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Entrepreneurial Practices and Performance of Small and Medium Agro Based Youth Enterprises in TransNzoia County, Kenya

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Abstract: **The purpose of the study was to analyse the effect of entrepreneurial practices on performance of small and medium agro based youth enterprises in Kenya. The study was guided by the following specific objectives; to determine the effect of entrepreneurial financing practice on performance of small and medium agro based youth enterprises in Kenya. This study adopted descriptive research. The target population was small and medium agro based youth enterprises in TransNzoia County Kenya. Sixteen registered agro based youth SMEs in TransNzoia County comprising of 500 youths. The sample size for the study was 125 respondents through Yamane's formula was adopted. The data collection instruments was structured questionnaires, both primary and secondary data was collected. Piloting was done to test the reliability and validity of the data collection instrument. The study adopted a descriptive statistics including frequencies and percentages. Inferential statistics including correlations and regression was employed. Entrepreneurial finance practice had a significant impact on the performance of small and medium agro based youth enterprises. The SMEs of Agro Based Youth enterprises should engage in sourcing of funds from donors, NGOs, financial lending institutions and agro-business funders and easily accesses various financial resources to invest in business for increased profits.**

Keywords: **Entrepreneurial Practices, Entrepreneurial Finance Practices, Small and Medium Agro Based Youth Enterprises.**

1. INTRODUCTION

Successful agro-based youth SMEs tend to have a strong market orientation. Today's business environment is changing and market conditions are shaped by chaos, fragmentation, unsureness, complexity, pandemics, poor entrepreneurial practices and ambiguity. Therefore, adoption of entrepreneurial practices can be seen as a new paradigm which integrates critical aspects of entrepreneurship into a comprehensive concept where these entrepreneurial practices becomes a practice to be used by enterprises agro based youth small and medium (SMEs), inclusive for their better performance and success. Given the complexity and multidisciplinary focus of entrepreneurship, there is no single entrepreneurial practice that enhances agro based youth SMEs performance (Neck, 2014). Therefore, youth agro based SMEs need to adopt entrepreneurial practices that best suits their enterprise situation for their better performance.

Shikuri and Chepkwony (2013), asserts that entrepreneurial practices and skills such as networking practices, problem solving practices, financial management and information technology, interpersonal skills and risk taking practices will help youths mitigate many challenges. Additionally, Waithaka (2016), eludes that the following entrepreneurial practices are critical for youth enterprises performance: ways of pitching practices, networking practices, selling practices, resourcing practices, mentoring practices, decision making practices, strategizing practices, accounting practices, hiring practices and many others. Further, Nderi and Mwangi (2015), aver that performance of any enterprise is determined by a combination of entrepreneurial practices that range from financial practices, project management, marketing practices and human resources management practices. Moreover, Otika, Nwaizugbo and Olise (2019), posits that, entrepreneurial marketing practices such as proactiveness, calculated risk-taking, innovativeness, opportunity focus, resource leveraging, costumer intensity, and value creation are vital for exerting a positive effect on performance of small and medium size enterprises. Whichever entrepreneurial practices adopted by agro based youth SMEs, they must be in line with a set or set of laws, regulations and guidelines set out by the government (Kawira, 2020).

More studies on entrepreneurial practices have been suggested by many scholars (Shikuri & Chepkwony, 2013). Further, Aldehayyat and Khattab (2013), indicate that there is need to continually investigate how entrepreneurial practices can contribute to the performance of agro based youth SMEs. Additionally, Chinyamurindi (2016), alludes that, within the extant literature, calls exist for more investigations into the concept of entrepreneurial practices on outcomes such as SMEs performance. Evidently, Magaisa, Matipira and Kanhai (2014), also conquer that, research focusing on effect of entrepreneurial practices on performance of agro based SMEs youth enterprises is still scarce.

This study however, wishes to analyse the effect of the following entrepreneurial practices: entrepreneurial networking, entrepreneurial innovation practice, entrepreneurial financing practices, and entrepreneurial marketing practices on performance of agro based youth enterprises. Evidently, Kawira (2020), affirms that, firm performance has been regarded as an important element being a measure of achievement of organizational goals. These goals may be financial such as profitability, sales volumes, return on assets and return on equity, or non-financial such as customer base, brand visibility and market penetration, since according to Nderi and Mwangi (2015), the performance of any enterprise is determined by a combination of entrepreneurial practices.The new Constitution defines youth as all individuals between ages 18 to 35 years (Koros, Namusonge and Sakwa, 2018). Youths constitute the highest percentage of the unemployed and under employed population in Kenya (Bunyasi, Bwisa and Namusonge, 2017). Evidently, the youth represent 43% of the working age population in Kenya and constitute 70% of total unemployment (Sambo, 2016). This is because the formal sector has not met the challenges of employment creation. To avert this, most Governments and donor efforts are aimed at youth entrepreneurship development (Wanjiku & Moronge, 2017), which has been proven to be beneficial for economic growth, job creation and poverty alleviation (Sasaka, Namusonge & Sakwa, 2015). More importantly, youth entrepreneurship is crucial for the development of a vibrant formal small and medium sized business sector. It enhances productivity, growth and can also help find practical business solutions to social and environmental challenges (UNTAD, 2013).

Due to the positive impact of entrepreneurship, many developing countries around the world, including Kenya, have paid serious attention over the past decade to entrepreneurship through Small and Medium Enterprises (SMEs) start up, (Kenya Economic Outlook, 2016). This is because small and medium agro based youth enterprises development initiatives in Kenya are likely to have the biggest impact on job creation among the youth (Kipsiele & Waiganjo, 2015). Also, Small and Medium Enterprises (SMEs), contributes significantly to a country's economy with most business activities and employment opportunities generated by SMEs, agro based youth enterprises inclusive (Otieno, Namusonge & Mugambi, 2017). Additionally, SMEs are an important driver of economic growth, productivity, innovation, and job creation (Nguru, 2017), and poverty alleviation (Ann, 2017). Evidently, these SMEs are a potential fundamental solution to an excessive number of college graduates, and the inability of the public and private sectors to provide work for graduating students (Kimaru, 2018). The current COVID 19 protocol further calls for effective entrepreneurial practices among SMEs in order to remain in operation (Njugunah, 2020). According to Nyoike (2018), in her study in Kenya alluded that SMEs survival is threatened by the volatile environment wherein they operate. The business environment in Kenya especially under COVID 19 pandemic is continuously evolving making it difficult for SMEs to survive in such a turbulent environment. This necessitates the need for entrepreneurial practices which acts as cushion for protecting the enterprises against risks that are prevalent in the market. Furthermore, Awale, Namusonge and Warren (2016), contend that the SME sector has witnessed minimal adoption of entrepreneurial practices. As a result of such, Auka and Langat (2016), posit that SMEs must therefore be focused and vigilant on best entrepreneurial practices for SMEs performance.

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Youths constitute the highest percentage of the unemployed and under employed population in Kenya (Bunyasi, Bwisa and Namusonge, 2017). Evidently, the youth represent 43% of the working age population in Kenya and constitute 70% of total unemployment (Sambo, 2016). This is because the formal sector has not met the challenges of employment creation (Otieno, Namusonge and Mugambi, 2017). To help address youth unemployment in Kenya, the National and County Governments with donors support crafted youth agro entrepreneurship development (Wanjiku & Moronge, 2017), through small and medium agro based youth enterprises startups for instance, traders, producers, aggregators, and transporters sitting at transitional points in the agriculture value chain (Odhiambo, Weke &Ngare, (2020), but unfortunately while some SMEs grow, more than 50% fails to take off, collapsed and some failed to reach maturity. That is, Kenya Economic Outlook (2016) survey reports indicate that more than 50% of SMEs in Kenya are known for their low start-up, low working capital and low growth rate. More so, the Kenya national bureau of statistics economic survey of 2019 reveals that most SMEs experienced an average decline of 4% despite having created more than 846,000 jobs (83.6% total informal employment created) in 2018.To help address youth SME failures, Auka and Langat (2016), identified high vulnerability to market forces, while Kenya Economic Outlook (2016), pointed out that SMEs performance is hindered by inadequate capital, limited market access and inappropriate entrepreneurial practices. In fact, Kenya Economic Outlook (2016) reports showed that many SMEs enter and exit these markets every year with a turnover rate of about 32% per annum. Therefore, Kariuki (2018), asserted that, entrepreneurial practices are crucial for sustainable competitive edge of agro based youth SMEs in Kenya. This is because entrepreneurial practice is how entrepreneurs get their enterprises operated in complex settings (Sitienei, 2020) and these are habitually, socially accepted and organized human activities for which entrepreneurship practitioners use specific skills and tools for the success of their enterprises (Gross, Carson & Jones, 2014).

Further to help address performance of youth SMEs, World Bank (2017), emphasized that, entrepreneurial practices are an important survival tool for agro based youth SMEs operating in a dynamic environment. Njugunah (2020), emphasized on the adoption of effective entrepreneurial practices among agro based youth SMEs to help them remain in operation: Endi, Surachman, Armanu and Hadiwidjojo (2013), asserted that, entrepreneurial practices influence performance of agro based small and medium enterprises (SMEs); while Wainaina (2017 emphasized that, agro based youth SMEs owners, managers and operators therefore need to adopt entrepreneurial practices in order to act entrepreneurially. In this regard while many scholars insist on adoption of entrepreneurial practices by youth SME owners and managers, on overall, there is still high unemployment and under employment rates among youths in Trans Nzoia, Kakamega and Bungoma Counties. This is because very few youths in these counties have ventured into agro entrepreneurship. The study sought to evaluate the effect of entrepreneurial financing practice on performance of small and medium agro based youth enterprises in TransNzoia county, Kenya.

2. ENTREPRENEURIAL FINANCING PRACTICE

Kaimathiri, (2021) as cited by Njagi and Onyango, (2019), aver that, an economy with weak institutional structures, drives rural youths to SMEs with the goal of job creation and sustainable livelihoods. However, these SMEs require entrepreneurial finances to perform. Bunyasi, Namusonge and Bwisa, (2017), indicated that, access to entrepreneurial financing has a positive influence on the growth of SMEs, hence their performance. The survival of any firm depends on the financial resources. Hence, entrepreneurial financing practice represent providing funds for business activities, making purchases or investing, (Daniel, William and Don, 2012).Additionally, entrepreneurial financing practice therefore, has a positive influence on the success and performance of SMEs, (Bunyasi, Bwisa, and Namusonge, 2014). Further, the success of SMEs depends on ability to apply entrepreneurial financing practice appropriately in order to spur enterprise performance.

Most SMEs, more so agriculture related have faced a lot of challenges in accessing credits to boost their business especially at the peak of planting season when corona virus containment measures were enforced (Njugunah, 2020). Entrepreneurial sources of funds and the entrepreneurial capital seeking practice may determine an entrepreneur‘s resolve to pursue a desire to venture into business. As a result, the ease with which an entrepreneur acquires seed or growth capital has a profound positive impact on their entrepreneurial undertaking, (Polo, 2015). Evidently, more than half of new businesses will disappear in the first five years due to poor entrepreneurial practices, poor management and shortage of funds. Access to entrepreneurial finance has a positive influence on the performance of SMEs since it has a positive correlation, (Bunyasi, Bwisa and Namusonge, 2017). Additionally, all businesses agro based youth SMEs inclusive, require financial resources in order to start and fund performance lack of which can be a constraint on business performance, (Bunyasi , Bwisa and Sakwa, 2014; Bunyasi, Bwisa and Namusonge, 2017).

Innovation is regarded as an organizational capability because it is an act that deploys resources, financial resources inclusive with a new ability to create value (Olawaye, Namusonge and Muturi, 2016; Eniola & Entebang, 2017). Additionally, innovation practice depends on the leveraging of organizational capabilities and financial sources and resources, (Mazzucato, 2013).Evidently, entrepreneurial innovation practice has a strong effect on financial access and success (Olawaye, Namusonge and Muturi, 2016; Eniola, Ondo and Adebisi, 2018), since through access of entrepreneurial finances, SMEs are able to invest in innovation, thereby achieving the best market position through competitive advantage (Wahyudi, 2017). More so, according to Eniola, Ondo and Adebisi, (2018), the access to external sourcing of financing for innovation has also been prominent in SME's performance.

Innovation generation of competitive advantage rests upon the primary motivation of business status of the SMEs in view of ownership (Eniola et al, 2018). Additionally, SMEs with a broad business status makeup, together with fewer constraints on important intangible resources, can have an eminence of the breadth of knowledge, skills, and expertise to innovate than closely held firms (Eniola and Entebang 2017). Furthermore, Osei-Assibey et al. (2012), found that business status in terms of ownership is statistically significant in the future innovative financing model indicating a relationship between determinants and firm's choice of financing. More so, entrepreneurial experience increases firm's decision making towards debt usage, where managers with a greater level of business experience are found to make a better decision towards the choice of financing (Wainaina, 2017).Experience is extremely important, as it provides time to innovatively recognize opportunities, develop networks and learn how to access and to interact with funders, including bank managers and venture capitalists, thus, a large part of entrepreneurial learning is based on experience, (Eniola et al, 2018). Moreover, there are various forms and levels of entrepreneurial financing among SMEs.Onsiro, (2017), eludes that, self-financing, bank loans, private lending, selling of assets credit cards, angel investors, venture capital and grants from the government. However, the most preferred were self-raising and borrowings from family and friends. Additionally, Hoàng et al. (2020), avert that, entrepreneurial finance also include, venture capital financing and crowd funding. Further, Mbogori and Luketero, (2019), assert that, micro financing is still a critical source of finance among SMEs.

According to Kariuki and Tiriongo, (2021), the banking sector plays a critical role in financial intermediation process, and particularly loan extension process and investment among most youth SMEs. However, Tiriongo, (2019), eludes that, banks process different sets of loan based on client information and on their capacity. Further, Munene, (2017), found that, Credit Reference Bureaus play a significant role in the identification of risk, rate of credit repayment, credit access, reduction of moral hazards and credit information evaluation by commercial banks in mitigating against credit default. According to Maina and Bwisa (2015), SMEs performance is regarded as the second most important goal of a firm, the most important being firm survival. There is a wide variety of approaches, techniques, and measures for measuring SMEs performance (Odhiambo, Weke and Ngare, 2020). Ngugi, Ndua and Bwisa, (2013), defined enterprise performance using factors beyond revenue and profitability to include reputation, expertise and perspective which is all about quality and creating more value. However, Otieno, Mugambi and Namusonge (2017), assert that, the common indications used in the performance measurement are sales or turnover development and increase of work over an amount of time, asset worth, market share, revenues and output. Further, Hilka Pelizza Vier Machado1 (2016), defines SMEs performance as increase in number of employees, increase in profits, increase in assets, increase in the firm's value and internal development.

Additionally, Bunyasi, Bwisa and Namusonge (2017), define SMEs performance as increase in profits, sales growth, growth in employees, firm's asset growth, industry average or comparison with the competing firms and value added. These scholars further elude that, business performance also mean high productivity, leadership, high profits, high production, low costs, community development and business growth. Further, business performance among agro based SMEs can be measured by market-related item such as market share and customer base growth, number of employees, diversification, and product development (Mbugua, Mbugua,Wangoi, Ogada & Kariuki, 2013). More so, Muthalib, Harafa, Yaniand Rostin (2014), asserts that, most firms, however, prefer to adopt financial or accounting indicators to measure their performance for instance, return on assets (ROA), average annual occupancy rate, net profit after tax and return on investment (ROI).More importantly, in literature related to entrepreneurship, performance in business is measured by growth in employees or sales and by the increase in profits, (Awale, Namusonge &Warren, 2016; Sajilan&Tehseen, 2016). Additionally, SMEs performance can be measured by market share, sales growth, and profitability. Moreover, firms' performance can also be measured through the sales growth or profit growth and turnover rate of its people (Kipsiele, 2018).

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Vol. 11, Issue 4, pp: (52-61), Month: October - December 2024, Available at: www.paperpublications.org

Evidently, Nguru, (2018) describes performance of small and medium enterprises as the ability to attain its goals by using resources in an efficient and effective manner, the goals of the organization include; survival, profit making and expansion. Also, Wales (2016), tend to agree that organizations can generally use the objective rather than subject measures to assess their success, provided that accurate information is provided. Additionally, Lomberg et al., (2016), posits that, while objective measures include financial records, namely; actual profit, turn over, return on investment, return on capital employed and inventory turnover, subjective measures tend to rely on manager's and key role players (owner) perception of business performance. Apparently, Ngugi et al, (2013) defines SMEs performance in terms of SMEs economic impact which can be measured by their contribution to output, employment, income, investment, exports and other economic indicators. More so, Nyoike and Namusonge, (2018), assert that enterprise performance is when entrepreneurial minded owners grow their businesses to maturity due to their administrative competencies. This is because the owner of the business is the key factor in business performance. Koros, Namusonge and Sakwa (2018) reported that youth SMEs which experienced performance had a positive impact on profit. However, Federico and Capelleras (2015), alludes that, sales do not automatically imply profit due to possible variation in costs. Performance may be associated to profit if unit costs are reduced or stronger position in the market is affirmed. Hence, the relationship between performance and profit is not conclusive (Kipsiele, 2018).

Also, Mwangi and Namusonge (2014), further elude that business performance also mean high productivity, leadership, high profits, high production, low costs, community development and business growth. According to Hilka, Pelizza, Vier and Machado1 (2016), high sales turnover may imply enterprise performance. These scholars therefore define performance as: increase in sales, increase in the number of employees, increase in profits, increase in assets, increase in firms' value and internal development. The main indexes comprise variation in sales volumes, followed by indexes in the variation in the number of employees (Kipsiele, 2018). However, enterprises may expand sales without increasing the number of employees (Rauch & Rijskik, 2013). Evidently, increase in sales may be associated with increase in technology or equipments more than to increase in the number of employees. Additionally, sale variations include different growth aspects, such as improvement in the process´s efficiency (Joghee, 2018). In SMEs performance, the main indexes comprise the variation in sales volumes, followed by indexes in the variation in the number of employees (Joghee 2018; Achtenhagen et al. 2010). However, enterprises may expand sales without increasing the number of employees (Rauch & Rijskik, 2013). Moreover, in SMEs performance, absolute growth of employees is of paramount importance (Lomberg et al.2016), since, as Rauch and Rijskik (2013) asserts, employment rate is a more stable index of performance especially among agro based youth SMEs.

3. METHOD

The study utilized descriptive survey design with a target population for this study was 500 agro based small and medium youth enterprise owners, operators, or managers from the 16 registered agro based youth SMEs drawn from TransNzoia, County Kenya. (Kenya National Bureau of Statistics, 2019). The sample size for registered youth agro based sme's group was 125. This means the study used 125 respondents.The researcher employed both the primary and the secondary data collection methods. Piloting was done for validity and reliability of the data collection instrument. Once data is collected, it was crosschecked and verified for errors, completeness and consistency. It was coded, entered and analyzed descriptively using IBM Statistical Package for Social Sciences (SSPS 24). Pearson correlation analysis was used to test the relationship between variables in the study hypotheses. ANOVA multiple linear regression analysis was adopted computed to determine the statistical relationship between the independent variable and the dependent.

4. DISCUSSIONS

4.1. Effect of Entrepreneurial Financing Practice on Performance of Small and Medium Agro Based Youth Enterprises

The specific objective of the study was to assess the effect of entrepreneurial financing practice on performance of Small and Medium agro based youth enterprises. The respondents were requested to indicate their level of agreement on various statements relating to the entrepreneurial financing practice on performance of Small and Medium agro based youth enterprises. A 5 point Likert scale was used where 1 symbolized strongly disagree, 2 symbolized disagree, 3 symbolized neutral, 4 symbolized agree and 5 symbolized strongly agree. The results were as presented in Table 4.1.

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From the results, the respondents agreed that the enterprise engages in sourcing of funds from donors, NGOs, financial lending institutions and agro-business funders. This is supported by a mean of 4.463 (std. dv = 0.932). In addition, as shown by a mean of 3.945 (std. dv = 0.873), the respondents agreed that the enterprise easily accesses various financial resources to invest in business for increased profits. Further, the respondents agreed that the enterprise status greatly affects access of business finances. This is shown by a mean of 3.824 (std. dv = 0.714). With a mean of 3.845 (std. dv = 0.984), the respondents agreed that the enterprise has an access to finances to invest in quality products. Further, with a mean of 3.815 (std. dv = 0.877), the respondents agreed that generally, entrepreneurial financing practice affects SMEs performance. The respondents respectively agreed that Entrepreneurial financing practices enhances SMEs performance. This is shown by a mean of 3.697 (std. dv = 0.921).

Table 4.1: Effect of Entrepreneurial Financing Practice on Performance of Small and Medium Agro Based Youth Enterprises

	Mean	Std. Deviation
The enterprise engages in sourcing of funds from donors, NGOs, financial lending institutions and agro-business funders	4.162	0.991
The enterprise easily accesses various financial resources to invest in business for increased profits	3.945	0.873
The enterprise status greatly affects access of business finances	3.824	0.814
The enterprise has an access to finances to invest in quality products	3.844	0.983
Generally, entrepreneurial financing practice affects SMEs performance	3.814	0.876
Entrepreneurial financing practices enhances SMEs performance	3.697	0.921
Aggregate	**3.874**	**0.868**

4.2. Performance of Small and Medium agro based youth enterprises.

The respondents were requested to indicate their level of agreement on various statements relating to performance of Small and Medium agro based youth enterprises. A 5 point Likert scale was used where 1 symbolized strongly disagree, 2 symbolized disagree, 3 symbolized neutral, 4 symbolized agree and 5 symbolized strongly agree. The results were as presented in table 4.2.

From the results, the respondents agreed that investing surplus cash, Return on assets and Return on equity influences performance of commercial banks. This is supported by a mean of 4.272 (std. dv = 0.946). In addition, as shown by a mean of 3.967 (std. dv = 0.852), the respondents agreed that Financial positions should show a bank's overall financial health over a period of time, and it helps to compare different banks across the banking industry at the same time. This is shown by a mean of 3.821 (std. dv = 0.751). The respondents also agreed that financial performance of a firm involves increased profitability, higher efficiency and increased output. This is shown by a mean of 3.612 (std. dv = 0.847). With a mean of 3.732 (std. dv = 0.914), the respondents agreed that Performance of Commercial banks can be measured using investing surplus cash, return on assets and return on equity. The respondent also agreed that financial risk management enhances provision of commercial banks performance in Kisumu City County Kenya. This is shown by a mean of 3.961 (std. dv = 0.911).

Table 4.2: Performance of Small and Medium agro based youth enterprises.

	Mean	Std. Deviation
The profit margins of the SME have increased over the time	4.272	0.946
Organizational performance is the measure of how efficient and effective an organization is- how well it achieves appropriate objectives	3.967	0.852
This enterprise's daily sales have increased compared to last two years contributed to increase in inventory and stock in the last two years	3.821	0.751
The profit margin of sales has increase over the last two years is satisfying	3.612	0.847
Amount of profits earned from total sales after total expenses have increased satisfactorily over the last two years.	3.732	0.914
This enterprise has facilitated employment creation for youths as a result of a high increase in the number of customers	3.961	0.911
Aggregate	**3.839**	**0.822**

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4.3 Inferential Statistics

Inferential statistics in the current study focused on correlation and regression analysis. Correlation analysis was used to determine the strength of the relationship while regression analysis was used to determine the relationship between dependent variable (performance of Small and Medium agro based youth enterprises in TransNzoia County, Kenya and the independent variables as (entrepreneurial networking practices, entrepreneurial marketing practice, entrepreneurial innovationary practices and entrepreneurial financing practice).

4.3.1 Correlation Analysis

The present study used Pearson correlation analysis to determine the strength of association between independent variables (entrepreneurial financing practice) and the dependent variable (performance of Small and Medium agro based youth enterprises in TransNzoia County, Kenya) dependent variable. Pearson correlation coefficient range between zero and one, where by the strength of association increase with increase in the value of the correlation coefficients. The current study employed Taylor (2018) correlation coefficient ratings where by 0.80 to 1.00 depicts a very strong relationship, 0.60 to 0.79 depicts strong, 0.40 to 0.59 depicts moderate, 0.20 to 0.39 depicts weak.

Table 4.3: Correlation Coefficients

		Performance of Small and Medium agro based youth enterprises	Entrepreneurial financing practices
Performance of Small and Medium agro based youth enterprises	Pearson Correlation	1	
	Sig. (2-tailed)		
	N	90	
Entrepreneurship financing practice	Pearson Correlation	.851**	1
	Sig. (2-tailed)	.000	
	N	90	90

The results also revealed that there was a very strong relationship between entrepreneurship financing practices and performance of Small and Medium agro based youth enterprises in TransNzoia County, Kenya (r = 0.851, p value =0.000). The relationship was significant since the p value 0.000 was less than 0.05 (significant level).

4.3.2 Regression Analysis

Multivariate regression analysis was used to assess the relationship between independent variables (entrepreneurial financing practice) and the dependent variable (performance of Small and Medium agro based youth enterprises in TransNzoia County, Kenya).

Table 4.4: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.921	.721	.732	.395621

a. Predictors: (Constant), entrepreneurial financing practice

The model summary was used to explain the variation in the dependent variable that could be explained by the independent variables. The r-squared for the relationship between the independent variables and the dependent variable was 0.732. This implied that 73.2% of the variation in the dependent variable (performance of Small and Medium agro based youth enterprises in TransNzoia County, Kenya) could be explained by independent variables (entrepreneurial financing practice).

Table 4.5: Analysis of Variance

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	29.033	1	3.761	54.13	.000[b]
	Residual	8.451	79	.032		
	Total	37.484	80			

a. Dependent Variable: performance of Small and Medium agro based youth enterprises in TransNzoia County, Kenya
b. Predictors: (Constant), entrepreneurial financing practice.

The ANOVA was used to determine whether the model was a good fit for the data. F calculated was 54.13 while the F critical was 2.213. The p value was 0.000. Since the F-calculated was greater than the F-critical and the p value 0.000 was less than 0.05, the model was considered as a good fit for the data. Therefore, the model can be used to predict the influence of entrepreneurial financing practice on performance of Small and Medium agro based youth enterprises in TransNzoia County, Kenya.

Table 4.6: Regression Coefficients

Model		**Unstandardized Coefficients**		**Standardized Coefficients**	**t**	**Sig.**
		B	**Std. Error**	**Beta**		
1	**(Constant)**	0.537	0.034		5.902	0.000
	Entrepreneurial financing practices	0.649	0.099	0.544	5.021	0.000

a Dependent Variable: performance of Small and Medium agro based youth enterprises in TransNzoia County, Kenya.

The regression model was as follows:

$Y = 0.537 + 0.649X_1 + \varepsilon$

In addition, the results revealed that entrepreneurial finance practices has significant effect on performance of Small and Medium agro based youth enterprises in TransNzoia County, Kenya.β1=0.649, p value= 0.000). The relationship was considered significant since the p value 0.000 was less than the significant level of 0.05.

5. CONCLUSIONS AND RECOMMENDATIONS

The specific objective of the study was to assess the effect of entrepreneurial financing practice on performance of Small and Medium agro based youth enterprises. The findings revealed that the enterprise engages in sourcing of funds from donors, NGOs, financial lending institutions and agro-business funders and that the enterprise easily accesses various financial resources to invest in business for increased profits. Further, the findings implied that the enterprise status greatly affects access of business finances and that the enterprise has an access to finances to invest in quality products. Further, the findings revealed that entrepreneurial financing practice affects SMEs performance and that Entrepreneurial financing practices enhances SMEs performance. The results revealed that entrepreneurial finance practices has significant effect on performance of Small and Medium agro based youth enterprises in TransNzoia County, Kenya.β1=0.649, p value= 0.000). The relationship was considered significant since the p value 0.000 was less than the significant level of 0.05. The agro based youth enterprises should engage in sourcing of funds from donors, NGOs, financial lending institutions and agro-business funders and easily accesses various financial resources to invest in business for increased profits.

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