantially. The high percentage with loan access implies reasonable credit availability, facilitating investment in business expansion.

4.2.7 Descriptive Statistics of the Entrepreneur's Own Savings

This section examined the descriptive statistics of the entrepreneur's savings as a capital source. The analysis focused on the findings in Table 4.10, which illustrated the descriptive statistics results of the entrepreneur's savings. The objective was to gain insights into entrepreneurs' use of personal savings and assess their adequacy in financing and expanding their enterprises. The analysis aimed to provide a comprehensive understanding of each variable's mean and standard deviation values, shedding light on the valuable information related to the entrepreneur's own savings as a source of capital.

Table 4.10

Descriptive Statistics Results of Entrepreneur Own Savings

Own savings	**Mean**	**SD.Dev.**	**Overall Mean**
We/I use our savings to finance the operations of the enterprise	0.94	0.229	0.6433
Our/My savings are adequate to finance and expand the enterprise	0.06	0.242	
We/I use money from table banking to finance my business	0.93	0.254	

The study results in table 4.10 show that the participants acknowledged that they use their savings to finance the operations of their enterprise (mean score of approximately one, denoting yes), with a standard deviation of 0.229. The participants in the study cited that their savings were inadequate to finance and expand the enterprise (mean score of approximately

zero, denoting no), specified by a standard deviation of 0.242. The participants in the study pointed out that they use money from table banking to finance their business (mean score of approximately one, denoting yes), with a standard deviation of 0.254. The overall mean score of the elements of own saving was 0.6433, implying that the majority of youth entrepreneurs in Nakuru municipality agreed on average with all the statements on own saving as the source of business capital. The descriptive statistics of the entrepreneur's own savings highlighted the importance of personal funds in financing the operations of the enterprises.

4.2.8 Descriptive Statistics of the Commercial Loan

In this section, the descriptive statistics results of commercial loans as a financing option are examined. The analysis focuses on the findings presented in Table 4.11, which illustrate the descriptive statistics of commercial loans. The objective was to gain insights into the accessibility, interest rates, and timeliness associated with commercial loans, as perceived by the entrepreneurs.

Table 4.11

Descriptive Statistics Results of Commercial Loan

Commercial loan	Mean	SD.Dev.	Overall Mean
I can access commercial loans whenever I/we need it without collaterals	0.63	0.485	0.47
Financial institutions charge favourable interest rates	0.02	0.143	
We/ I receive the commercial loan borrowed from financial institutions on time	0.76	0.429	

The study's results in table 4.11 show that the majority of the participants acknowledged that they could not access commercial loans whenever they needed them without collaterals (mean score of approximately one, denoting yes) with a standard deviation of 0.485. The participants in the study denied that financial institutions charge favourable interest rates (mean score of approximately zero, denoting no) with a standard deviation of 0.143. The participants in the study pointed out that they received the commercial loan borrowed from financial institutions on time (mean score of approximately one, denoting yes), with a standard deviation of 0.429. The overall mean score of the elements of the commercial loan was 0.47, implying that approximately the majority of youth entrepreneurs in Nakuru municipality did not agree on average with all the statements on commercial loans as a source of business capital.

The descriptive statistics results of commercial loans provided insights into the entrepreneurs' perceptions of accessibility, interest rates, and timeliness. The findings point

out the need for continuous efforts to enhance the availability and terms of commercial loans, ensuring that entrepreneurs have access to the necessary capital for their business endeavours.

4.2.9 Sources of Business Capital

This section examined the descriptive statistics results of youth-targeted financial services as a source of business capital. The analysis focused on the findings presented in Table 4.12, which illustrated the descriptive statistics of youth-targeted financial services. The aim was to gain insights into the utilization and influence of these services on enterprise expansion and operational support.

Table 4.12

Descriptive Statistics Results of Youth Targeted Financial Services

Youth-targeted financial services	Mean	SD.Dev.	Overall Mean
We / I benefited from Youth targeted financial services like the Youth Enterprise Development Fund	0.37	0.485	0.735
Youth-targeted financial services like YEDF have enhanced enterprise expansion	0.99	0.083	
The loan acquired from targeted financial services like YEDF and UWEZO Fund is adequate to run the operations of the enterprise	0.78	0.416	
A loan from targeted financial services is disbursed on time	0.80	0.401	

The study results in table 4.12 show that the majority of the participants did not benefit from youth-targeted financial services like Youth Enterprise Development Fund (mean score of approximately zero, denoting no) with a standard deviation of 0.485. The majority of the participants reported not benefiting from youth-targeted financial services. However, among the subset who had used these services, most agreed that the accessed financing had enhanced enterprise expansion (mean score of approximately one, denoting yes), with a standard deviation of 0.083. The participants in the study agreed that the loan acquired from targeted financial services like YEDF and UWEZO Fund was adequate to run the enterprise's operations (mean score of approximately one, denoting yes), with a standard deviation of 0.416. The overall mean score of the elements of the commercial loan was 0.735, implying that the majority of youth entrepreneurs in Nakuru municipality agreed on average with all the statements on youth-targeted financial services as the source of business capital. The results underscored the perceived benefits, impact on enterprise expansion, loan adequacy, and timeliness of loan disbursement (Table 4.12). These findings emphasized the importance of targeted financial services in supporting and empowering youth entrepreneurs in their business endeavours.

4.2.10 Borrowing from Friends

This section examined the descriptive statistics results of borrowing from friends as a source of financing for the enterprise. The descriptive statistics results of borrowing from friends shed light on the role of personal networks in financing the enterprise's operations. The findings were presented in Table 4.13, illustrating the mean and standard deviation values for three variables related to borrowing from friends.

Table 4.13

Descriptive Statistics Results of Borrowing from Friends

Borrowing from friends	Mean	SD.Dev.	Overall Mean
We/ I use the money borrowed from friends to finance the operations of the enterprise	0.93	0.254	0.637
Money borrowed from friends is adequate to finance the operations of the enterprise	0.05	0.215	
Money borrowed from friends has helped reduce the number of trade credits, hence creating confidence among the creditors	0.93	0.254	

The results of the study in Table 4.13 show that the participants agreed that they used money borrowed from friends to finance the operations of their enterprise (mean score of approximately one, denoting yes), with a standard deviation of 0.254. The participants in the study denied that money borrowed from friends is adequate to finance the enterprise's operations (mean score of approximately zero, denoting no) with a standard deviation of 0.215. The participants in the study acknowledged that money borrowed from friends has helped reduce the number of trade credits, hence creating confidence among the creditors (mean score of approximately zero, denoting no) with a standard deviation of 0.254. With an overall mean score of 0.637 for the borrowing from friends variables, the responses of most youth entrepreneurs in Nakuru municipality denoted endorsement and concurrence, on average, with the collective statements representing this source of business capital.

4.2.11 Performance of Youth-Owned Enterprises

In this section, the performance of youth-owned enterprises was analyzed based on several key indicators. 4.14 indicates the descriptive statistics performance of youth-owned enterprises results (Change in net profit, change in business assets, change in sales, and change in the number of employees).

Table 4.14

Descriptive Statistics Results of Performance of Youth-Owned Enterprises

Change in net Profit	Mean	Std. Dev.	Overall mean Per variable	Overall mean of performance
The net profit has been increasing since the start of the business	1.00	.000	0.65	0.64
The net profit has stabilized for the last three years	0.94	.242		
The net profit has been decreasing since the start of the business	0.01	.083		
Change in business assets				
The business assets have been increasing since the start of the business	1.00	.000	0.97	
Business assets are not sold to cover business liability	0.99	.117		
The business is acquiring more assets yearly	0.88	.323		
Business assets have decreased since the start of the business	1.00	.000		
Change in sales				
Sales have been increasing since the start of the business	1.00	.000	0.66	
The business is acquiring more stock for sale as compared to the previous years	0.99	.117		
Sales have decreased since the start of the business	0.00	.000		
Change in the number of employees				
The number of employees has been increasing since the start of the business	0.68	.467	0.29	
The number of employees has increased significantly compared to the previous years	0.46	.500		
The number of employees has been decreasing since the start of the business	0.00	.000		
The rate of employee turnover has increased over the years	0.03	.164		

In terms of change in net profit, the study's results in table 4.14 show that the participants in the study unanimously agreed that their business assets have been increasing since the start of the business (mean score of approximately one, denoting yes), with a standard deviation of 0.000. The participants in the study agreed that their net profit has stabilized for the last three years (mean score of approximately one, denoting yes), with a

standard deviation of 0.242. The participants in the study agreed that their business was acquiring more assets yearly (mean score of approximately one, denoting yes), with a standard deviation of 0.323. The overall mean score of the elements of change in net profit was 0.65, implying that the majority of youth entrepreneurs in Nakuru municipality agreed on average with all the statements on change in net profit as a measure of business performance.

In terms of Change in business assets, the study's results in Table 4.14 show that the participants in the study unanimously agreed that their net profit had been increasing since the start of their business (mean score of approximately one, denoting yes) with a standard deviation of 0.000. The participants in the study agreed that their business assets were not sold to cover business liability (mean score of approximately one, denoting yes), with a standard deviation of 0.117. The participants in the study denied that their net profit had been decreasing since the start of the business (mean score of approximately zero, denoting no), with a standard deviation of 0.083. The participants in the study unanimously agreed that their business assets have been decreasing since the start of the business (mean score of approximately one, denoting yes), with a standard deviation of 0.000. the overall mean score of the elements of change in business assets was 0.97, implying that the majority of youth entrepreneurs in Nakuru municipality agreed with all the statements on change in business assets as a measure of business performance.

In terms of Change in sales, the study's results in table 4.14 show that the participants in the study unanimously agreed that their sales have been increasing since the start of the business (mean score of one) with a standard deviation of 0.000. The study participants agreed that their business was acquiring more stock for sale compared to the previous years (mean score of approximately one, denoting yes), with a standard deviation of 0.117. The participants in the study unanimously agreed that their sales had been decreasing since the start of the business (mean score of zero), with a standard deviation of 0.000. The overall mean score of the elements of change in sales was 0.66, implying that most youth entrepreneurs in Nakuru municipality agreed with all the statements on change in sales as a measure of business performance.

In terms of Change in the number of employees, the results of the study in Table 4.14 show that the participants in the study agreed that their number of employees has been increasing since the start of the business (mean score of approximately one, denoting yes) with a standard deviation of 0.467. The participants in the study denied that their number of employees had increased significantly compared to the previous years (mean score of approximately zero, denoting no), with a standard deviation of 0.500. subsequently, the

majority (54.5) cited no, and 45.5% cited no. the participants in the study unanimously denied that their number of employees was decreasing since the start of the business (mean score of 0) with a standard deviation of 0.000. The participants in the study denied that the rate of employee turnover has increased over the years (mean score of approximately zero, denoting no), with a standard deviation of 0.164. The overall mean score of the elements of change in the number of employees was 0.29, implying that the majority of youth entrepreneurs in Nakuru municipality disagreed on average with all the statements on change in the number of employees as a measure of business performance. The overall mean of performance was 0.64, implying that the respondents agreed (mean score of approximately one) with all the statements of sub-variables (Change in net profit, change in business assets, change in sales, and change in the number of employees) used to measure performance.

4.3 Preliminary Tests for Linear Regression Assumptions

The continuous data for the independent variables fitted into the regression model were obtained through the mean score of the responses per variable. In contrast, the data for the dependent variable was obtained through a composite mean score of sub-variables. The multiple linear regression analysis was used as the primary analysis technique to test the study's hypotheses. Multiple regression is based on correlation, allowing a set of variables to predict a particular outcome. Knief and Forstmeier (2021) stated that it is necessary to test for the underlying assumptions, which include linearity, autocorrelation, heteroscedasticity, homoscedasticity, normality of the scores, and multicollinearity between independent and dependent variables before performing multiple linear regression analysis. This study tested normality, multi-collinearity, heteroscedasticity, autocorrelation, homoscedasticity, outliers, and linearity.

4.3.1 Test for Normality

Normality is the shape of the data. Therefore, the P-P Normal Plot was used to test the normality of continuous data for the independent variables, obtained through the mean score of the responses per variable. In contrast, the data for the dependent variable was obtained through a composite mean score of sub-variables. Figure 4.4 shows the P-P Normal Plot of the performance variable.

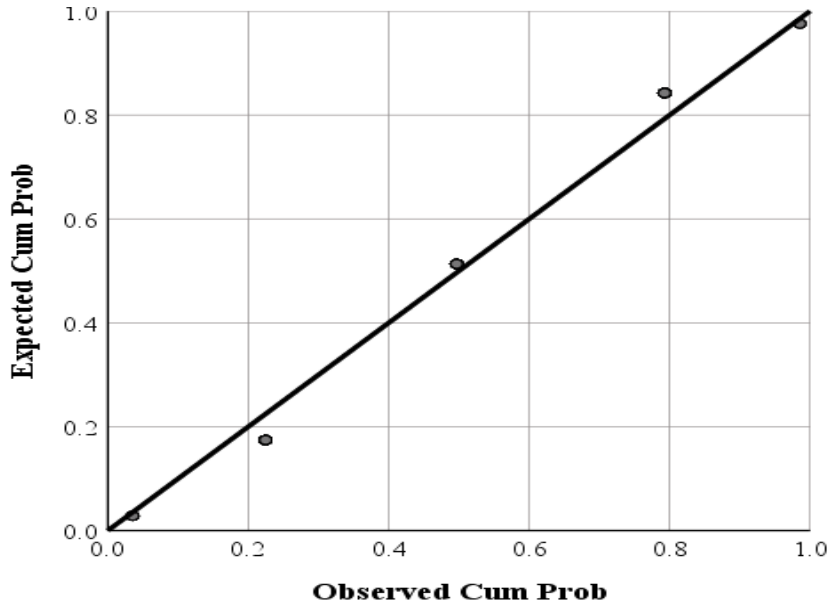

Figure 4.4: *P-P Normal Plot of the Performance*

The results in Figure 4.4 show that the points in the P-P Normal Plot lie on the straight diagonal line from bottom left to top right, indicating that the Performance data had a normal distribution with no significant deviations. According to Feng and Sadeghpour (2020), data distribution in a straight diagonal line from bottom left to top right shows the normal distribution. Figure 4.5 shows the P-P Normal Plot of Own savings.

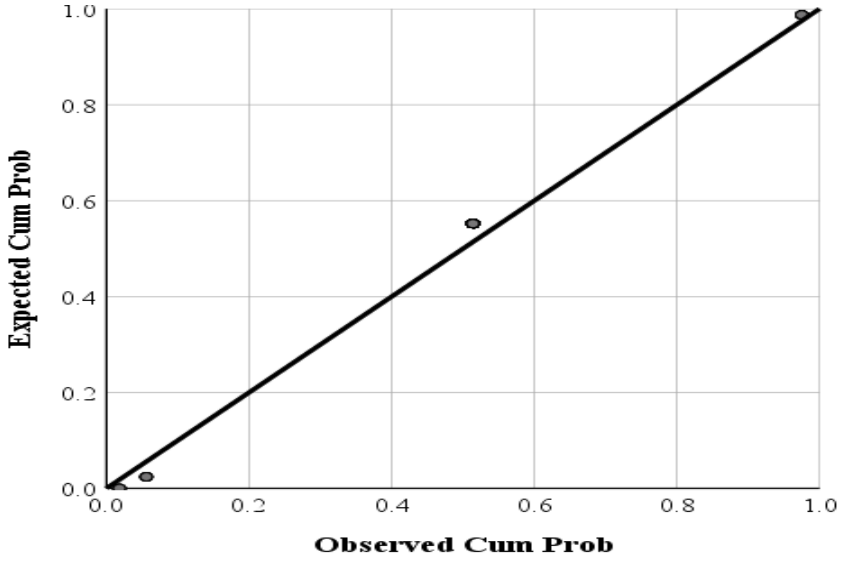

Figure 4.5: *P-P Normal Plot of Own Saving*

The results in Figure 4.5 show that the points in the P-P Normal Plot lie on the straight diagonal line from bottom left to top right, implying that the own saving variable data had a normal distribution with no significant deviations. Figure 4.6 shows the P-P Normal Plot of commercial loans.

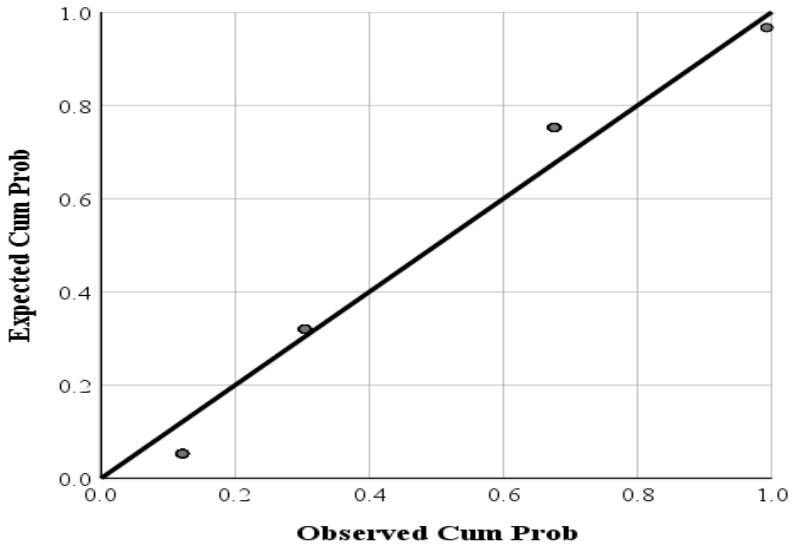

Figure 4.6: *P-P Normal Plot of Commercial Loan*

The results in Figure 4.6 show that the points in the P-P Normal Plot lie on the straight diagonal line from bottom left to top right, implying that the commercial loans data had a normal distribution with no significant deviations. Figure 4.8 shows the P-P Normal Plot of the youth-targeted financial services variable.

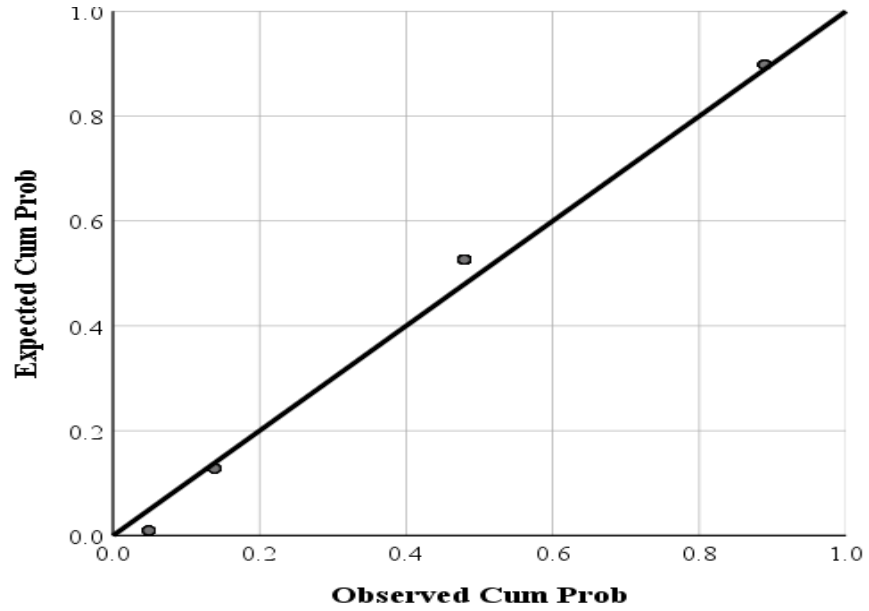

Figure 4.7: *P-P Normal Plot of Youth-Targeted Financial Services*

The data points in the P-P Normal Plot lie on the straight diagonal line from bottom left to top right, implying that the youth-targeted financial services data had a normal distribution with no substantial deviations (Figure 4.7). Figure 4.8 shows the P-P Normal Plot of borrowing from friends and relatives.

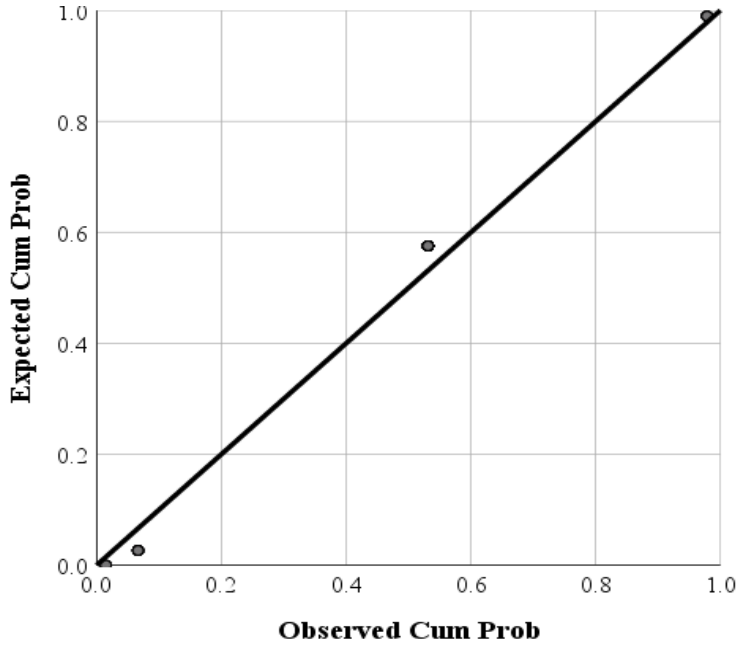

Figure 4.8: *P-P Normal Plot of Borrowing From Friends and Relatives*

The P-P Normal Plot lies on the straight diagonal line from bottom left to top right, implying that the borrowing from friends and relatives data had a normal distribution with no substantial deviations.

4.3.2 Multicollinearity Test

Multicollinearity is a state of very high inter-correlations or inter-associations among the independent variables. The continuous data for the independent variables, obtained through the mean score of the responses per variable, was subjected to the multicollinearity test. The variance inflation factor (VIF) for all independent variables was generated using STATA to test multicollinearity. Table 4.15 presents the results for VIF.

Table 4.15

Variance Inflation Factor Test Results for Independent Variables

Independent variables	**VIF**
Own saving	1.844
Commercial loans	1.528
Youth-targeted financial services	1.533
Borrowing from friends and relatives	1.962
Mean VIF	**1.717**

Dependent Variable: Performance of youth-owned enterprises.

There was no multi-collinearity as indicated by the Variance Inflation Factor (VIF<10), agreeing with the finding of the study done by Salmerón et al. (2018).

4.3.3 Heteroscedasticity Test

The White test detects heteroscedasticity for all hypothesised explanatory variables (Table 4.16). Unlike the Breusch-Pagan test, which would only detect linear forms of heteroscedasticity, the white test was preferably applied as it incorporates both the magnitude and the direction of the change for non-linear forms of heteroscedasticity (Bongole et al., 2020).

Table 4.16

Test for Heteroscedasticity Results

Source	chi^2	df	p
Heteroscedasticity	76.58	185	1.0000
Skewness	9.20	18	0.9549
Kurtosis	1.02	1	0.3135
Total	86.80	204	1.0000

$chi^2(185) = 76.58$
Prob > $chi^2 = 1.0000$

The results in Table 4.16 show the results of a test for heteroscedasticity. The test has been conducted using the chi-squared test statistic, and the results are presented in four rows corresponding to different sources of variation. The first row, labelled "Heteroscedasticity," shows a chi-squared statistic of 76.58 with 185 degrees of freedom and a p-value of 1.0000. This suggests that there was no evidence of heteroscedasticity in the data, as the p-value is greater than the significance level of 0.05.

The second row, labelled "Skewness," shows a chi-squared statistic of 9.20 with 18 degrees of freedom and a p-value of 0.9549. This test examines the skewness of the residuals in the model. The high p-value suggests that there was no evidence of significant skewness in the data. The third row, labelled "Kurtosis," shows a chi-squared statistic of 1.02 with 1 degree of freedom and a p-value of 0.3135. This test examined the kurtosis of the residuals in the model. The high p-value suggests no evidence of significant kurtosis in the data.

Finally, the "Total" row shows the overall chi-squared statistic for the test, which is 86.80 with 204 degrees of freedom and a p-value of 1.0000. This indicates that there was no evidence of significant departures from the test assumptions. Hence, the results of the test for heteroscedasticity suggest that there is no evidence of heteroscedasticity in the data.

4.3.4 Test for Homoscedasticity

The assumption of equal variances (i.e., the assumption of homoscedasticity) assumes that different samples have the same variance, even if they came from different populations. The study used scatter plots to test for assumptions of homoscedasticity between the study's

independent and dependent variables. The own saving variable was plotted along the X (horizontal) axis, and the scores for the performance of youth-owned businesses were plotted on the Y (vertical) axis. The scatterplot provides information on the nature of the relationship between variables. Figure 4.9 presents the performance of the youth-owned business variable against the own saving variable.

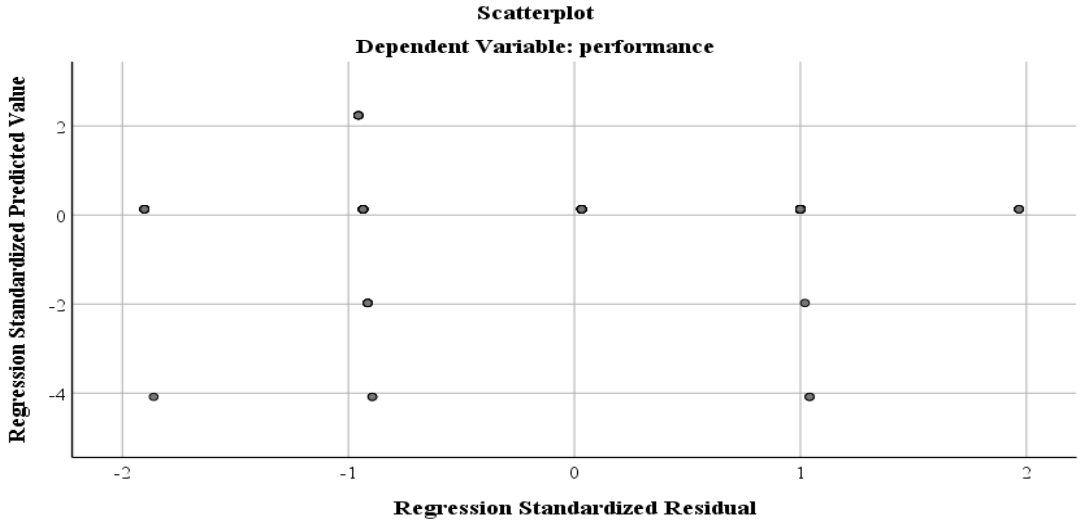

Figure 4.9: *Performance of Youth-Owned Business by Own Saving*

Results in figure 4.9 show the distribution of scores for the performance of youth-owned businesses (standardized residuals) against Own savings (standardized predictor) randomly dispersed around zero. This implies that there was no problem with Homoscedasticity. Figure 4.10 presents the performance of youth-owned businesses against commercial loans.

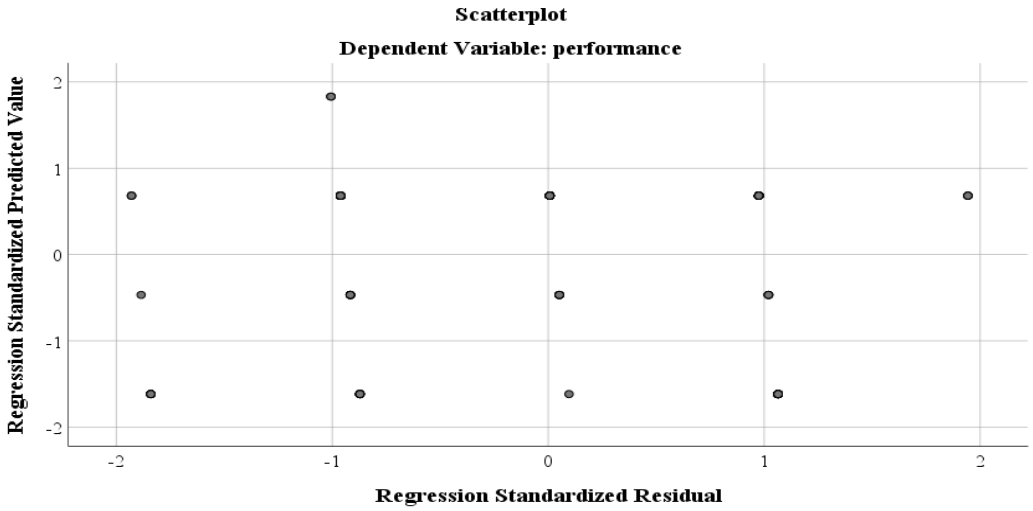

Figure 4.10: *Performance of youth-owned business against commercial loans*

The distribution of scores for the performance of youth-owned businesses (standardized residuals) against commercial loans (standardized predictor) was randomly dispersed approximately around zero (Figure 4.10). This implies that there was no problem with Homoscedasticity. Figure 4.11 presents the performance of youth-owned businesses against Youth-targeted financial services.

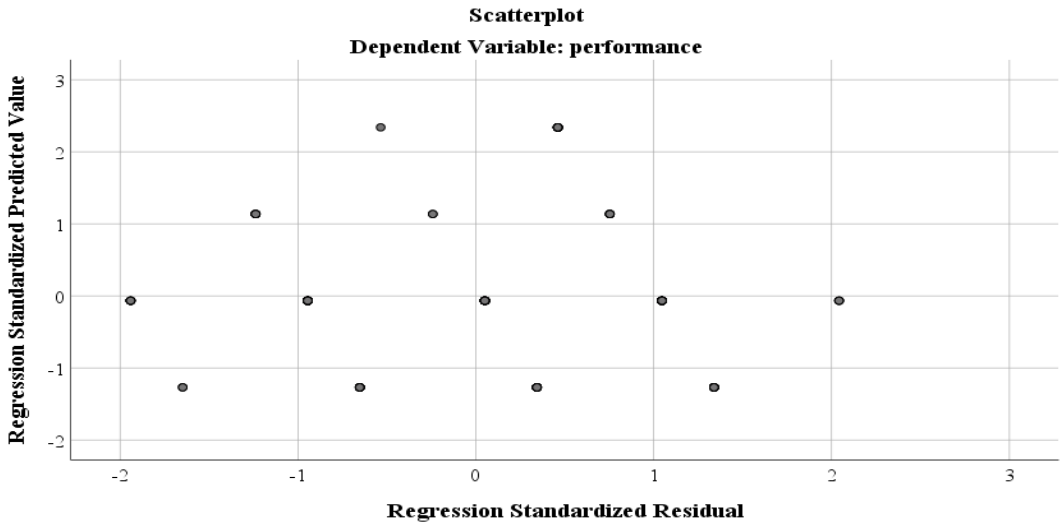

Figure 4.11: *Performance of Youth-Owned Businesses by Youth-Targeted Financial Services*

The distribution of scores for the performance of the youth-owned business in (standardized residuals) against youth-targeted financial services was randomly dispersed around zero (Figure 4.11). This implies that there was no problem with Homoscedasticity between the variables. Figure 4.12 presents the performance of youth-owned businesses against borrowing from friends and relatives.

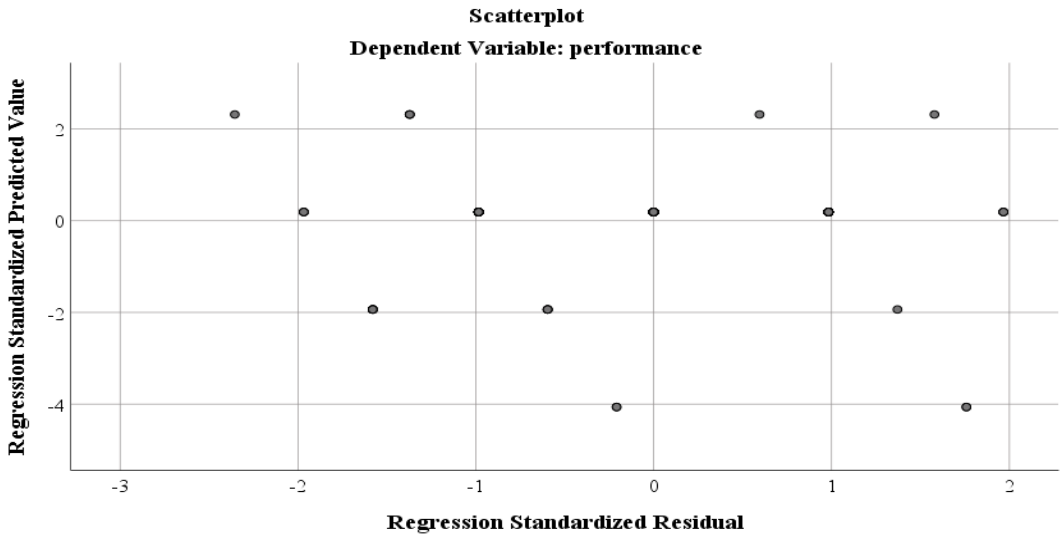

Figure 4.12: *Performance of Youth-Owned Business by Borrowing From Friends and Relatives*

The distribution of mean scores for the Performance of youth-owned businesses (standardized residuals) against Borrowing from friends and relatives was randomly dispersed around zero (Figure 4.12). This implies that there was no problem of homoscedasticity between the variables.

4.3.5 Test of Outliers

Outliers can occur in a given dataset when the response is more than what is considered 'normal' in a population/sample. This normally happens when the response exceeds three standard deviations from the mean (Nyitrai and Virág, 2019). Boxplot was generated using SPSS to establish the outliers in the variables. The presence of circles and asterisks (*) indicate potential outliers, and if there are none, then there are no potential outliers in the dataset of the variables. To check if the outliers affect the suitability of data, a 5% trim mean was compared with the mean values in the descriptive table of respective variables. If the difference between these values is large, then it is possible that further analyses of econometric statistics, like correlation and regression, could be affected. According to Prieler et al. (2021), a 5% trimmed mean is the mean that slashes out 5% of the dataset's extreme ends. Figure 4.13 indicates the Boxplot of the youth-owned business's performance against the entrepreneur's savings.

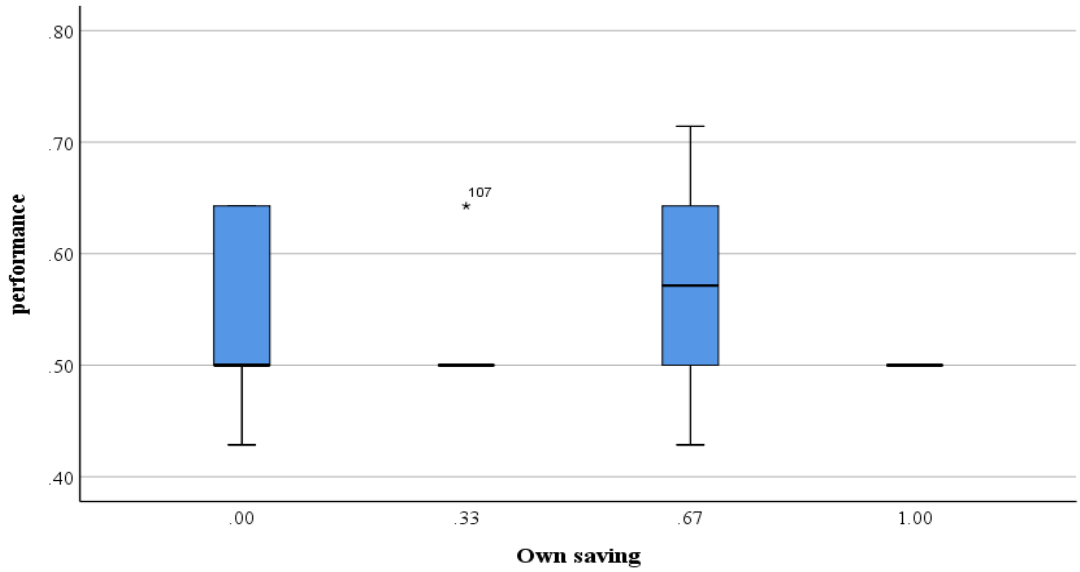

Figure 4.13: *Boxplot of Performance of the Youth-Owned Business by Own Saving*

The boxplot of the performance of the youth-owned business by own saving shows no severe number of highly significant points as outliers in the study's data (Figure 4.13). The outlier was replaced with the mean value to avoid bias. According to Mowbray et al. (2019), replacing the outlier value with the mean score reduces the effects of the outliers without

introducing a bias**.** Figure 4.14 indicates the boxplot of the performance of the youth-owned business against the commercial loans.

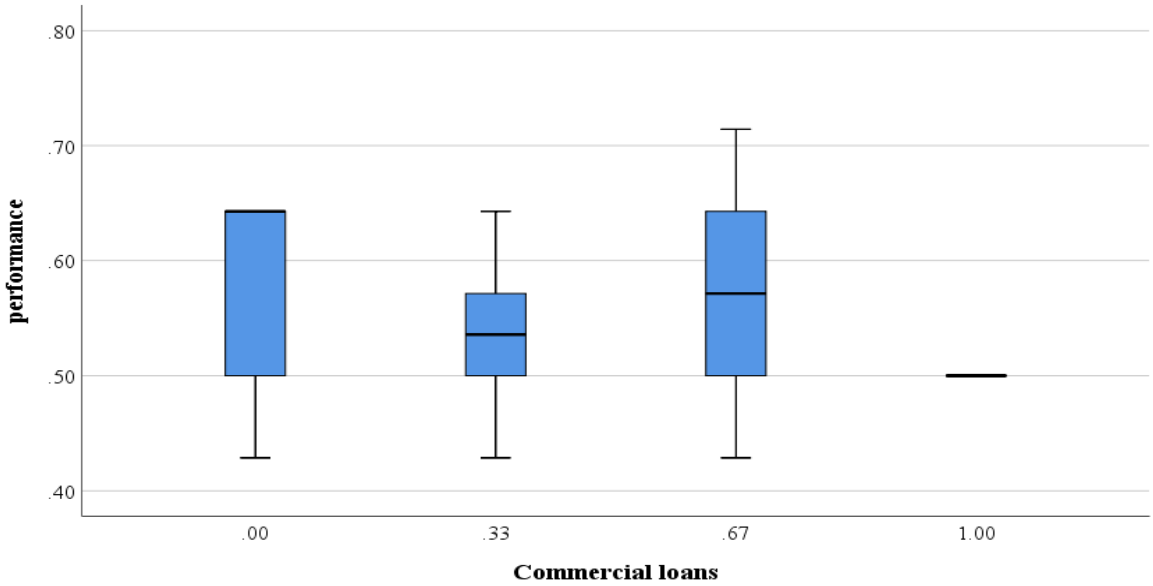

Figure 4.14: *Boxplot of Performance of the Youth-Owned Business and Own Commercial Loans*

The boxplot results show no severe number of highly significant points as outliers in the study's data (Figure 4.14). Figure 4.15 indicates the boxplot of performance against the youth-targeted financial services.

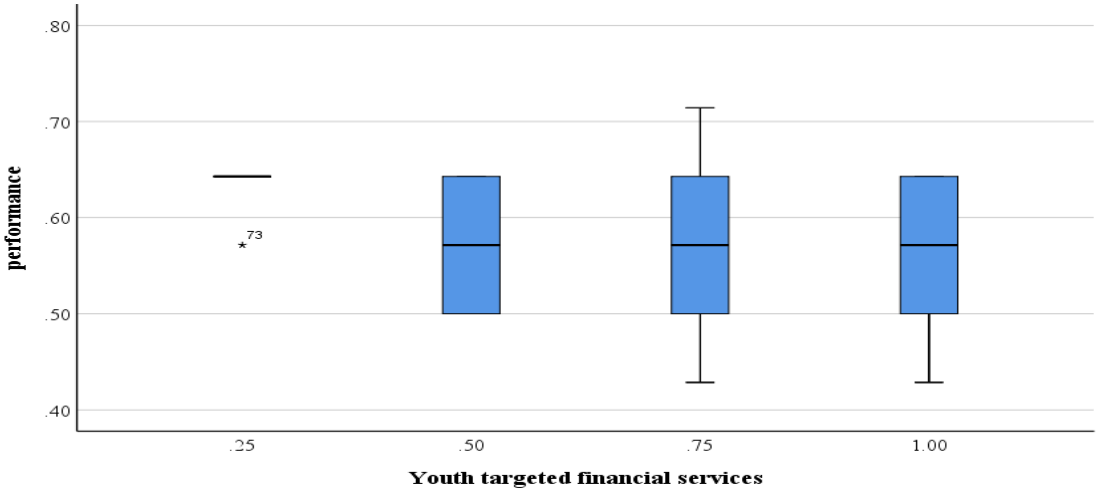

Figure 4.15: *Boxplot Performance of the Youth-Owned Business and Youth-Targeted Financial Services*

The boxplot Results in Figure 4.15 indicate no severe number of highly significant points as outliers in the study's data. The outlier was replaced with the mean value to avoid bias. Figure 4.16 indicates the boxplot of the performance of the youth-owned business against borrowing from friends.

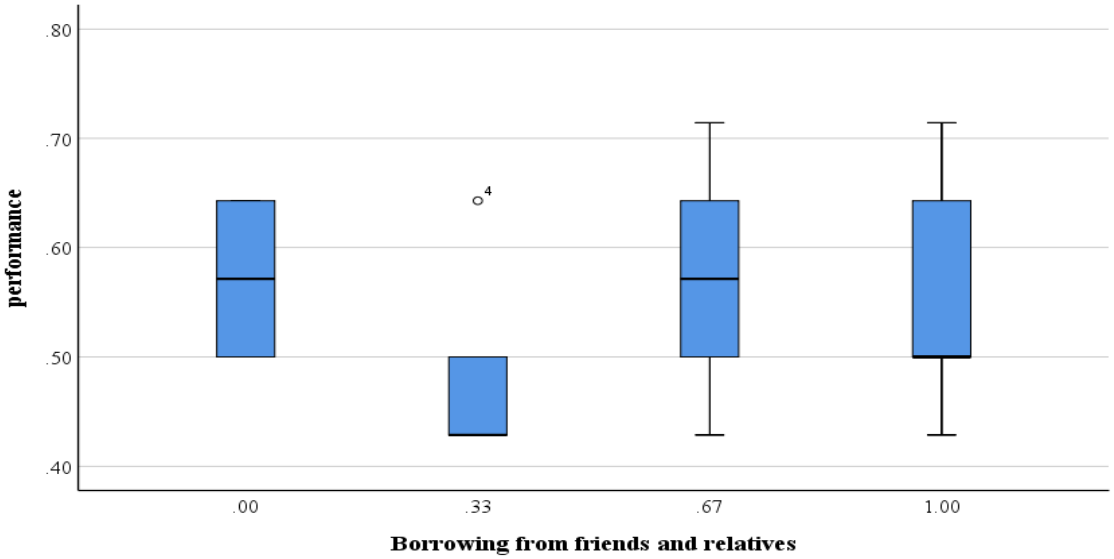

Figure 4.16: *Boxplot Performance of Youth-Owned Business and Borrowing From Friends*

The boxplot results in figure 4.16 show that there was no severe number of highly significant points as outliers in the study's data. The mean value was used instead of the outlier to avoid bias and reduce the effect of the outlier.

4.3.6 Test for Linearity

A linearity test was done to establish if the assumption of linearity between the independent and dependent variables was violated. The linearity test aims to determine whether the relationship between independent variables and the dependent variable is linear. The linearity test is a requirement in correlation and regression analysis. There should be a linear relationship between the independent and dependent variables. The linearity test was done with the aid of a significant value of Deviation from Linearity values in the ANOVA Table. If the value *p* of sig. If the deviation from linearity is > 0.05, then the relationship between independent variables is linearly dependent, and if the value of sig. The deviation from Linearity is <0.05, so the relationship between independent variables is not linear. Table 4.17 shows the ANOVA test of linearity results.

Table 4.17

ANOVA Table Results of Test Linearity Between the Variables of the Study

Dependent by the independent variable			F	Sig.
Performance of youth-owned business by own saving	Between Groups	Deviation from Linearity	5.353	.106
Performance of youth-owned businesses by Commercial loans	Between Groups	Deviation from Linearity	1.891	.155
Performance of youth-owned businesses by youth-targeted financial services	Between Groups	Deviation from Linearity	3.144	.146
Performance of youth-owned business by Borrowing from friends and relatives	Between Groups	Deviation from Linearity	9.256	.120

Based on the ANOVA results in table 4.17, the value of significance of Deviation from linearity of (F = 5.353, $p > 0.05$), (F = 1.891 $p > 0.05$), (F = 3.144, $p > 0.05$) and (F = 9.256, $p > 0.05$) respectively. Hence, there is a linear relationship between the independent variables (own savings, commercial loans, youth-targeted financial services, and borrowing from friends and relatives) and the study's dependent variable (performance of youth-owned businesses).

4.4 Socio-Demographic Factors on the Performance of Youth-Owned Enterprises

Understanding the influence of socio-demographic factors on the performance of youth-owned enterprises is crucial for policymakers, researchers, and practitioners in the field of entrepreneurship. This section focuses on investigating the relationship between socio-demographic factors and the performance outcomes of youth-owned enterprises in Nakuru Municipality. A multiple linear regression model was utilized to explore this. The model aimed to examine how various socio-demographic factors influenced the performance of youth-owned enterprises. The coefficients and robust standard errors presented in Table 4.18 provide insights into the magnitude and significance of influence. The socio-demographic factors considered in the analysis included age, gender, years of schooling, and background training in business-related courses. Table 4.18 presents the results of the multiple regression model.

Table 4.18

Multiple Regression Model Results for Influence of Socio-Demographic Factors on the Performance of Youth-Owned Enterprises

Variables	Coefficient	Robust std. Err.
Age	0.02186**	0.00883
Gender	0.00711	0.01170
Number of years of Schooling	0.00626***	0.00217
Training	-0.04254***	0.01494
cons	0.42003***	0.04813

F (4, 140) = 6.19, Prob > F = 0.0001***, R-squared = 0.1117, Root MSE =0.07034

Note. The number of obs =145.

** p<.1; ** p<.05; *** p<.01.*

Socio-demographic factors (Age, gender, number of years schooling, and background training in business management or related training) accounted for 11.17% of the variance in performance of youth-owned enterprises (R-squared = 0.1117). This shows that 88.3% of the variance in the performance of youth-owned enterprises was explained by factors not included in the multiple linear regression model of the study.

The individual unstandardized coefficients showed that age was significant at 0.05 significance level ($\beta = 0.02186$, $p < 0.05$), the number of years Schooling was significant at 0.01 level of significance ($\beta = 0.00626$, $p < 0.01$) significance level and background training on business management or related training was significant at 0.001 ($\beta = -0.42003$, $p < 0.01$) significance level which implies the background training of the youth entrepreneurs was negatively associated with performance their enterprises. Gender was insignificant. This implies that age, the number of years of schooling, and training significantly influence the performance of youth-owned enterprises in Nakuru Municipality.

Further, the F statistic ($F = 6.19$, $p < 0.05$) from ANOVA results indicates the fitness of the regression model, which implies that socio-demographic (Age, gender, number of years schooling, and background training in business management or business-related training) were significant predictors of performance of youth-owned enterprises in Nakuru Municipality. Since the p-value is 0.0012, less than 0.05, socio-demographic factors significantly influenced the performance of youth-owned enterprises in Nakuru Municipality. Thus, hypothesis one, which stated that **'**Socio-demographic factors have no statistically significant influence on the performance of youth-owned enterprises in Nakuru Municipality, was rejected and the alternative premise was accepted. These findings conform with the findings of Ochieng (2020) in "Determinants of Business Performance: A Case of Agriprenuers in Kenya," who established a significant association between socio-demographic factors and business performance in Kenya.

From the results in table 4.18, the following model is predicted:

$$Y= 0.42003+ 0.02186X_1+ 0.00711X_2+ 0.00626X_3 - 0.04254X_4+ \varepsilon$$

Where:

y = Performance of youth-owned business

X_1 = Age of entrepreneur

X_2 = Gender of entrepreneur

X_3 = Number of years of Schooling

X_4 = Training

Thus, if all the study variables were to be held constant, the performance of youth-owned enterprises in Nakuru municipality would be at 0.42003 units. A unit change in the age of entrepreneurs holding other factors constant would result in 0.02186 unit increase in the performance of youth-owned enterprises in Nakuru municipality. A unit change in the Gender of an entrepreneur when other factors are held constant would lead to 0.00711 unit increase in the performance of youth-owned enterprises in Nakuru municipality. When other

factors are held constant, a unit change in the Number of years of Schooling will lead to a 0.00626 unit increase in the performance of youth-owned enterprises in Nakuru municipality. A unit change in training decline holding other factors constant would lead to 0.04254 unit decrease in youth-owned enterprises in Nakuru municipality.

The multiple regression model results provide insights into the influence of socio-demographic factors. Among the variables, the number of years of schooling is the most significant, associated with improved business performance. However, participation in training programs shows a statistically significant negative impact on performance. This indicates potential deficiencies in designing or delivering existing training initiatives for youth entrepreneurs. Rather than advocating for expanded training, the findings point to a need to re-evaluate current approaches and develop more targeted, effective programs. Age and gender show weaker significance than education and training. The results emphasize the foundational importance of quality education while highlighting gaps in translating additional enterprise training into positive performance gains. Further research into optimal training strategies for youth entrepreneurs in Nakuru Municipality would be valuable.

4.5 Type of Enterprise Training on the Performance of Youth-Owned Enterprises

The influence of enterprise training on the performance of youth-owned enterprises is a crucial area of research in the field of entrepreneurship. Understanding the effectiveness of different types of training provided valuable insights for policymakers, business support organizations, and youth entrepreneurs themselves.

A multiple linear regression model was employed to examine the influence of the type of enterprise training on the performance of youth-owned enterprises. The model aimed to analyse the influence of different types of enterprise training on the performance of youth-owned enterprises. By analysing the coefficients and associated statistical measures, the significance and direction of the influence of each type of training on the performance of youth-owned enterprises were assessed. The results of the multiple regression analysis are presented in Table 4.19.

Table 4.19

Multiple Regression Model Results for Influence of the Type of Enterprise Training on the Performance of Youth-Owned Enterprises

Type of training	Coefficient	Robust std. Err.
Entrepreneurship	-0.00413	0.02318
Marketing	0.03158	0.02648
Managerial	-0.07046***	0.01519
Cons	0.57556***	0.00674

F (3, 141) = 8.2, Prob > F = 0.0000***, R-squared = 0.0838, Root MSE = 0.07118
Note. The number of obs = 145.
** p<.1; ** p<.05; *** p<.01.*

The type of enterprise training (Entrepreneurship, marketing, and managerial training) accounted for 8.38% of the variance in performance of youth-owned enterprises (R-squared = 0.0838). This shows that 91.62% of the variance in the performance of youth-owned enterprises was explained by factors not included in the multiple linear regression model of the study.

The individual unstandardized coefficients showed that business managerial training was significant at a 0.01 significance level (β = -0.07046, $p < 0.01$), which implies that the managerial training of the youth entrepreneurs was negatively associated with the performance of their enterprises. This could be attributed to inadequate training of youth entrepreneurs in business management. Entrepreneurship and Marketing training were insignificant at all levels (0.1, 0.05 and 0.01) of significance.

Further, the F statistic (F = 8.2, $p < 0.05$) from ANOVA results indicates the fitness of the regression model, which implies that the type of enterprise training was a significant predictor of the performance of youth-owned enterprises in Nakuru Municipality. Since the p-value of ANOVA was 0.000, which is less than 0.05, it means that the type of enterprise training significantly affected the performance of youth-owned enterprises in Nakuru Municipality. Thus, Hypothesis one, which stated that "Type of enterprise training has no statistically significant influence on the performance of youth-owned enterprises in Nakuru Municipality," was rejected, and the alternative premise was accepted. These findings conform with Njeri and Mutundu's (2021) study on "Effects of youth enterprise development fund on the promotion of youth-owned business enterprises in Nakuru East Sub-County, Kenya." who established a significant association between business-related training and performance of enterprises in Nakuru East Sub-County, Kenya.

From the results in table 4.19, the following model is predicted:

$$\mathbf{Y} = 0.57556 - 0.00413\mathbf{X_1} + 0.03158\mathbf{X_2} - 0.07046\mathbf{X_3} + \boldsymbol{\varepsilon}$$

Where:

Y = Performance of youth-owned business

X_1 = Entrepreneurship training

X_2 = Marketing training

X_3 = Managerial training

Thus, if all the study variables were to be held constant, the performance of youth-owned enterprises in Nakuru municipality would be at 0.57556 units. A unit change towards

non-training of youth entrepreneurs on entrepreneurship training holding other factors constant would result in 0.00413 units decline in the performance of youth-owned enterprises in Nakuru municipality. When other factors are held constant, a unit change towards non-training of youth entrepreneurs on Marketing training will lead to a 0.03158 unit increase in the performance of youth-owned enterprises in Nakuru municipality. A unit change towards non-training of youth entrepreneurs on managerial training, when other factors are held constant, would lead to 0.07046 units decline in the performance of youth-owned enterprises in Nakuru municipality.

The results suggest that managerial training had a stronger impact, albeit negative, on the performance of youth-owned enterprises compared to marketing and entrepreneurship training. The negative effect indicates inadequate training on entrepreneurship could result in poor performance of youth-owned enterprises. These findings provide valuable insights into the importance of specific training types and their potential effects on the performance of youth entrepreneurs in Nakuru Municipality.

4.6 Sources of Business Capital on the Performance of Youth-Owned Enterprises

This section focused on examining the influence of different sources of business capital on the performance of youth-owned enterprises in Nakuru Municipality. Access to adequate and appropriate capital was crucial for the success and sustainability of any business, particularly for youth entrepreneurs. The aim was to understand the influence of various sources of capital on business performance and provide valuable insights into the factors that contributed to the success or challenges faced by youth entrepreneurs in Nakuru municipality.

A multiple linear regression model was utilized to analyze the relationship between sources of business capital and performance. The regression analysis allowed for a comprehensive assessment of the influence of different sources. Examining the coefficients and standard errors associated with each source of capital culminated in determining the significance and direction of their influence on the performance of youth-owned enterprises. The results of the multiple regression analysis are presented in Table 4.20.

Table 4.20

Multiple Regression Model Results for Influence of Sources of business capital on the Performance of Youth-Owned Enterprises

Sources of business capital	Coefficient	Std. err.
Own saving	-0.08557*	0.05006
Commercial loans	0.04388*	0.02486
Youth-targeted financial services	-0.11353***	0.03475
Borrowing from friends and relatives	0.10282*	0.05213
Cons	0.62177***	0.03873

F (4, 140) = 4.79, Prob > F = 0.0012***, R-squared = 0.1205, Root MSE = 0.06999

Note. The number of obs = 145.

** p<.1; ** p<.05; *** p<.01.*

The Sources of business capital (Own savings, commercial loans, youth-targeted financial services, and borrowing from friends and relatives) accounted for 12.05% of the variance in performance of youth-owned enterprises (R-squared = 0.1205). This indicates that 87.5% of the variance in performance was explained by factors not included in the multiple linear regression model of the study.

The individual unstandardized coefficients showed that Own saving, commercial loans, youth-targeted financial services, and borrowing from friends and relatives were significant at 0.1 level of significance (β = -0.08557, $p < 0.1$), at 0.1 level of significance (β = 0.04388, $p < 0.1$), at 0.01 level of significance (β = -0.11353, $p < 0.01$), and at 0.1 level of significance (β = 0.10282, $p < 0.1$) respectively. The results show that own savings and youth-targeted financial services were negatively associated with the performance of youth-owned enterprises. While most entrepreneurs relied on their own savings, the amounts were perceived as insufficient to finance expansions of their enterprises adequately, hence the negative relationship between their savings and performance.

Further, the F statistic (F = 4.79, $p < 0.05$) from ANOVA results indicate the fitness of the regression model, which indicates that Sources of business capital (Own savings, commercial loans, youth-targeted financial services, and borrowing from friends and relatives) were significant predictors of performance of youth-owned enterprises. Since the p-value of ANOVA was 0.0012, which was less than 0.05, it means that sources of business capital significantly influenced the performance of youth-owned enterprises. Thus, Hypothesis one, which stated that ‘Sources of business capital have no statistically significant influence on the performance of youth-owned enterprises in Nakuru Municipality, was rejected, and the alternative premise was accepted. These findings conform with Julius and Rugami's (2020) study on “Microcredit Services and Performance of Women-Owned

Enterprises in Kilifi County, Kenya." which established a significant link between Sources of business capital and the performance of women-owned enterprises in Kilifi County, Kenya. The findings of the study on the negative effect of own saving and youth-targeted financial services agree with the findings of the study done by Bushe (2019) on 'The causes and impact of business failure among small to micro and medium enterprises in South Africa,' who established that lack of enough capital led to business failure of small to micro and medium enterprises in South Africa.

From the results in Table 4.20, the following model is predicted:

$$\mathbf{Y} = 0.62177 - 0.08557\mathbf{X_1} + 0.04388\mathbf{X_2} - 0.11353\mathbf{X_3} - 0.10282\mathbf{X_3} + \boldsymbol{\varepsilon}$$

Where:

y = Performance of youth-owned business

X_1 = Own saving

X_2 = Commercial loans

X_3 = Youth-targeted financial services

X_4 = Borrowing from friends and relatives

Thus, if all the study variables were to be held constant, the performance of youth-owned enterprises in Nakuru municipality would be at 0.62177 units. When other factors are held constant, a unit change in Own saving holding will result in a 0.08557 units decline in the performance of youth-owned enterprises in Nakuru municipality. A unit change in commercial loans, when other factors are held constant, would lead to 0.04388 units increase in the performance of youth-owned enterprises in Nakuru municipality. A unit change toward youth-targeted financial services will lead to a 0.11353 units decline in the performance of youth-owned enterprises in Nakuru municipality. When other factors are held constant, a unit change in borrowing from friends and relatives will lead to 0.10282 units decline in the performance of youth-owned enterprises in Nakuru municipality.

The multiple regression analysis in Table 4.20 revealed that the variable "youth-targeted financial services" emerges as the most significant factor, with a highly negative coefficient indicating a detrimental effect on performance. This underscores the need for caution when relying heavily on such services. , "commercial loans" and "borrowing from friends and relatives" had positive coefficients, implying a positive influence, although to a lesser extent. However, the variable "own savings" shows a slight negative effect. The findings shed light on the lack of diversity in capital sources and overdependence on potentially inadequate youth financing services.

4.7 Type of Market Research on the Performance of Youth-Owned Enterprises

This section focused on investigating the influence of the type of market research on the performance of youth-owned enterprises in Nakuru Municipality. Market research plays a critical role in understanding customer preferences, market trends, and competitive dynamics, thereby guiding strategic decision-making and enhancing business performance. The objective was to assess the influence of two types of market research, namely formal and informal research, on the performance outcomes of youth-owned enterprises.

A multiple linear regression model was employed to examine influence. The regression analysis allowed for the assessment of the significance and direction of the influence of formal and informal market research on performance. Analyzing the coefficients and standard errors associated with each type of market research enhanced the identification of the relative importance and effectiveness of formal and informal research in driving business performance. The results of the multiple regression analysis were presented in Table 4.21, providing valuable insights into the influence of the type of market research on the performance of youth-owned enterprises.

Table 4.21

Multiple Regression Model Results for Influence of Type of Market Research on the Performance of Youth-Owned Enterprises

Type of market research	Coefficient	Std. err.
Formal	0.0924	0.07234
Informal	0.03417***	0.01199
Cons	0.55042***	0.00871

F (2, 142) = 4.59, Prob > F = 0.0117**, R-squared = 0.0608, Root MSE = 0.07181

Note. The number of obs = 145.

** p<.1; ** p<.05; *** p<.01.*

The type of market research (Formal and Informal research) accounted for 6.08% of the variance in performance of youth-owned enterprises (R-squared = 0.0608). This indicates that 93.92% of the variance in performance was explained by factors not included in the multiple linear regression model of the study.

The individual unstandardized coefficients showed that informal research was significant at a 0.01% significance level ($\beta = 0.03417$, $p < 0.01$), while formal research was insignificant at all significance levels. This implies that informal research significantly influences the performance of youth-owned enterprises in Nakuru Municipality.

Further, the F statistic ($F = 4.59$, $p < 0.05$) from ANOVA results indicates the fitness of the regression model, which implies that the type of market research (formal and informal research) was a significant predictor of the performance of youth-owned enterprises in

Nakuru municipality. since the p-value of 0.0012 was less than 0.05, it means that the type of market research the youth entrepreneurs received had a significant influence on the performance of youth-owned enterprises. Thus, Hypothesis one, which stated that **"**Type of market research had no statistically significant influence on the performance of youth-owned enterprises in Nakuru Municipality," was rejected, and the alternative premise was accepted. These findings also conform with the study by Ahmed (2019) on 'Youth Entrepreneurship in Ethiopia: Traits, Kinship, and Challenges.' who established that market research significantly influences the performance of youth-owned enterprises in Ethiopia. The results of the study, specifically on formal research, conform with the findings of Ren et al. (2015) on 'How do marketing, research and development capabilities, and degree of internationalization synergistically affect the innovation performance of small and medium-sized enterprises (SMEs)? A panel data study of Chinese SMEs found a significant positive association between research and innovation performance of Chinese small and medium-sized enterprises.

From the results in Table 4.21, the following model is predicted:

$$\mathbf{Y} = 0.55042 + 0.0924\mathbf{X_1} + 0.03417\mathbf{X_2} + \boldsymbol{\varepsilon}$$

Where:

Y = Performance of youth-owned business

X_1 = Formal research

X_2 = Informal research

Thus, if all the study variables were to be held constant, the performance of youth-owned enterprises in Nakuru municipality would be at 0.55042 units. When other factors are held constant, a unit change in formal research will result in a 0.0924 unit increase in the performance of youth-owned enterprises in Nakuru municipality. When other factors are held constant, a unit change in informal research will lead to a 0.03417 unit increase in the performance of youth-owned enterprises in Nakuru municipality.

The results in Table 4.21 indicate that "informal market research" was more significant than "formal market research" in influencing the performance of youth-owned enterprises. The significant positive coefficient associated with informal market research suggests that it has a stronger and more meaningful influence on business performance compared to formal market research. This implies that youth entrepreneurs who rely on informal market research methods, such as networking, word-of-mouth, and personal observations, may derive greater benefits in terms of their business outcomes. These findings

emphasize the importance of considering informal market research approaches as a valuable tool for youth entrepreneurs in Nakuru Municipality.

CHAPTER FIVE
SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter presents a summary of the research findings, conclusion and recommendations according to the objectives of the study.

5.2 Summary of the Study Findings

According to the objectives and data analysis, the following research findings are presented:

The study's first objective was to establish the influence of socio-demographic factors (Age, gender, number of years schooling and background training in business management or related training) on the performance of youth-owned enterprises in Nakuru Municipality. The study established that socio-demographic (Age, gender, number of years of schooling, and background training in business management or business-related training) was a significant predictor ($F = 6.19$, $p < 0.05$) of the performance of youth-owned enterprises in Nakuru Municipality.

The second objective of the study was to determine the influence of the type of enterprise training (Entrepreneurship, marketing, and managerial training) on the performance of youth-owned enterprises in Nakuru Municipality. The findings of the study established that the type of enterprise training was a significant predictor ($F = 8.2$, $p < 0.05$) of the performance of youth-owned enterprises in Nakuru Municipality.

The third objective of the study was to determine the influence of sources of business capital (Own savings, commercial loans, youth-targeted financial services, borrowing from friends and relatives) on the performance of youth-owned enterprises in Nakuru Municipality. The findings of the study established that source of business capital (Own savings, commercial loans, youth-targeted financial services, borrowing from friends and relatives) were a significant predictor ($F = 4.79$, $p < 0.05$) of the performance of youth-owned enterprises.

The fourth objective of the study was to determine the influence of the type of market research (Formal and Informal research) on the performance of youth-owned enterprises in Nakuru Municipality. Grounded on the findings of the study, it was established that the type of market research (formal and informal research) was a significant predictor ($F = 4.59$, $p < 0.05$) of the performance of youth-owned enterprises in Nakuru municipality.

5.3 Conclusions

The following conclusions were made based on the results of analyses of the four objectives of the study.

1. Socio-demographic factors such as age, gender, number of years of schooling, and background training in business management or related training had a significant influence on the performance of youth-owned enterprises in Nakuru Municipality.

2. The type of enterprise training, such as entrepreneurship, marketing, and managerial training, had a significant influence on the performance of youth-owned enterprises in Nakuru Municipality.

3. The sources of business capital, including own savings, commercial loans, youth-targeted financial services, and borrowing from friends and relatives, had a significant influence on the performance of youth-owned enterprises in Nakuru Municipality.

4. The type of market research, formal and informal research, had a significant influence on the performance of youth-owned enterprises in Nakuru Municipality.

5.4 Recommendations

The following recommendations were made based on the results of analyses of the four objectives of the study.

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1. The government could provide entrepreneurship education and training for youth in school to develop business skills. Additionally, the national and county government could come up with specific policies targeting self-employed youth with a background in business-related courses to engage in entrepreneurship since the study established a significant association between background in business-related training and performance of youth-owned enterprises in Nakuru Municipality

2. The county government could facilitate youth access to financing in consultations with stakeholders, like banks, and develop and enact innovative and specific policies targeting easy access to funds by youth entrepreneurs, including using business permits to access funding to run their businesses from cooperatives. Further, reduced permit costs could enhance the performance of youth-owned enterprises in Nakuru Municipality.

3. In collaboration with relevant stakeholders like TIVET institutions and institutions of Higher learning, the county governments could facilitate youth-aligned innovative training structures to enhance the training of youth entrepreneurs on business-related topics like entrepreneurship, marketing, and managerial training. To address the weakness related to the type of enterprise training, institutions and stakeholders should review their training programs

to ensure they incorporate a range of training areas, such as entrepreneurship, marketing, and managerial skills, and are tailored to the specific needs of youth-owned enterprises in Nakuru Municipality.

4. The county government, through relevant county departments in collaboration with relevant stakeholders, could come up with innovative ways of enhancing the dissemination of information related to the importance of both formal and informal market research on the performance of youth-owned enterprises, for instance, publishing of information aligned to merits of market research. To address the weakness related to the type of market research, youth-owned enterprises in Nakuru Municipality should be encouraged to conduct both formal and informal market research to gain insights into their target markets in order to develop strategies that could enhance their competitiveness.

5.5 Areas of further research use title case

Further research could be done on a comparative analysis of the effects of socio-demographic factors, sources of business capital, type of training, and market research on the performance of non-youth-owned and non-youth-owned enterprises in Nakuru Municipality. Additionally, further research can be done on other factors like assessing the impact of business incubators on youth enterprise performance, among others, which was not captured in the study that could affect the performance of youth-owned enterprises since the study did not account for 100% of the variance in the performance of youth-owned enterprises.

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APPENDICES

Appendix 1: Questionnaire

INTRODUCTION

I am **Marion Jelagat Kipkebut,** a postgraduate student at Egerton University pursuing a Master's degree in **Community Studies and Extension** in the Faculty of Education and Community Studies, Egerton University. I am carrying out a study on **"INFLUENCE OF SELECTED FACTORS ON THE PERFORMANCE OF YOUTH OWNED ENTERPRISES IN NAKURU MUNICIPALITY, KENYA."**

INSTRUCTION: Kindly fill in your responses honestly and exhaustively by putting a tick (/) in the appropriate box that closely matches your view or alternatively writing in the spaces provided where necessary.

NB: This information will be used strictly for academic purposes and will be treated with the utmost confidentiality.

SECTION A: Socio-demographic Information

1. How old are you?

18-20 yrs. [ ] 21-23 yrs. [ ] 24-26 yrs. [ ]
27-29 yrs. [ ] 30-32 yrs. [ ] 33-35 yrs. [ ]

2. Gender.

Male [ ]
Female [ ]

3. Number of years of schooling completed……...

4. How many employees do you have?.....

5. Apart from this business, do you have any other business?

Yes [ ]
No [ ]

6. Where did you get capital from to start your business?

Own savings [ ]
Youth enterprise funds [ ]
Commercial loans [ ]

Youth-targeted financial services e.g. YEDF [ ]

Table banking [ ]

Borrowing from friends and relatives [ ]

Others specify……

7. For how many years have you operated this business? _____

8. What is your business's main activity?

Wholesale/retail/general shop ☐

Barbershop, saloon ☐

Manufacturing ☐

Hotel/Restaurant ☐

Information technology ☐

Others …….

9. Which of the following best describes your business category?

Sole proprietorship ☐

Partnership ☐

Limited liability ☐

Family business ☐

Others, Specify_____

_____

10 Have you ever been trained in business management or related training?

Yes ☐

No ☐

If yes, indicate the type of training

Entrepreneurship ☐

Managerial ☐

Marketing ☐

Others (Specify) _____

11. Describe how you set prices for your products and services_____

12 Do you do market research? Yes [ ] No [ ]

If yes, indicate the type of market research you do

Formal [ ]

Informal [ ]

13. Have you ever received a loan to run your business?

Yes [ ]

No [ ]

If yes, how much did you receive? _____

Was it adequate?

Yes ☐

No ☐

14. Which financial institution did you acquire the loan from? indicate_____

15. Do you operate more than one business?

Yes ☐

No ☐

If yes, what is the reason behind it…….

16. Indicate the Frequency of stock-taking as part of business management

Daily ☐

Weekly ☐

Monthly ☐

Quarterly ☐

Annually ☐

I don't do stock-taking ☐

17. I access my business information through:

Reading newspapers ☐

Reading books ☐

Internet ☐

Television ☐

Radio ☐

Friends ☐

Others (Specify)_____

18. Indicate the legal documents you must have to operate a business.

Business trade name ☐

County Permit ☐

Music copyright permit ☐

Professional operating License ☐

Others specify_____

19. How much do you pay for the business permit in total? _____

20. How frequently do you pay?

Daily basis, ☐

Monthly basis ☐

Annually ☐

SECTION B: Sources of business capital

Please put a tick mark against the appropriate box of the response that best represents your response. 1=Yes, 0= No

	Sources of business capital attributes		
	Own savings	Yes	No
21.	We/I use own savings to finance the operations of the enterprise.		
22.	Our/My own savings are adequate to finance and expand the enterprise.		
23.	We/I use money from table banking to finance my business.		
	Commercial loan	Yes	No
24.	I can access commercial loans whenever I/we need it without collaterals.		
25.	Financial institutions charge favourable interest rates.		
26.	We/ I receive the commercial loan borrowed from financial institutions on time.		
	Youth-targeted financial services	**Yes**	**No**
27.	We / I benefited from youth-targeted financial services like Youth Enterprise Development Fund.		
28.	Youth-targeted financial services like YEDF have enhanced enterprise expansion.		
29.	The loan acquired from targeted financial services like YEDF and UWEZO Fund is adequate to run the operations of the enterprise.		
30.	Loans from targeted financial services are disbursed on time.		
	Borrowing from friends	**Yes**	**No**

31.	We/ I use money borrowed from friends to finance the enterprise's operations.		
32.	Money borrowed from friends is adequate to finance the operations of the enterprise.		
33.	Money borrowed from friends has helped reduce the amount of trade credits, hence creating confidence among the creditors.		

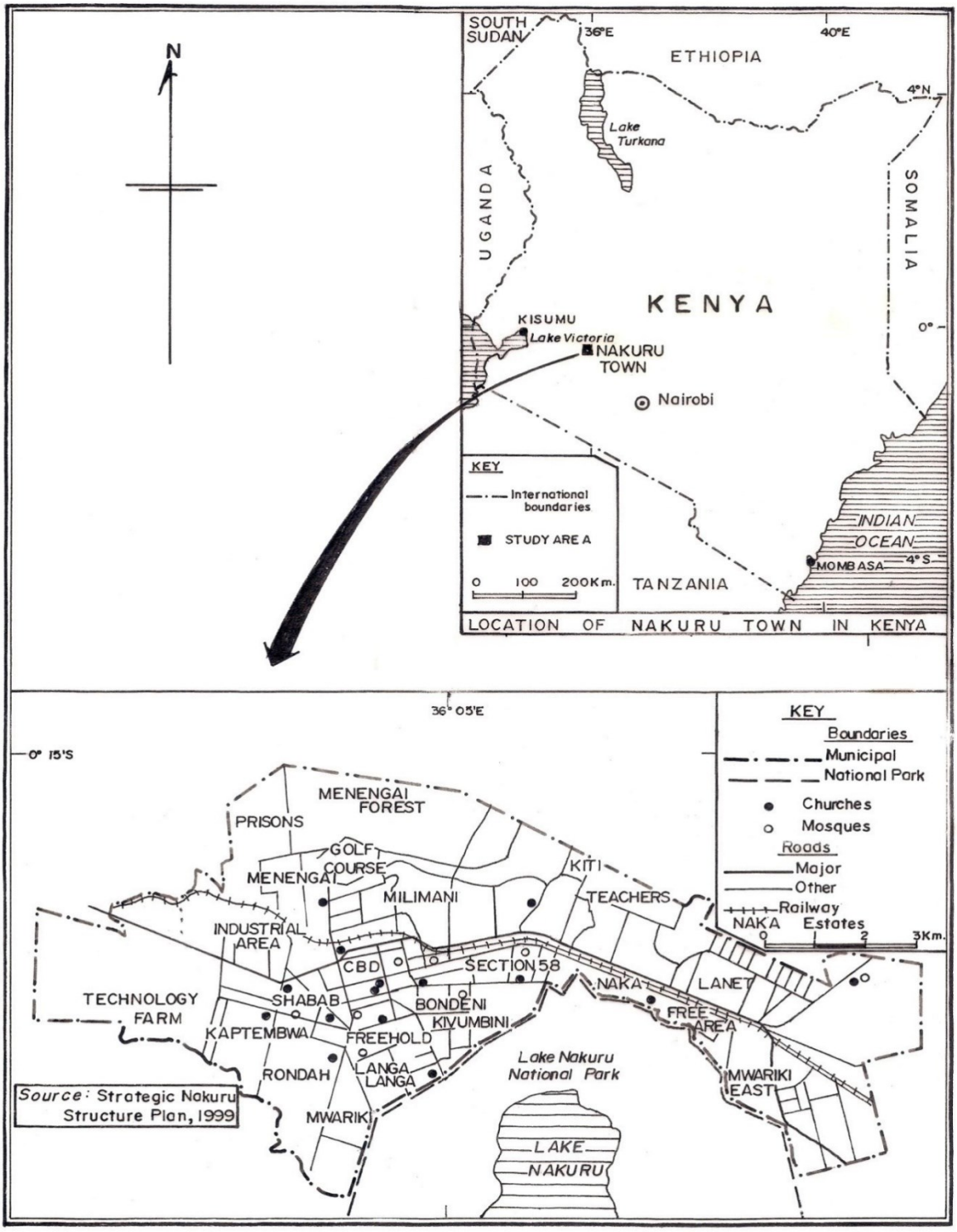
SECTION C: Performance of youth-owned enterprises.

Please put a tick mark against the appropriate box of the response that best represents your response. 1=Yes, 0= No

	Attributes of performance of youth-owned enterprises		
	Change in net Profit	**Yes**	**No**
34.	The net profit has been increasing since the start of the business.		
35.	The net profit has stabilised for the last three years.		
36.	The net profit has been decreasing since the start of the business.		
	Change in business assets	**Yes**	**No**
37.	The business assets have been increasing since the start of the business.		
38.	Business assets are not sold to cover business liability.		
39.	The business is acquiring more assets yearly.		
40.	Business assets have decreased since the start of the business.		
	Change in sales	**Yes**	**No**
41.	Sales have been increasing since the start of the business.		
42.	The business is acquiring more stock for sale compared to the previous years.		
43.	Sales have decreased since the start of the business.		
	Change in the number of employees	**Yes**	**No**
44.	The number of employees has increased since the start of the business.		
45.	The number of employees has increased significantly compared to the previous years.		
46.	The number of employees has decreased since the start of the business.		
47.	The rate of employee turnover has increased over the years.		

END

Appendix 2: Map of Nakuru Municipality



Map of Nakuru Municipality (Source: Strategic Nakuru structure plan)

Appendix 3: Copy of Research Ethical Clearance

EGERTON UNIVERSITY
TEL: (051) 2217808
FAX: 051-2217942
P. O. BOX 536
EGERTON

EGERTON UNIVERSITY INSTITUTIONAL SCIENTIFIC AND ETHICS REVIEW COMMITTEE

EU/RE/DVC/009
Approval No. EUREC/APP/180/2022 ***20th June*, 2022**

Marion Jelagat Kipkebut
P.O BOX 536-20115
EGERTON
Telephone: 0721799755
E-mail: marionkipkebut@gmail.com

Dear Marion,

RE: ETHICAL APPROVAL: INFLUENCE OF SELECTED FACTORS ON THE PERFORMANCE OF YOUTH OWNED ENTERPRISES IN NAKURU MUNICIPALITY, KENYA

This is to inform you that ***Egerton University Institutional Scientific and Ethics Review Committee*** has reviewed and approved your above research proposal. Your application approval number is ***EUREC/APP/180/2022.*** The approval period is ***20th June, 2022 –21st June, 2023.***

This approval is subject to compliance with the following requirements;

i. Only approved documents including (informed consents, study instruments, MTA) will be used.
ii. All changes including (amendments, deviations, and violations) are submitted for review and approval by ***Egerton University Institutional Scientific and Ethics Review Committee***.
iii. Death and life-threatening problems and serious adverse events or unexpected adverse events whether related or unrelated to the study must be reported to ***Egerton University Institutional Scientific and Ethics Review Committee*** within 72 hours of notification
iv. Any changes, anticipated or otherwise that may increase the risks or affected safety or welfare of study participants and others or affect the integrity of the research must be reported to ***Egerton University Institutional Scientific and Ethics Review Committee*** within 72 hours.

v. Clearance for Material Transfer of biological specimens must be obtained from relevant institutions.

vi. Submission of a request for renewal of approval at least 60 days prior to expiry of the approval period. Attach a comprehensive progress report to support the renewal.

vii. Submission of an executive summary report within 90 days upon completion of the study to ***Egerton University Institutional Scientific and Ethics Review Committee***.

Prior to commencing your study, you will be expected to obtain a research license from National Commission for Science, Technology and Innovation (NACOSTI) https://oris.nacosti.go.ke and also obtain other clearances needed.

EGERTON UNIVERSITY
Date. 15/07/2022
RESEARCH ETHICS

Yours sincerely.

Prof. R. Ngure

CHAIRMAN, EGERTON UNIVERSITY INSTITUTIONAL SCIENTIFIC AND ETHICS REVIEW CTTEE

RMN/BK/

Appendix 4: Copy of Research Permit

REPUBLIC OF KENYA

NATIONAL COMMISSION FOR SCIENCE,TECHNOLOGY & INNOVATION

Ref No: **600023**

Date of Issue: **18/July/2022**

RESEARCH LICENSE

This is to Certify that Ms.. Marion Jelagat Kipkebut of Egerton University, has been licensed to conduct research in Nakuru on the topic: INFLUENCE OF SELECTED FACTORS ON THE PERFORMANCE OF YOUTH OWNED ENTERPRISES IN NAKURU MUNICIPALITY, KENYA for the period ending : 18/July/2023.

License No: **NACOSTI/P/22/18830**

600023

Applicant Identification Number

Director General
NATIONAL COMMISSION FOR SCIENCE,TECHNOLOGY & INNOVATION

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