ENTREPRENEURIAL ORIENTATION AND PERFORMANCE OF YOUTH-LED MICRO AND SMALL ENTERPRISES IN KENYA

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Entrepreneurial Orientation and Performance of Youth-Led Micro and Small Enterprises in Kenya

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DECLARATION

This thesis is my original work and has not been submitted for a degree in any other University.

Signature…….Date……..

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This thesis has been submitted for examination with our approval as University Supervisors.

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DEDICATION

To God be the glory, for through Him come knowledge. I dedicate this thesis to my father the late Christopher Bosire and my mother Mary Bosire. Your love, encouragement and great expectations that you laid on me has led me all along to this great accomplishment. The drive and discipline I learned from you gave me the strength and faith that with God and self-determination everything is possible. You will forever remain heroes in my life.

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ACRONYMS/ABBREVIATIONS

BTS	Bartlett's Test of Sphericity
CBK	Central Bank of Kenya
CVI	Content Validity Index
EO	Entrepreneurial Orientation
FMCG	Fast-Moving Consumer Goods
GDP	Gross Domestic Product
IFC	International Finance Corporation
ILO	International Labour Organization
ITC	International Trade Centre
KIHBS	Kenya Integrated Household Budget Survey
KMO	Kaiser- Meyer Olkin
MOYA	Ministry of Youth Affairs
MSE	Micro Small Enterprises
MSME	Micro, Small and Medium Enterprises
MITED	Ministry of Industrialization Trade and Enterprise Development
NCR	National Credit Regulator

NACOSTI	National Commission for Science, Technology and Innovation
PCA	Principal Factor Analysis
SPSS	Statistical Package for Social Sciences
SEBRAE	Brazilian Support Service for Micro and Small Enterprises
SMEs	Small and Medium Enterprises
SSA	Sub-Saharan Africa
TVET	Technical and Vocational Education and Training
UNDP	United Nations Development Programme
WEF	Women Enterprise Fund
YEDF	Youth Enterprise Development Fund
YMSEs	Youth Micro and Small Enterprises

DEFINITION OF TERMS

Competitive Aggressiveness The ability of an enterprise to actually dare its rivals openly in order to reach entry point or better their situation to outshine market adversaries. It is possession of a strong desire to be more successful than others (Niemand et al., 2021). This study assessed the competitive aggressiveness through available competences, rival awareness, technology adoption and customer focus.

Creativity Having an ability to come up with new ideas and practices. Use of owns capacity to make or think and make new things. It involves the process of creating new ideas, articles, attitudes etc. (Chatterjee, Gupta, & Upadhyay, 2020). In this study, creativity was assessed using ideas and practices, product and services, problem solving and information sharing.

Entrepreneurial Finance Ecosystem These are the environmental variables that determine the ability of an entrepreneur to obtain funds required for running and expanding the enterprise for prosperity (Santos, Marques, & Ferreira, 2020). The study assessed entrepreneurial finance ecosystem using accessibility of funds, the source of funding and awareness of sources of funds and how to obtain the funds.

Entrepreneurial Orientation It is an opportunity seeking behavior by which a new firm can take the initiative to start the new business by utilizing its resources (Kline, Hao, Alderman, Kleckley & Gray, 2014). The entrepreneurs' behaviours that enable them to come up or to create ideas and use them for the success of their enterprises (Gathenya, Bwisa, & Kihoro, 2011).

Firm performance It is the actual output or results of a firm as measured against its intended objectives. It is the concept of measuring the output of the processes to increase output and efficiency of the process or procedure (Akumu & Abuga, 2022). In this study, performance of the micro and small enterprises was assessed through sales, employees, profitability, customers and branches.

Jua Kali A Swahili translation of hot sun referring to the environment of working under tropical sun in an open air.

Jua Kali Artisans These are the small skill workers eking their living by manufacturing products and /or providing services in open air under the tropical sun (Okwang'a, Mungania, & Karanja, 2015).

Innovativeness It is the willingness to support creativity and experimentation in introducing new products, novelty, and technological leadership in developing new processes. Its skill and imagination to create new things in a business environment (Arisi-Nwugballa, Elom & Onyeizugbe, 2016). Innovativeness was measured using new sources of raw materials, new markets, new businesses and new production systems.

Micro and Small Enterprises This is a firm, trade, service, industry or a business activity whose annual turnover does not exceed Kshs. 500,000 and whose total employees are less than 10 people (Micro and Small Enterprises Act, 2012)

Pro-activeness Ability to look forward to adding new services and products leading the future competition by acting in eagerness to supply goods and services that will generate demand and physically shape the social

environment (Genc, Dayan, & Genc, 2019). In this study, pro-activeness was assessed through customer consultations, product forecasting, alternative cause of action and early implementation.

Performance The quantifiable measures agreed to beforehand, that reflects the critical success factors of an SME (Sunter, 2000).

Risk Taking Risk-taking is a person's orientation to take risks and is one of several specific enduring personality characteristics (Rauch & Frese, 2007).

Youth A person of age bracket of between 18 years and 35 years (The Youth Enterprise Development Fund, YEDF, 2011) 15 to 35 years (Government of Kenya, National Youth Policy, 2012).

Youth-led MSEs Enterprises started owned and operated by persons between the youth age bracket (18-35 years) they are small and are usually characterised by low capital due to inadequate sources of funds. The major investment in technology is training (GOK, 2016).

ABSTRACT

The youth-led MSEs in Kenya face a continuous decline in performance, an issue that has seen most of these enterprises close-down their businesses within their first year of operation. This, is despite the growing youth unemployment and continued emphasis on supporting youth to be entrepreneurs as a solution to these growing crisis. With limited literature on how the youth entrepreneurs have embraced entrepreneurial orientation, the study was motivated to assess the relationship between entrepreneurial orientation and performance of youth-led MSEs in Kenya. Specifically, the study sought to examine the influence of competitive aggressiveness, risk-taking, creativity, innovativeness and pro-activeness on the performance of youth-led MSEs, and to analyse the moderating effect of entrepreneurial finance on the relationship between entrepreneurial orientation and performance of youth-led MSEs in the Nyanza region, Kenya. The study was anchored on the theory of competitive advantage, the risk taking theory, componential theory of creativity, Schumpeterian theory of innovation, learning theory of persuasion and the resource-based theory. Using a descriptive survey design, the study collected data from a sample of 257 youth-led MSEs which were obtained from a target population of 771 registered youth-led MSEs in the Jua Kali Artisans Sub-sector in Kisumu, Migori, Siaya, Kisii, Nyamira and Homa Bay Counties. A structured questionnaire was used to collect data, which was analysed using a descriptive and inferential statistics through SPSS. From the findings, it was established that competitive aggressiveness positively and significantly influences the performance of youth-led MSEs, risk-taking positively and significantly influences the performance of youth-led MSEs, creativity positively and significantly influences the performance of youth-led MSEs, innovativeness positively and significantly influences the performance of youth-led MSEs and proactiveness positively and significantly influences the performance of youth-led MSEs. Entrepreneurial finance ecosystem was found to have a significant moderating effect on the relationship between entrepreneurial orientation and performance of youth-led micro and small enterprises in the Nyanza region. The study therefore concluded that entrepreneurial orientation through competitive aggressiveness, risk taking, creativity, innovativeness and proactiveness significantly influence the performance of youth led enterprises in Nyanza region and that entrepreneurial finance ecosystem significantly moderates the EOs. The study recommends that youth entrepreneurs especially those in the Jua Kali sector, uphold entrepreneurial orientation through being more aggressive, innovative, creative, proactive and careful risk takers in order to strengthen the performance of their enterprises. The youth entrepreneurs should also uphold and embrace key sources of financing so as to obtain the much needed capital to grow their enterprises. The government also has the responsibility of supporting youth entrepreneurs by making the entrepreneurial finance ecosystems more accessible and supportive to the youth through entrepreneurial training to enhance their entrepreneurial orientation. The implication of the study's findings is that the Jua kali artisans are instrumental in creating the jobs and addressing the unemployment turmoil in the country, although they require deliberate and committed support from the government and other stakeholders for them to perform and achieve their mandates in the economic ecosystem.

CHAPTER ONE

INTRODUCTION

1.1 Background

The study sought to examine the relationship between entrepreneurial orientation and performance of youth-led MSEs in Kenya. This chapter introduces the study by highlighting the background of the study from which the global, regional and local perspectives of the entrepreneurial orientation and youth-led MSEs have been presented. The research problem that has motivated this study is also included in the chapter, followed by the objectives and research hypotheses. Moreover, the chapter covers the significance of the study, as well as the study's scope and limitations. Youth-led micro and small enterprises (YMSEs) are big promoters of the social and economic progression of any nation and are the ones that carry the energy, innovativeness and bravery of the ordinary citizen. The economic prosperity of most countries reflects the importance of youth-led micro and small enterprises (Weimei & Feng-e, 2012). The importance of these enterprises stems from the observation by a number of entrepreneurship scholars that youth-led enterprises once established, are very active in high-growth segments (Global Entrepreneurship Monitor, 2011).

1.1.1 Global Perspective of Entrepreneurial Orientation and Performance of Youth-Led Micro and Small Enterprises

Youth led enterprises are initiated and managed by young people with the primary purpose of addressing their socio economic challenges such as poverty and unemployment. It is also evident that youth in self-employment exude more confidence than youth in the same age brackets who will seek for employment and who are most likely going to be employed by the ones already in business while setting up fertile ground for further job creation dynamics (Weimei & Feng-e, 2012). Youth-led micro and small enterprises are therefore seen as significant actors in resolving the problem of unemployment by creating jobs and helping in generating income from revenue, taxes and licences for most economies (Sunter, 2000).

In order to grow and succeed in today's rapidly changing business environment, companies regardless of their size need to constantly seek for new opportunities, to which possessing an Entrepreneurial Orientation (EO) has been recognized as potentially beneficial (Cho & Lee, 2018). EO involves the willingness to innovate, take risks to try out new products, services and markets, and act more proactively than competitors when it comes to new opportunities in the marketplace (Wales, Covin, & Monsen, 2020). Due to the potential benefits of EO, it has become a central concept in the field of entrepreneurship and received a significant amount of attention both among researchers and practitioners (McKenny et al., 2018). As the usefulness of EO has been identified by academics, there has been a continuously increasing stream of literature concentrating on the concept and especially its impact on firm performance in companies of different sizes.

In their study on conceptualization of Entrepreneurial Orientation, Arisi-Nwugballa, Elom, and Onyeizugbe (2016) asserted that the evaluation of an organization's performance should encompass aspects such as product innovation, proactivity, and risk-taking, which are all elements of EO. These components are integral to both the firm's locus of control and the characteristics of its entrepreneurs (Rahman, Civelek, & Kozubíková, 2016). The authors delved into how a firm's performance would be influenced by its innovative actions, risk-taking propensity, and proactive approach in dealing with various situations, and revealed that these were core components of Entrepreneurial Orientation that played a fundamental role in the firms' performance.

Randerson (2019) in their study widened their scope as far as EO concepts were concerned and introduced two additional variables, autonomy/creativity and competitive aggressiveness, to the entrepreneurial orientation concept. Querbes and Frenken (2016) defined creativity as the independent actions or autonomy taken by individuals or business units with the aim of developing a business idea from inception to completion. Rahman, Civelek and Kozubíková (2016) on the other hand described competitive aggressiveness as a concerted effort to outperform competitors with a determined and combative attitude in order to enhance market positioning. The authors emphasized how entrepreneurial orientation through creativity and competitive aggressiveness could promote firm performance by upbringing

enterprises that are focused on being more autonomous and competitive to surpass their superiors and disrupt the market. Notably, according to Bernoster, Mukerjee, and Thurik (2020), when a firm's entrepreneurial intensity surpasses industry averages, its overall performance is enhanced.

1.1.2 Regional Perspective of Entrepreneurial Orientation and Performance of Youth-Led Micro and Small Enterprises

In Africa, Entrepreneurial Orientation has been utilized among practitioners and researchers as a key concept in the entrepreneurship concept (Alarifi, Robson & Kromidha, 2019; Vaznyte & Andries, 2019). According to Arzubiaga *et al.* (2018), entrepreneurial orientation serves as a versatile framework for comprehending a company's context, especially in the context of the emerging economies such as those in the Sub-Saharan Africa. Duru, Ehidiamhen, and Chijioke (2018) while focusing on EO in Nigerian small enterprises defines entrepreneurial orientation as a perspective that assesses a company's approach to entrepreneurial activities. Consequently, a firm characterized by an entrepreneurial orientation exhibits traits such as innovativeness, proactivity, risk-taking, competitive advantage, and autonomous behavior in its operations (Kiyabo & Isaga, 2020). This perspective aligns with Nakku, Agbola, Miles, and Mahmood (2020) assertion that innovation encompasses the introduction of new products, production methods, market expansion, new sources/supply chains, and organizational enhancements. Hence, entrepreneurial orientation is an active component within the organization, where innovation is an integral facet of this construct, allowing firms to generate new wealth from existing resources (Soomro & Shah, 2019).

In Ghana, Twum, Kwakwa, Ofori, and Nkukpornu (2021) described entrepreneurial orientation as a function of strategic approach for firms, in that firms seek to align their strategies with the entrepreneurial capabilities for enhanced growth and performance. The authors alluded that firms that adopt assertive strategies and EO tend to be more proactive and willing to take risks. In major decision-making processes, firms often require an individualistic and autocratic approach, and these approaches succeed based on the EO embraced by the managers and owners of these

enterprises (Mwugballa, Elom & Onyeizugbe, 2016). Soares and Perin (2020) regarded entrepreneurial orientation as a strategic construct within companies, where companies have to embrace key concepts of EO such as innovation, competitive aggressiveness and pro-activeness in order to strengthen their operations in the market. Given its strategic importance, it is imperative to harness entrepreneurial orientation effectively to maximize its potential, as underscored by (Asemokha, Musona, Torkkeli, & Saarenketo, 2019).

In Africa, several African Governments have developed entrepreneurial skills development programs in order to solve youth unemployment problem and ensure economic growth (Wanjohi, 2016). The developing countries in the continent have in the recent recognized the importance that comes with the birth of MSEs. This is because, while helping to promote economic development, job creation and prosperity, they are still strongly limited in acquiring the capital they need to expand and grow (Okpara, 2009). Despite their participation in exploited markets, these businesses bear the responsibility of the majority of economic progress and establishment of jobs (Taylor, 2013).

In South Africa, Urban (2019) described EO as the ability of a firm to effectively engage in product-market innovation, its willingness to embrace risk to a certain extent, and its proactive approach when contending with competition. This perspective on entrepreneurship emphasized three key dimensions: innovativeness, pro-activeness, and risk-taking (Ciampi, Demi, Magrini, Marzi, & Papa, 2021). Innovativeness, as defined by Tajeddini, Martin, and Ali (2020), relates to the readiness to introduce novel products, services, and processes through creative thinking and experimentation. Pro-activeness as defined by Ciampi *et al.* (2020), signifies a forward-looking outlook where companies actively seek to seize market opportunities based on predictions of future demand. Lastly, risk-taking involves making decisions and taking actions in situations where outcomes are uncertain and often necessitate a significant commitment of resources (Basco et al., 2020).

These Government of South Africa for instance, is now encouraging the advancement of youth private enterprise as a solution to her high unemployment rate (Fatoki & Chindoga, 2011). Although quiet a number of strategy mitigation measures have been drafted which are meant to enable achieve business advancement of MSEs, most strategies have failed to accomplish the ideal objectives, and have rather created native entrepreneurs who are fundamentally retail specialists of imported items, instead of the ideal goal of structuring in-nation entrepreneurial capacity with regards to assembling mechanized agribusiness, improved yields and the expertise required for fast industrialization.

In Nigeria for example, Olaniran (2016) argues that even though the country is normally enriched with private enterprise opportunities, the acknowledgment of the maximum capacity of these opportunities has been inhibited by the acceptance of unfitting development strategies at various occasions. Zambia's 6th National Development Plan 2011–2015 key objective is to accelerate economic growth and diversification; rural investment; poverty reduction; and human development. Towards this goal, it targets entrepreneurship measures to specific segments of the population, namely: youth, women and rural farmers. It includes entrepreneurship training, as well as measures to improve the infrastructure for the development of rural enterprises.

1.1.3 National Perspective of Entrepreneurial Orientation and Performance of Youth-Led Micro and Small Enterprises

The business sector in Kenya is defined according to different business classifications. In Kenya, enterprises are classified into a number of groups: those with less than 5 employees are referred to as micro enterprises, those with 5 to 49 as small-scale enterprises, those with 50 to 99 employees are referred as medium enterprises with those with a 100 or more being referred to as large enterprises (Tambunan, 2019). Another method of classifying enterprises in Kenya is by how much their annual turnover is. According to World Bank (2010), enterprises are classified according to their annual turnover as follows: those with turnover less than Ksh. 500,000 are referred to as micro enterprises. Those with turnover between Ksh.

500,000 and Ksh. 5 million are referred to as small enterprises while those with turnover between Ksh. 5 million and Ksh. 800 million are referred to as medium enterprises.

Youth-led micro and small enterprises are businesses owned and run by people aged between the age of 18 but below 34 years and whose annual turnover does not exceed Kshs. 5,000,000 and whose total employees are less than 10 people (Micro and Small Enterprises Act, 2012). Performance of such enterprises continues to attract policy makers and scholarly attention because of the role they play in the world economies. According to Bwisa (2011) an entrepreneur is an individual who creates something new with value, by devoting time and effort, in disregard of financial, psychic and social risks and receiving the rewards of monetary and personal satisfaction and independence. However, a deeper understanding of the entrepreneur is needed for a sound judgment of whether the entrepreneur will be able to carry on these MSEs through to success. The performance of the MSEs however differs from country to country.

In Kenya, Entrepreneurial Orientation (EO) has been underscored by various authors, where it has been conceptualized in varied dimensions. According to Katialem, Muhanji, and Otuya (2018), entrepreneurial orientation is the process of generating new ideas with new value by dedicating the effort and specific period, presumptuous of financial social and psychological risks and gain of any financial or self-satisfaction rewards. Entrepreneurial orientation (EO) has been an issue of organizational pursuit for entrepreneurial activities (Zaato et al., 2020). Due to its importance in the strategic decision-making process for the development of new firms, it has been central to entrepreneurship research for many decades. According to Mosonik, Maru, and Komen (2021), EO is an opportunity seeking behavior by which a new firm can take the initiative to start the new business by utilizing its resources. In the entrepreneurship research, it is assumed that the quality of entrepreneurship is esteemed from the various continuous variables that may affect the activities of the firm and hence, directly or indirectly all the firms have some EO. Therefore, the firm characteristics of EO may differ and may range from lower level EO to higher level EO.

Bii and Onyango (2018) asserted that entrepreneurial orientation is the extent to which entrepreneurs comes with innovative and robust measures to strengthen their firms' growth and competitiveness through differentiating their products and services. Moreover, Musyoka, Gathungu, and Gido (2022) addresses the role of EO in promoting firm performance by focusing on risk-taking, pro-activeness and innovativeness concepts of EO. According to Muriithi, Kyalo, and Kinyanjui (2019, EO is an entrepreneurship process which is generated from the individual firm focused on the opportunity seeking behavior for market exploitation. Birech, Karoney, and Alang'o (2018) defined three main dimensions of EO as innovativeness, pro-activeness and risk taking. These three constructs of EO have been used in entrepreneurial orientation literature very often to understand the firm's EO level (Diba & Omwenga, 2019).

Competitive aggressiveness one of the elements of EO, has been described as the propensity of a business to challenge its rivals intensely and explicitly in order to outperform them on the market by using extraordinary strategies (Kivuitu & Karugu, 2020). Innovativeness is the path by which businesses build inimitable assets and thereby gain a competitive edge (Mwai, Ntale, & Ngui, 2018). It is seen as the willingness to support creativity and experimentation in introducing new products, novelty, and technological leadership in developing new processes. On the other hand, Tanui (2020) describe creativity as the ability to come up with new ideas, to make or think and make new things. Pro-activity refers to a role in the marketplace to predict and act on potential desires and needs, thereby creating a first-mover Vis-a'-Vis competitive advantage and risk-taking refers to the ability of an entrepreneur to take an actions that involve uncertain outcomes with the hope of getting high returns. It is from this view point that this study chose the five key constructs of EO which included competitive aggressiveness, pro-activeness, innovativeness, creativity and risk taking.

With the global youth populations reaching a historical height of 1.5 billion, economies worldwide are increasingly unable to provide young people with jobs. Kariv (2011) observed that youth entrepreneurship ventures have long been seen as a major driver towards economic development and growth towards providing jobs to

the unemployed. The promotion of youth enterprise is therefore increasingly becoming an important and significant strategy for fostering economic participation amongst young women and men.

For many youth-led MSEs in the developed countries such as the United States of America, globalization coupled with the easy access to open markets and competition among the MSEs, has brought about a huge challenge underscoring the need for the businesses to be entrepreneurially oriented (Arisi-Nwugballa, Elom, & Onyeizugbe, 2016). The changing needs of customers has also become apparent making the MSEs to face an increasing strain in sustaining and cultivating business performance in good time. Youth-led businesses in these developing countries therefore, have no option but to aggressively manage these forces by trying to implement an innovative mind-set that will easily identify opportunities in this dynamic environment and manage the pressures and available chances in these business environments.

World Bank report of 2022, Micro, Small and Medium Enterprises (MSMEs) are defined as follows – micro enterprises: 1–9 employees; small: 10–49 employees; and medium: 50–249 employees. The local definitions of MSMEs vary from country to country, and are based not only on number of employees, but also by inclusion of other variables such as turnover and assets. MSMEs play an important role in the wider eco-system of firms. Start-ups and young firms, which are generally small or micro firms. They are usually the primary source of net job creation in many countries and are the driving force of innovation and sustainability in the private sector.

There are about 365-445 million MSMEs in emerging markets: 25-30 million are formal SMEs, 55-70 million are formal micro, and 285-345 million are informal enterprises. The highest portion of MSEs among the industrialized countries is in Japan with 99% of total enterprises (EIU 2010). India has 13 million SME's equivalent to 80% of the country's business (Ghatak, 2010). Promoting youth entrepreneurship is seen as key for attaining rapid socio-economic growth, given that the population between 15 and 29 represents over one-fourth of the total population.

The National Youth Policy of 2008 includes several measures in support of entrepreneurship development, towards "supporting the youth in establishing self-employment businesses and the start of new companies and ventures."

In most developing countries, MSEs constitute the vast majority of firms, generating a substantial share of both overall employment and output, (Roy, 2010). Given their significant economic role, one might expect MSE growth to drive overall increases in output and income levels. In many cases, however, their largest economic contribution appears to be one of maintaining rather than generating new employment and income. At an aggregate level, MSEs demonstrate impressive growth, especially when compared with larger firms. However, many individual MSEs grow slowly or not at all (Fatoki & Chindoga, 2011).Overall growth rates are often fueled by the rapid expansion of a narrow group of highly performing MSE's. In developing as well as in developed countries, there appears to be a small group of firms that outperform their peers and drive aggregate employment and productivity growth for the small business sector (Wanjohi, 2016).

In Kenya, there are 7.4 million MSEs in operation where 98% of the MSEs are micro enterprises that employ less than 5 persons while the medium enterprises account for only 0.2% of MSMEs in the economy (MITED, 2020). They generate employment, promote entrepreneurship and innovation, and boost investments, aid in developing entrepreneurial skills and technology and enhancing local production for exports. Kenyan MSMEs have repeatedly been ranked among the most innovative in Africa after Nigeria and South Africa (African Tech Startups Funding, 2021). As such, the Kenyan government has recognized that structured MSEs development would translate into inclusive growth by addressing the constraints facing MSEs hence their graduation to medium enterprises (Ngugi, 2014).

There are opportunities for diversification of the sector in line with the Kenya Vision 2030, and the regional and global development policies that seek to promote development agenda through value addition. These sectors including wholesale and retail trade, manufacturing, and food and accommodation services jointly account for 76% of the MSEs in Kenya. At individual sectorial level, the wholesale and retail

trade sector accounts for 57% of MSEs while manufacturing and food & accommodation services accounts for 11% and 9% of MSEs respectively (Mshenga, Richardson, Njehia & Birachi, 2010).

MSEs account for a larger share of private sector enterprises across various sectors of the Kenyan economy (Wanjohi, 2016). The sector accounts for 24% of GDP, over 90% of private sector enterprises and 93% of total lab our force in the economy (MITED, State Department of Industrialization, 2020). Development of this sector is therefore central to realization of national development goals anchored in the Kenya Vision 2030 and the Big Four Agenda. The sector is particularly important for providing job and income opportunities for economically excluded segments of the population including youth, women, persons with disabilities and low-skilled persons, who experience disproportionately high unemployment. MSEs out number large firms and are generally entrepreneurial in nature, helping shape innovation (Akumu & Abuga, 2022). The development of the sector also offers opportunities for progress towards realization of the regional and global policy commitments including the East African Community (EAC) Vision 2050, African Union (AU) Agenda 2063 and the Sustainable Development Goals (SDGs) of the United Nations. At the core of these regional and global policy commitments is the need for inclusive and sustainable development anchored on industrialization agenda.

The MSE sector provides enormous opportunities for socio-economic transformation to the Kenya's economy. While the sector has received policy attention since 1965, it is yet to fully achieve its full potential (Mwangi, Makau, & Kosimbei, 2014). The Kenya Vision 2030, which identifies the sector as a seedbed of industrialization, aims to transform the economy into an industrialized upper middle-income status by the year 2030, offering a high quality of life to all the citizens. Currently, the country is classified as a lower middle-income economy. The economic pillar of the Vision 2030 aims to achieve 10% annual Gross Domestic Product (GDP) growth rates.

As observed by Odhiambo (2013), the MSEs sector is a key cornerstone for realization of this Vision 2030 development aspirations since it accounts for significant proportions of the priority sectors under the economic pillar of the Vision

2030. These sectors include trade, manufacturing, agriculture and livestock, tourism and financial services. The MSEs are also involved in activities related to emerging sectors prioritized in the economic pillar of the Vision 2030 that include blue economy and extractive resources. Vision 2030 would propel the country into a middle-income country if MSEs remain viable and sustainable. The vision's strategy is that the youths are regarded as an integral and important component especially towards wealth creation leading to economic development, because the youth form most of the human capital (Aya, Senaji, & Njeru, 2018) Further, MSEs account for over 90% of the private sector enterprises, providing opportunities for realizing inclusive development particularly under the devolved governance structure. A key objective of devolution is to promote equitable social economic development. The level of development is however concentrated in few urban counties. For instance, the Gross County Product 2019 shows 10 counties account for 54% of the national GDP. Nairobi alone accounted for 22% of national GDP (Fay,Han, Lee, Mastruzzi, & Cho, 2019).

The MSEs sector also provides opportunities for absorbing low-skill and economically excluded segment of the labour force including youth, women, persons with disabilities and those with low levels of education. The 2019 Kenya Population and Housing Census reveals persons below 35 years of age account for 76% of the population, an indication of a rising demand for job opportunities. The Census further reveals that youth in the age bracket of 15 to 34 years represents 36% of the population. On labor force 2.6 million of the economically active population is seeking for work, of which females represent 44% and youth 68%. This therefore reveals that the youth are disproportionately affected by unemployment (State Department of Industrialization, 2020). Despite past and existing policy interventions, there are some persistent performance challenges and emerging issues impeding development of the youth MSE sector in Kenya.

According to Lunguli and Namusonge (2015), these challenges include those related to skills, access to affordable finance, access to markets, obsolete technology, policy lacuna focusing on the ecosystems for start-ups, regulatory environment and institutional coordination. For instance, the 2016 MSMEs Survey and the 2019 Fin

Access Survey shows MSEs have limited access to a narrow range of affordable finance for seed capital, working capital and investments in productive assets. Ease of access, affordability and terms of financing also remain key obstacles to MSE's. These constraints on access to domestic and export markets relate to the shortcomings that MSEs face regarding costs of production, quality of products, access to information on markets and unfair competition emanating from illicit trade in the domestic market. Despite the provisions in the MSEs Act of 2012, the efforts of support institutions involved in promotion and development of MSEs largely remain uncoordinated, thus weakening synergies that would accelerate development of the sector (Nyaga, Whipple, & Lynch, 2010). These challenges abound more in the youth-led MSEs (Okeyo *et al.*, 2016). However, the role of the entrepreneurs' orientation in enhancing performance of the MSEs especially those which are youth-led has not been established empirically.

According to the Kenya National Bureau of Statistic – KNBS (2019), Nyanza region with its six counties of Siaya, Kisumu, Nyamira, Kisii, Homa Bay and Migori has one of the highest concentrations of youth aged below 35 years of age. According to the report, the youth in the region account for about 81% of the population (State Department of Industrialization, 2020). Consequently, statistics show that more than 70% of these youthful population are involved in Micro and Small enterprise businesses in agriculture, manufacturing and fishing. The Lake Region Economic Blueprint of 2014 identified this group as the most important in leading the economic recovery of the region by creating jobs and enhancing manufacturing (The Lake Region Economic Blueprint, 2014). However, several performance challenges have been identified for the MSEs in the region.

Evidence from KNBS (2019) shows that the competitiveness of MSEs in Kenya differ from one County to another. For example, the average competitiveness score, was calculated for the 12 counties for which at least 10 youth-led MSEs participated in the survey. The competitiveness scores are highest in Nairobi, Machakos and Mombasa and lowest in Kisumu, Narok, Tana River, Kwale and Lamu (KNBS, 2019). This suggests that while competitiveness and the level of economic output are broadly connected, there are important context-specific drivers of competitiveness in

different regions that signal their leadership, or potential for catch-up, in business and trade.

An inter-region survey of youth-led MSEs shows that the competitive acumen of MSEs in Nyanza region is lowest in Kenya (International Trade Centre, 2019). This indicates that the region exhibits unique entrepreneurial performance challenges that need to be addressed as this could be evidence to show that the MSEs face problems of low sales which lead to reduced profits, low number of employees, reduced customers and lack of expansion. While several empirical studies have been conducted to establish the cause of the performance challenges, the effect of entrepreneurial orientation on performance of youth-led MSEs in Nyanza has not been established. The micro and small enterprises (MSEs) accounts for a larger share of private sector enterprises across various sectors of the Kenyan economy (Wanjohi, 2016).

Statistics indicate that the sector accounts for 24% of GDP, over 90% of the private sector enterprises and 93% of total labour force in the economy (Report of State Department of Industrialization, 2020). Development of this sector is therefore central to realization of national development goals anchored in the Kenya Vision 2030 and the Big Four Agenda, due to its contribution to providing jobs and income opportunities for economically excluded segments of the population including youth who experience disproportionately high unemployment. Given the critical role by these small-scale business sector in job creation, Economic development and poverty reduction, it is needful that the sector be competently overseen for effective results within more extensive overall goals. The Kenyan Central Government and County Government recognize the importance of this sector and have instituted different policy interventions to support the performance of the YMSE's. Efforts of support by the institutions involved in promotion and development of MSEs largely remain uncoordinated, thus weakening synergies that would accelerate development of the sector (Nyaga, Whipple & Lynch, 2010).

Although several studies have shown that the aforementioned elements of entrepreneurial orientation have an effect on performance of firms, their specific effect on MSE performance has not yet been adequately highlighted empirically since studies show mixed results. This study therefore sought to fill this gap by determining the effect of entrepreneurial orientation on the performance of youth-led micro enterprises with entrepreneurial finance ecosystem as a moderating variable.

1.2 Statement of the Problem

Despite past and existing policy interventions to strengthen youth-led enterprises such as the Youth Enterprise Fund, the provisions in the MSEs Act (GOK, 2021), National Trade Policy (2019), and the sessional Paper No. 5 (GOK, 2020), the enterprises still record a high collapse rate as a result of consistence in declining performance (KNBS, 2021). MSEs' challenges are more prevalent for the youth-led MSEs in Nyanza region of Kenya of which an inter-region survey of youth-led MSEs shows that the competitive acumen is lowest in Kenya (International Trade Centre, 2019). Statistics show that the youth-led MSEs in the region face problems of low sales which lead to reduced profits, low number of employees, reduced customers leading to low sustainability and therefore lack of expansion (World Bank, 2021; GOK, 2022). This leaves about 70% of the youth population without a meaningful source of income (British Council, 2022). This sector, other than the low productivity and growth, they have less than 50% likelihood of business success (Anyanje, 2016). The youth led MSE sector has the potential to grow but unfortunately, they still remain unviable (The Lake Region Economic Blueprint, 2021).

In the vision 2030 and the current government big four agenda, artisan skills have been upheld as one of the major economic drivers where the Government is prioritizing the growth and development of Micro and Small Enterprises led by youth through TVET institutions who offer the artisan skills training (carpentry, plumbing, masonry etc.) and support given through various financial ecosystems. However, despite the Government's focus on this sector, youth-led MSEs in the artisan skills sector face significant challenges that hinder their growth and sustainability, a

Systematic Review 2019. These problems if not addressed, are likely to affect the sector's contribution to GDP and employment, and especially to the youth. If MSEs are improved beyond the 24% of GDP, then the country will expect much progress in the economy this challenge leaving both conceptual and contextual gaps.

The available literature shows Entrepreneurial Orientation (EO) is one of the fundamental enablers of continued performance of micro, small and medium enterprise. Dirgiatmo, Abdullah, and Ali (2019) while assessing the role of entrepreneurial orientation on performance of SMEs in Indonesia revealed that competitive aggressiveness and risk taking were essential components of EO that had a significant influence on firm performance. Isichei, Agbaeze, and Odiba (2020) also addressed the relationship between EO and firm performance where they conceptualized EO using innovativeness, risk-taking and proactiveness. Their findings revealed that innovativeness and proactiveness had a significant influence on firm performance, while risk-taking had an insignificant impact on firm performance. Alayo, Maseda, Iturralde, and Arzubiaga (2019) assessed the role of EO on performance of family-owned micro and small enterprises and revealed that entrepreneurial orientation through pro-activeness, competitive aggressiveness and innovativeness had a significant impact on firm performance. In Uganda, Ajer, Ngare and Macharia (2022) analysed the role played by entrepreneurial orientation on performance of agro-food SMEs, and the findings revealed that risk-taking, pro-activeness and creativity were integral aspects of EO that significantly influenced firm performance.

In Kenya, Simiyu, Namusonge, and Sakwa (2016) while assessing the role of entrepreneurial orientation on growth of women micro and small enterprises in Trans Nzoia County established that risk-taking propensity, market research and product innovation had a significant role to play in determining the growth of MSEs. Muindi and Masurel (2022) assessed the effect of entrepreneurial orientation on entrepreneurial performance of women-owned enterprises in Kenya, and established that out of the five major components of entrepreneurial orientation (risk-taking, innovativeness, pro-activeness, competitive aggressiveness and autonomy), only two (innovativeness and pro-activeness) had a significant impact on firm performance.

The studies show mixed results where some portray entrepreneurial orientation to have significant impact on firm performance while others indicate that EO has no significant effect on firm performance, posing a theoretical gap as there lacks a theoretical model that adequately expounds how entrepreneurial orientation relates with enterprise performance. Moreover, the studies have left a conceptual gap where they have conceptualized Entrepreneurial Orientation differently, with some going by only three dimensions of EO, where for instance Ajer *et al.* (2022) focused on risk-taking, pro-activeness and creativity while Rwehumbiza and Marinov (2020) focused on innovativeness, risk-taking and pro-activeness. In addition, some of the reviewed studies have shown a contextual gap where the authors focused on varied contexts, with some focusing on large enterprises and others focusing on family and women enterprises, making them ungeneralizable to the youth led MSEs in Nyanza region. Further on contextual gap, it is evident that some studies did not focus on a Kenyan context, and those in the local context have not focused on all the five identified constructs of EO to determine their effect on MSEs' performance, leaving both contextual and conceptual gaps.

On methodological gap, some of the studies focused on varied methodologies, where for instance, Isichei *et al.* (2020) utilized an exploratory research design, while Alayo *et al.* (2019) employed an empirical approach, which may not yield the same results as the descriptive design used in this study. While Rogo *et al.* (2017); Khan *et al.* (2021); and Ashraf *et al.* (2020) recommended the need for studies to focus on how entrepreneurial financing ecosystem could affect the relationship between EO and success of SMEs, there is little evidence on this particularly in Kenyan context. This study therefore sought to fill the contextual, conceptual, theoretical, and methodological gaps by assessing the influence of entrepreneurial orientation on the performance of youth-led micro and small enterprises in Kenya, with a specific focus on the Nyanza region.

1.3 Objectives of the Study

1.3.1 General Objective

The general objective of the study was to determine the influence of entrepreneurial orientation on performance of youth-led Micro and Small enterprises in Kenya.

1.3.2 Specific Objectives

The specific objectives of the study were;

1. To establish the influence of entrepreneurial competitive aggressiveness on the performance of youth-led Micro and Small Enterprise in Kenya.
2. To determine the influence of entrepreneurial risk-taking on the performance of youth-led Micro and Small enterprises in Kenya.
3. To assess the influence of entrepreneurial creativity on the performance of youth-led Micro and Small enterprises in Kenya.
4. To evaluate the influence of entrepreneurial innovativeness on the performance of youth-led Micro and Small enterprises in Kenya.
5. To examine the influence of entrepreneurial pro-activeness on the performance of youth-led Micro and Small Enterprises in Kenya.
6. To analyze the moderating effect of entrepreneurial finance ecosystem on the relationship between entrepreneurial orientation and performance of youth-led micro and small enterprises in Kenya.

1.4 Research Hypotheses

$H_0$1: Competitive aggressiveness has no significant influence on the performance of youth-led micro and small enterprises in Kenya

$H_0$2: Risk taking has no significant influence on the performance of youth-led micro and small enterprises in Kenya

$H_0$3: Creativity has no significant influence on the performance of youth-led micro and small enterprises in Nyanza region, Kenya

$H_0$4: Innovativeness has no significant influence on the performance of youth-led micro and small enterprise in Kenya

$H_0$5: Pro-activeness has no significant influence on the performance of youth-led micro and small enterprises in Kenya

$H_0$6: Entrepreneurial finance ecosystem has no significant moderating effect on the relationship between entrepreneurial orientation and the performance of youth micro and small enterprises in Kenya.

1.5 Significance of the Study

This study sought to determine the influence of entrepreneurial orientation on youth-led Micro and Small enterprises' performance in Kenya with particular focus on MSEs in Kenya. Findings from the study will provide theorists, empirical researchers, policy makers and the entrepreneurs themselves with pertinent information on the concept of entrepreneurial orientation and how it affects MSE performance and how enterprise funding moderates the relationship between them. This information will enable them to completely refocus on the concept and its value to the MSEs as follows: To theorists and researchers, information from the study will provide them with more insight on the effect of entrepreneurial orientation elements and MSEs performance. It will also assist them as a basis in pursuing further research on the same issue particularly with different variables and analyzing their economic plausibility hence eliminating spurious relationships in future studies.

To the existing entrepreneurs, information from the study will help them understand how the constructs of EO of competitive aggressiveness, risk-taking, creativity, innovativeness and pro-activeness could help them in improving the performance of their enterprises. This could help them in dedicating more time and effort in employing the orientations. Moreover, establishment of enterprise funding as a moderating factor on the relationship between EO and MSE performance might help

them to change their attitude towards seeking funding from the available youth funding organizations. To the potential investors in the MSE sector, results from the study might help them make informed decisions on the choice of investment in an attempt to maximize their returns on their investment portfolios.

To the policy makers including the National Assembly, the county assemblies, the National and County Governments, the results from this study might help them formulate policies that will be aligned to the reality of the findings and strategize on best way forward in realizing the best performance for the youth-led MSEs by providing better financing avenues. This information may also help both the private and public sectors players to provide meaning full support structures to the youth to help them unlock their immense potential. This will help improve performance therefore enterprise survival and increase youth employment which will eventually increase the sector's contribution to GDP and enhance achieving vision 2030.

1.6 Scope of the Study

The study sought to determine the influence of entrepreneurial orientation on youth-led Micro and Small enterprises' performance in Kenya with particular focus on MSEs in Kenya. The geographical scope of the study was Nyanza region. The region has 6 counties namely; Homabay County, Kisumu County, Kisii County, Migori County, Nyamira County and Siaya County which are among the 47 Counties in Kenya. The region has an estimated population of about 10 million which is about 25 per cent of the total population of the country. More than 50 percent of this population are youth aged between 15-35 years, a demographic dividend to the region. This region also has other unique aspects. One is that the lake basin regional block, aims at promoting inter-county development and trade and two is that they boarder and enjoy the inter boarder trade and are expected to have vibrant businesses especially for the youth. The study covered youth-led MSEs who have fixed shops and are legally registered (United Nations Development Programme, 2019; Kenya National Human Development, 2019).

In a bid to enhance youth employment which has been a key challenge in the country, the Government is focusing on skills training through TVET colleges Act of 2013 and this translates to youth entrepreneurs in the artisan sector. This showed the need to focus in these enterprises to establish their performance as far as entrepreneurial orientation is concerned. Youth entrepreneurs are seen as a most energetic workforce and hence perceived to be active in their business undertakings as this would offer big solutions to the current time bomb that most developing countries are facing of unemployment. The youth bulge will continue for unforeseeable future as nearly 80 percent of Kenyans are less than 35 years old. This youth population presents great economic and social opportunities, but also enormous challenges. With investments in education, skills and job creation the youth will result in an economic dividend.

The content scope focused on the study objectives which included: establish the influence of competitive aggressiveness on performance of youth-led micro and small enterprises, establish the influence of risk-taking on the performance of youth-led micro and small enterprises, assess influence of creativity on performance of youth-led micro and small enterprises, assess the influence of innovativeness on the performance of Youth-led MSEs, establishing the influence of pro-activeness on the performance of youth-led Micro and Small Enterprises and analyse the moderating effect of entrepreneurial finance ecosystem on the relationship between entrepreneurial orientation and performance of Youth-led micro and small enterprises in Nyanza region, Kenya. The study also focused on a theoretical scope which included the theories of competitive advantage, risk taking theory, componential theory of creativity, Schumpeter's theory of innovation, learning theory of persuasion and the resource-based theory.

1.7 Limitations of the Study

The study was conducted under several limitations. First, the content of the questionnaire was perceived by the respondents as long and time consuming. This was overcome by allowing more time to the respondents to fill the questionnaire without having to sacrifice their working time frames in order to fill the

questionnaire. Secondly, the area of study was expansive for the researcher to move within the time-frame of the study. Research assistants were employed to assist in dropping the questionnaires. The research area was zoned to avoid duplication of responses. Thirdly, a number of respondents were adamant to fill the questionnaire because of fear that the information might be revealed to their competitors especially based on the fact that the other respondents sampled were in the same line of business. But these fears were allayed by assuring the respondents of confidentiality and that the information was to be used for academic purpose only. A research authorization letter from the University was attached to the questionnaire as a way of assuring the respondents that the data was purely for academic purposes and not for any other use.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

The chapter presents the review of related literature on the relationship between entrepreneurial orientation and performance of MSEs. The chapter entails the theoretical review, the conceptual framework for the study as well as the empirical review of related literature. The chapter will also highlight the critique of the reviewed literature, the research gaps as well as summary of the reviewed literature.

2.2 Theoretical Framework

A theoretical framework as defined by Saunders (2019) is a systematic review of theories that support a given concept or thematic area in a study. In this study, key theories that support the entrepreneurial orientation were reviewed. These theories include the competitive advantage theory, the risk taking theory, the componential theory of creativity, Schumpeterian theory of innovation, learning theory of persuasion and the resource based theory. These theories are instrumental in providing a strong basis for the study and conceptualizing the study's variables.

2.2.1 Theory of Competitive Advantage

The theory of competitive advantage was formed by Porter (1985). The theory proposes that every enterprise in the market has a competitive strategy that improves a rapidly changing business environment and globalization in order to increase profits and customer loyalty. Considerable research progress has been made over the past three decades in the competitive strategy arena (Capps III, Jackson, & Hazen (2002); Mauri, & Michaels (1998); Phelan, Ferreira, & Salvador (2002). Nonetheless, a number of challenges remain (Jarzabkowski, 2003; Kim & Mauborgne, 2005; McDonald, 2006; Van de Ven & Johnson, 2006). Prevailing topics of concern are of keen interest in both domestic and global contexts (Garrigos-Simon, Marques, & Narangajavana, 2005; Jusoh & Parnell, 2008; Rugman &

Verbeke, 2008; Spanos, Zaralis, & Lioukas, 2004), as well as content and process dimensions (Richter & Schmidt, 2005; Sorge & Brussig, 2003; Varadarajan, 1999).

Consequently, enterprises are constantly looking for new opportunities and ways to make their operations more competitive. For some, major important factors are competitive strategies and plans for strengthening the competitive advantage, while others focus on growth, the number of operations and investigations. Each enterprise therefore seeks to attract new customers, and also to retain them and to look for ways on how to adapt better to consumer needs and satisfy them. To achieve competitive aggressiveness, the theory proposes that the enterprise does not need to only offer the lowest prices in the market and a better-quality product than the competitor, but it is important to react faster than the competition in a changing environment, adapt to market developments, as well as innovation in their activities. The theory of competitive advantage was faulted by Chene (1995). He argued that it is not the environment but the sustainability that is used to describe the competitive advantage approach. But, according to (Barney, 1991) SMEs which accumulate rare resources, that are difficult to imitate and non-replaceable may have competitive advantage.

Competitive Advantage theory is relevant to this study because competitive aggressiveness has been shown to be a determining factor of the firm success, and MSEs need to respond aggressively to global and market competition. This is because, MSEs constitute the main source of materials, ideas, processes and services that large enterprises cannot or do not want to do. Also, this study adopted competitive advantages theory because it provided a robust basis to the study on the effect of competitive aggressiveness on the competitive advantage of MSEs using available competencies, rival awareness, technology adoption and customer focus.

2.2.2 Risk Taking Theory of Entrepreneurship

This theory was advanced by Shaver (1992). According to Barberis (2013), the major aspects of risk-taking theory include quickness of taking chances, anticipating future events, taking financial risks and being knowledgeable on the key aspects of risks that should be considered in a modern business. The theory states that depending on framing of prospects (positive or negative) individuals have different risk

preferences. In positively framed problems (gains), sure gains are favored by persons in distinction to greater, but uncertain gains of similar or even greater utility, whereas in the realm of negatively framed problems, so as to avoid losses, individuals tend to agree to take higher risk (Jeraj & Antoncic, 2013).

The idea of risk taking and its linkages with different variables (most prominently close to owner qualities) have been hard to explain. Therefore, it has been difficult to clarify why business entrepreneurs rush in to exploit opportunities that others have either failed to see or follow up on. Nonetheless, exploring on social cognizance may reveal new insight into these testing issues, giving valuable preferences that separate business people from others while anticipating contrasts in risk taking behavior. The aspect of risk taking as clarified by Knight (1885-1972), is a central characteristic of entrepreneurship and adds that this hypothesis cogitates indecision as a factor of production and embraces the primary purpose of the business person as acting in the hope of future returns.

Business owners who take risks recklessly may lose the trust of their employees and customers. They may also overestimate their businesses' potential for success, resulting in severe disappointment and serious financial losses. The risk-taking theory is a risk-based decision-making theory, where certain policies are based on assumptions that determine the external reality of the environment only. The exploration delivers some risk worthy outcomes, yet these examinations is not built to research the one of kind reactions of business people when looked at with basic conditions.

To broaden this territory of inquiry, planned investigation in utilizing similar situations as a way to inquire whether business entrepreneurs display proof of one of a kind psychological arrangement form, when they are given unreliable information needs to be done. This theory was used in the present study to link risk taking to MSEs’ performance in order to establish under what circumstances youth entrepreneurs take advantage of opportunities in anticipation of future returns.

2.2.3 Componential Theory of Creativity

The componential theory of creativity was articulated by Amabile (2011). It is a theory designed to be comprehensively useful for both psychological and organizational creativity research since it describes the creative process and the various influences on the process and its outcomes. Two important assumptions underlie the theory. First, there is a continuum from low, ordinary levels of creativity found in everyday life to the highest levels of creativity found in historically significant inventions, performances, scientific discoveries, and works of art. The second, related underlying assumption is that there are degrees of creativity in the work of any single individual, even within one domain. The level of creativity that a person produces at any given point in time is a function of the creativity components operating, at that time, within and around that person (Amabile, 2011).

In the componential theory, the influences on creativity include three within-individual components: domain-relevant skills (expertise in the relevant domain or domains), creativity-relevant processes (cognitive and personality processes conducive to novel thinking), and task motivation (specifically, the intrinsic motivation to engage in the activity out of interest, enjoyment, or a personal sense of challenge). The component outside the individual is the surrounding environment – in particular, the social environment. The theory specifies that creativity requires a confluence of all components; creativity should be highest when an intrinsically motivated person with high domain expertise and high skill in creative thinking, works in an environment that is high in support for creativity. Accordingly, creativity should be measured by ideas and practices that the entrepreneur has, the products and services produced and their problem-solving skills. Creativity is coming up with ideas to provide better service on entrepreneurship contracts and understand work place practices and control (Benjamin, 2012).

Choi and Sethi (2010) consider creativity in four specific aspects. These are ideas and practices, products and services, problem solving and information sharing. The authors depicted that entrepreneur inventiveness in terms of initiative perception in light of appraisals in regard of correspondence, ability, imitating, listening, climate

and integration. They argued that being creative is about embracing the practices that are in line with the expectations of the customers and ensuring the relationship between the customers and the firm is enhanced.

Recognized as one of the major theories of creativity in individuals and in organizations, the componential theory has been used as a partial foundation for several other theories and for many empirical investigations. Of all of the theory's tenets, the most heavily disputed has been the intrinsic motivation principle. However, the majority of studies testing that principle have supported it – particularly when the notion of motivational synergy is taken into account. Although certain aspects of the theory remain unexplored empirically, research generally supports the inclusion of all three intra-individual components as well as the social environmental component

According to Saridakis *et al*. (2013) business entrepreneur's creativity is prejudiced by conduct and ability to solve the existing and emerging problems since it improves communication therefore higher performance. Creativity builds the capacity to see an organisations strength and use it to organise and change the organisations' ability to push the aims of the entity. The entrepreneurs ought to be increasingly interrelating by cooperating with employees through nurturing interpersonal abilities and give an improved perspective on work difficulties and work opportunities. This theory is relevant to this study since it linked the construct of creativity to MSE's performance. The hypothesis was that the youth entrepreneur's creativity, practices and conduct can improve performance in their business.

2.2.4 Schumpeter's Theory of Innovation

Schumpeter (1934) advocated this theory of innovation. The theory is in line with other investment theories of the business cycle, which asserts that the change in investment accompanied by monetary expansion are the major factors behind the business fluctuations, but however, Schumpeter's Theory posits that innovation in business is the major reason for increased performance. Accordingly, the cyclical business process is almost exclusively the result of innovation in the organization, both industrial and commercial. The theory is based on the assumption that

innovation happens when the entrepreneur develops new product or a new production system, identifies new sources of raw materials, and identifies new market and introduces a given organization to a new industry (Andersen, 2004).

One of the aspects that Schumpeter highlights as innovativeness aspects is new products and services. This is the ability of an entrepreneur to come up with new products that are designed in a manner that aligns to the customer. The entrepreneur breaks the stagnant enterprise from within the system by introducing new project designs or developing other new product (Andersen, 2004; McDaniel, 2005; Drejer, 2004) hence enhancing their performance. The theory also upholds the need for improving the existing products where the entrepreneurs focus on best ways to have newer and better designs of the existing products.

According to McDaniel (2005), in given groups, innovators are those people who are creative, innovative, and with forethought and above all, people who are ready to make improvements to their existing styles and designs of what they produce in order to meet emerging customer tastes and preferences. This shows the linkage between the theory and the improvement of existing products as an aspect of innovativeness. However, critiques to the theory feel that the theory over emphasized on innovative functions of the entrepreneur and ignored the organizing aspects of entrepreneurship. Schumpeter also ignored the risk-taking function of the entrepreneur because whenever an entrepreneur develops a new combination of factors of production, there is enough risk involved because of the uncertainties. Schumpeter's entrepreneurs are, essentially, large scale business owners who are common in the advanced economies. The class of entrepreneurs common in developing countries are entrepreneurs who needs to imitate, rather than innovate to survive (Gaglio, 2018).

This shows the linkage between the theory and the improvement of the existing products as an aspect of innovativeness. Andersen (2004) upholds that product improvement plays a vital role in development process of other product lines. Youth are to embrace reforms that call for innovation in the way they operate their enterprises so that there is continuous improvement that will enable them meet dynamic needs of their customers that are always changing. Some of the related

literature that found this theory useful includes Namusonge, Muturi,Olaniran (2016) and Mburu, Gichira and Kyalo (2017). Drucker (2005) on the other hand, holds innovation, resources and an entrepreneurial behavior as key to entrepreneurship. According to him, entrepreneurship involves increase in value or satisfaction to the customer from the resources, creation of new values, and combining existing material and resources in a new and productive way (Olaniran, 2016). Schumpeter's Theory of Innovation is relevant in the present study because it has been shown that the success of businesses largely depends on their ability to innovate on new products, new markets, new production markets and new technologies. The theory therefore anchored the fourth objective which assessed the influence of innovativeness on the performance of youth-led Micro and Small enterprises in Nyanza region, Kenya. The research hypothesis was that with innovativeness, the youth-led MSEs will improve their performance.

2.2.5 Learning Theory of Persuasion

This theory was founded by Stacks and Burgoon (1981). The applicability of this theory has been done in different areas. This theory focuses on pro-active methods when dealing with situations and compliance gaining. This fact is in support of entrepreneurial orientations idea which is gained through knowledge acquirement. The learning theory can positively impact learning experiences and develop characteristics within a learner that can improve and boost performance in the firm. The striking principles of the learning theory include an array of options (Knowles 1980), and these include self-direction, transformation, experience, mentorship, mental orientation, motivation and readiness to learn. The level of learning theory clarifies the gaining of new frames of mind and practices, and to what degree are attitudinal and personal conduct changes administered by learning assumption standards? The learning theory speculations talked about are assembled into three classifications: improvement reaction, perceptive methodologies; and numerical approaches. Organizational learning is believed to boost company's performance (Lopez, Peón, & Ordás, 2005).

According to Kit-Yu (2007), in order to preserve its competitive edge, a company should have the potential to learn quicker than rivals in a complex market climate. The main criticisms of social learning theories however, are the concern as to which extent social interactions influence behaviour. Critics argue that these theories tend to reject genetic factors as significant determinants of behaviour: the classic nature versus nurture debate (Bouchard et al. 1990).

The theory of learning however, sets out how learning occurs and the essential components or drivers for learning. Principles and major research evidence are studied and examined from various learning theories, and recommendations are made as to how this evidence can help to develop more complete persuasion and attitude change theories. The theory can assist to find out how youth entrepreneurs can handle their customers be able to forecast and learn other causes of action in turbulent business situations for their success by learning from others and from their own experiences to being proactive. The hypothesis can help to discover how youth business entrepreneurs can deal and respond to unpredictable business circumstances for their prosperity and how their being proactive can propel their ventures to profits and survival (Stacks, & Burgoon, 1981).

2.2.6 Resource-Based Theory of Entrepreneurship

This theory was proposed by Barney (1991). According to him, the theory seeks to explain why some firms perform better than others by looking to the firm's resources. The core idea behind the view is that competitive aggressiveness comes from a firm's effective use of tangible and intangible resources. According to the resource-based view, the persistent competitive advantage is created by the inimitable resource package as the firm's fundamental base (Conner & Prahalad, 1996; Barney, 1991). Compared to other businesses in the same industry, this theory explores how higher performance can be obtained and notes that higher performance is the product of achieving and taking advantage of the company's specific resources.

The resource-based theory (RBT) is tied to the internal and external need for resources in a modern organization. The RBV theory definition Goshal et al. (2002), states that a firm comprises of differentiated technological skills, complimentary

assets and organisational practices and capacities (Bunyasi, Bwisa & Namusonge 2014). The SMEs also require resources such as funding for their continued growth and development. One of these resources is financial resources. The other resource is human capital. The theory is often used to describe the value of human capital to entrepreneurship and is seen as a source of competitive advantage that contributes to distinctive benefits of trademarked resources (Peppard, & Rylander, 2001).

The incomparable bundle of capital as the fundamental base of the business bends the sustained competitive advantage as per the resource-based view. SMEs are founded on the resources and skills that a company holds or can acquire from the resources and managers should be able to recognize in their organizations the primary resources and drivers of success and value. Sustainable competitive advantage is the product of resources that are inimitable, not substitutable, tacit and synergistic, according to RBT (Barney, 1991). Therefore, managers/entrepreneurs need to recognize in their organizations the key tools and drivers of success and value.

The theory generally captures the need for continued entrepreneurial orientation where as a result of entrepreneurs interacting with the society, they are able to take calculated risks, become innovative and creative, be pro-active and embraces competitiveness through the moderating effect of factors such as entrepreneurial finance. In other words, the theory shows how entrepreneurial orientation is an essential aspect of entrepreneurs in relation to the modern society and the urge for business continuity and growth by use of existing factors such as entrepreneurial finance.

A large number of research shows that there are significant differences between the micro, small and medium firms in their decision-making process due to their number of employees, and also as a result of their asset size (in general SMEs are defined as firms which have fewer than 250 employees in the European Union). However, it is necessary to distinguish between micro, small and medium firms in the SME segment, due to different level of resources at their disposal and which affect their basic business decisions and strategic innovativeness (Aldrich, & Auster, 1986; Pett,

& Wolff, 2011). Other critics of RBV have been widely cited and they say that RBV is tautological. The RBV has clung to a narrow neoclassical economic rationality thereby diminishing its opportunities for progress. Different resource configurations can generate the same value for firms and thus would not be competitive advantage. The role of product markets is underdeveloped in the argument (Kraaijenbrink, Spender & Groen, 2010).

Lack of finance as a resource of the micro firms may limit their willingness to take more risk, to initiate any innovative ideas, be more aggressive or be proactive, due to fear of failure. As the central argument in this paper, we employed Barney (1991) resource-based view, and argue that as MSEs have fewer resources then they become less entrepreneurial. However, when the firm increases its resources, in that case the fear of survival may not be substantial for the larger firms, and hence they can be more entrepreneurial than the micro firms.

2.3 Conceptual Framework

A conceptual framework is a graphical representation of the key variables that a study is focusing on and how the variables relate (Kothari, 2016). The conceptual Framework for this study is as shown in Figure 2.1. The framework had three constituent parts, part one was the independent variable entrepreneurial orientation whose components were competitive aggressiveness which had available competence, rival awareness, technology adoption and customer focus as indicators, risk taking with quick to take chances, anticipating future events, financial risks, and available knowledge as its indicators, creativity which had ideas and practices, products and services, problem solving and information sharing, innovativeness which had new sources of raw material, new markets, new businesses, new production systems and pro-activeness which had customer consultation, product forecasting, alternative causes of action and early implementation as the indicators. Part two the dependent variable had sales, employees' profits, customers and new branches as the indicators while part three was the moderating variable, entrepreneurial finance ecosystem which had accessibility, source of funding and

awareness. The conceptual framework for the study was arrived at after careful review of the literature and relevant conceptual figures.

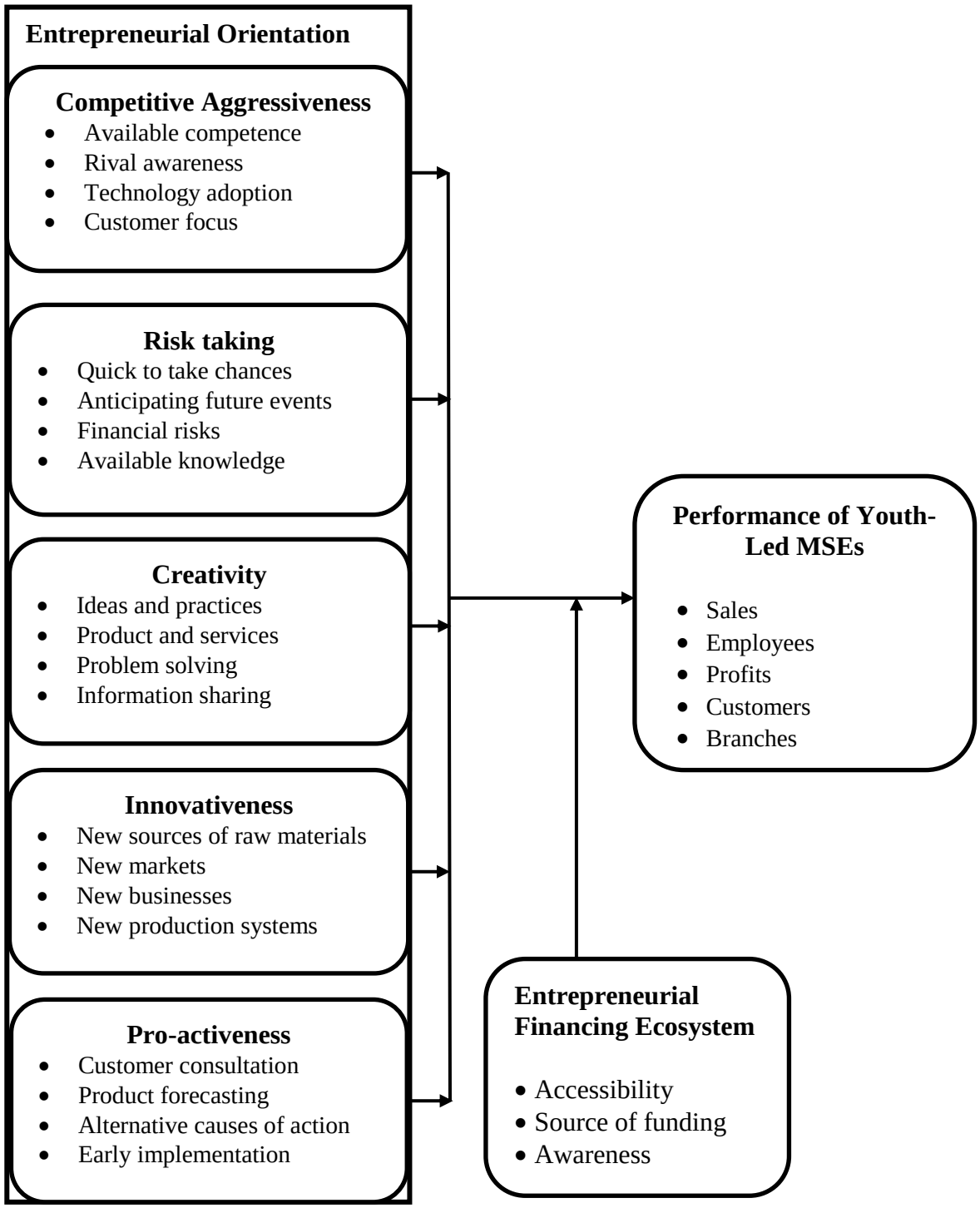

Figure 2.1: Conceptual Framework

2.4 Empirical Review

The empirical studies are reviewed herein on the influence of entrepreneurial orientation on the performance of micro and small enterprises. The studies are systematically reviewed based on the objectives of the study.

2.4.1 Competitive Aggressiveness

Competitive Aggressiveness refers to how enterprises relate to competitors and respond to trends and demand that already exist in the marketplace with regard to competitors (Chalchissa, & Bertrand, 2017; Deakins & Freel, 2012). Additionally, according to Schillo (2011), competitive aggressiveness refers to an enterprise's way of engaging with its competitors, distinguishing between companies that shy away from direct competition with other companies, and those that aggressively pursue their competitors' target markets. This connotes a trait in a firm that is reflected in its propensity to face up to and challenge its rivals directly and intensely and to outperform them in the marketplace. These include the use of strategies such as low price, differentiation, and targeting a competitor's weaknesses (Lumpkin & Dess, 1996), or in outspending competitors on marketing, product service and quality, sales promotion advertising or manufacturing capacity which may either have a negative or positive effect on the firm depending on the effective use of strategy. In the present study, competitive aggressiveness was measured by available competencies, rival awareness, technology adoption and customer focus.

There is evidence that shows that enterprises in whom competitive aggressiveness exists tend to perform better than their counterparts, and competitive aggressiveness helps firms in tackling dynamic and hostile environments (Mirza, Bergland, & Khatoon, 2016). The aggressiveness dimension in competition reflects the firm's ability to take aggressive actions in dealing with its competitors by increasing product quality, production capacity and others in order to attract consumer buying interest (Panjaitan, Cempena & Panjaitan, 2021). However, entrepreneurship scholars have argued that more aggressiveness is not always positive, and that businesses may damage their reputation and lose goodwill by being too aggressive

and that competitive aggressiveness is a strategy best used in moderate environment (Deakins & Freel, 2012).

Empirical studies have been conducted on the effect of competitive aggressiveness on performance. The studies show differing results. For instance, an empirical study was carried out on by Ansir and Cahyono (2014) on the influence of competitive aggressiveness on firm performance relating to 163 SMEs in West Java, Indonesia using Structural Equation Modeling (SEM) analysis. The results indicated a significant positive influence of firm competitive advantage on the performance of the SMEs. The study however focused on SMEs in general in Indonesia whose results may not be generalised to the youth-led MSEs in Kenya which has a different regulatory environment.

Research conducted by Basho and Purnamae (2017) on the factors affecting manager performance and its impact on competitive advantage, with special focus on the SMEs in the shoes industry in Mojokerto East Java Province, Indonesia. The main purpose of the study was to describe and analyze the factors which affect the performance of managers and their impact on competitive advantage. By using a sample of 170 managers, the study observed that creativity had a positive significant effect on manager performance, and that, entrepreneurial orientation attributes and creativity have a positive influence on the competitive advantage. Worth noting also was the discovery that manager performance also positively influences competitive advantage of a firm. The study researched on SMEs at large, and with focus on those that are partisans in the shoes industry, hence research needs to be done specifically addressing youth owned micro enterprises.

Hotman, Adiati and Feliks (2021) investigated the causal relationship between network capability, knowledge creation, innovativeness, competitive aggressiveness, and business performance of private universities. The study proposed a model to test the role of competitive aggressiveness as a mediating variable. The population of the study was lecturers at the 10 best private universities in East Java, Indonesia. Analysis by SEM on 230 respondents, using random sampling method which showed that the model is accepted, and competitive aggressiveness is proven to be a positive

mediating variable in the relationship of network capability, knowledge creation, innovativeness, and business performance. The results also show that knowledge creation, and innovativeness, have an effect on competitive aggressiveness, while network capability has no effect. The research implication is that management should encourage lecturers and organizations to be more productive in conducting research. The study used competitive aggressiveness as a moderating variable and focused on university lectures.

Asika and Konya (2020) conducted a study on competitive aggressiveness and business performance of event management firms in Port Harcourt, Nigeria using the cross-sectional survey research design. The population was sixty-six (66) heads of the twenty-two event management firms. The study's results showed that competitive aggressiveness significantly influenced profitability and effectiveness of event management firms in Port Harcourt, Nigeria. It was recommended that owners/managers of event management firms should maintain competitive aggressiveness to not only preserve but also boost the profitability of their firms. The study however focused on event management firms.

Linyiru and Ketyenya (2017) study on the other hand sought to establish the influence of competitive aggressiveness on performance of state corporations in Kenya. The study adopted an explanatory research design. The population of the research consisted of the 187 state corporations in Kenya as at 2013. The unit of analysis was the state corporation. A purposive sample of 55 commercial state corporations was included in the study. The study used primary data gathered using questionnaires and indicated that competitive aggressiveness is a key determinant of performance for commercial state corporations in Kenya. The study concludes that competitive aggressiveness has significant effect on firm performance. The use of state corporations which are in most cases non-profit making implies that the results from the study cannot be used to make policies for profit-making organizations such as the MSEs in Nyanza region.

Another study in Kenya was conducted by Mwaura, Gathenya and Kihoro (2015) on the dynamics of Competitive aggressiveness on the Performance of Women claimed

Enterprises. A descriptive research design was used in the study which found that Competitive aggressiveness has a positive relationship with performance of the women enterprises. The use of Women claimed Enterprises implies that the results in the study were limited and not therefore applicable to the youth-led MSEs in the Jua Kali Artisans Sub-sector in Kisumu, Migori, Siaya, Kisii, Nyamira and Homa Bay Counties which is the focus of the present study. Moreover, the study used the descriptive research design which has high levels of bias.

Baraza and Arasa (2017) studied the effects of competitive strategies on performance of manufacturing firms in Kenya where the findings revealed that competitive strategies under study (cost leadership, differentiation and focus) play an important role on the performance of a firm in the sense that they influence decision making which in turn leads to improved performance. The study laid emphasis on manufacturing firms, assuming other forms of enterprises.

2.4.2 Risk Taking

According to Wiklund and Shepherd (2013), risk-taking refers to the tendency to take bold actions such as venturing into unknown new markets and committing a large portion of resources to ventures with uncertain outcomes. Risk-taking has been seen as a defining property of the entrepreneur and entrepreneurship (Block *et al.,* 2015). This is because entrepreneurial effort towards a new venture conception can be risky because new firms tend to have an ample rate of failure. Moreover, entrepreneurs accept different types of risk (psychological, social and financial) when they create new firms and individual predispositions towards risk. Risk-taking orientation has been regarded as a feature of the process of entrepreneurship and the entrepreneur for a long time, but despite this fact, research has found that entrepreneurs tend to be moderate in risk taking.

Risk-taking propensity can be defined as a person's orientation to take risks and is one of several specific enduring personality characteristics (Rauch & Frese, 2017). It can be defined as the perceived probability of getting the compensations related to the accomplishment of an aimed circumstance. In previous studies, Brockhaus (2018) found that risk-taking propensity couldn't differentiate entrepreneurs from

other people and so risk-taking propensity, might not be regarded as a distinguishing attribute of entrepreneurs. This finding is in contradiction with findings of other researchers, who found, for example, that an entrepreneur tends to be innovative, creative, dynamic, flexible, risk-taking, and oriented towards growth (Stevenson & Gumpert, 2015), and that risk-taking propensity is usually associated to business startups (Nicholson *et al*., 2015).

Sitkin and Pablo (2012) considered the risk-taking propensity of the decision maker as a key determinant of risky behavior. Stewart and Roth (2011) on the other hand found through a meta-analysis that entrepreneurs tend to have higher risk-taking propensity than managers. Kamalanabhan *et al*. (2016) highlighted the significance of loss as a critical property in taking risks. They compared entrepreneurs, prospective entrepreneurs and non-entrepreneurs on two measures of risk-taking propensity and no differences between groups were found when the propensity to take risks was assessed. This indicates that risk taking does not necessarily have a linear relationship with firm performance. In the present study, risk taking was measured using the entrepreneur's propensity to take chances quickly, anticipate future events, take financial risks and acquire and use available knowledge.

Wiklund (2010) studied risk taking and family firms in Sweden by taking a sample of Swedish SMEs using risk taking as an element of EO. The study found that risk taking is an important dimension of EO in family enterprises and is positively associated with pro-activeness and innovation. According to the study, family firms do take risks while engaged in entrepreneurial activities to a lesser extent as compared to non-family firms and that risk taking is positively related to performance. The study was however conducted in a developed country and focused on SMEs in general. The current study will focus on MSEs that are led by youth.

Naldi, Nordqvist, Sjoberg and Wiklund's (2007) study on entrepreneurial orientation, risk taking, and performance in family firms in Sweden, discovered the existence of a negative significant relationship between risk taking and performance among the family firms under investigation. The study observed that firms operating in less developed business support services and weak regulatory environments, experience

less protection and are often compelled to unethical behaviour, such as corrupt transactions, to legitimatize their business. According to Le Roux and Bengesi (2014), risks can be associated with factors such as political instability, unsupportive policy and regulatory environment and information asymmetry, which may impede the achievement of a firm's objectives. The study however focused on family-owned firms.

Belás, Machácek, Bartos, Hlawiczka and Hudáková (2014) in a study on the effect of risk taking on firm performance in Czech and Slovak small and medium enterprises revealed that during the period of financial crisis, the performance and profitability of the small and medium enterprises deteriorated considerably. According to the study, the most worrying business risks were market, financial risk and personal risk in that order. It was observed that the worst performing entrepreneurs were those with low-risk perception and high-risk propensity. The entrepreneurs who were willing to take a lot of risk but generally perceive few risks were observed to exhibit the poorest performance while the entrepreneurs with higher perception of risk in general earn higher revenue. The study generally revealed no systematic effect of risk on performance. The study was however conducted in a developed economy and focused on SMEs in general.

In a study that was conducted in Africa by Olaniran, Namusonge and Muturi (2016) focused on the role of risk taking on the performance of firms in Nigerian Stock Exchange. The target population was 176 firms listed in the Nigerian Stock Market where a sample of 60 firms was taken. Data analysis was done using among others random and fixed regression models. The results indicated a negative relationship between risk taking and return on assets and return on equity. The study used firms listed in the Stock Exchange. This implies that the effect of risk taking on performance of MSEs was not evaluated.

In Kenya, Kiprotich, Kimosop and Kemboi (2015) assessed the relationship between risk taking and Small and Medium Enterprises (SMEs) performance in Nakuru County. Explanatory research design was adopted and a sample of 214 SMEs was selected by stratified sampling method. Primary data was collected using

questionnaires. Though the study showed a moderate positive relationship, it was found that risk-taking has no significant effect on SME performance. The use of an exploratory research design implies that the cause-effect on the independent variable on the dependent variable was not effectively evaluated.

Nyakang'o and Kalio (2013) conducted a study on the effect of risk taking on performance of hotels. The study established that there was no relationship between the cash flow risks and performance. Further the study findings indicated that most hotels used credit services in business operations despite the fact that most businesses had difficulty accessing credit, the industry had increased credit card sales and had bad loans. The research also decried that, while the net effect of the serious risk of huge profits on restaurant overall performance in the work area was typically high, the revenues realized over the same period also increased. The study did not evaluate the effect of risk taking for MSEs.

Mburu Gichira and Kyalo (2017) confirmed the existence of a positive significant relationship between risk taking and the performance of family-owned enterprises performance in Nairobi County, Kenya. The study identified motivation to earn attractive returns as the main drive behind most entrepreneurs engaging in risk taking behaviors. They also assumed that if executed as planned, result would be high returns. The research had some deficit in the sense that it looked at family-owned enterprises at large, hence the reason why a study needs to be done specifically addressing youth-led micro enterprises.

Kagwathi, Kamau, Njau, and Kamau (2014) identified customer relations, capital market, operational-economic, branding risks and global view as some of the risks faced by enterprises and that some of the strategies that were being employed by these enterprises to mitigate the risks include diversification, insurance, collaboration and use of credits scorecards. The study found a positive significant effect of risk taking on performance of the enterprises. The study was not representative enough because it focused on one region only, therefore a study needs to be done to bring on board other regions so as to get a realistic representative conclusion.

Madembu, Namusonge and Sakwa (2015) documented on the role of risk management on financial performance of small and medium enterprises in Kenya. The main focus of the study was to investigate the role of risk management on financial performance of small and medium enterprises in Kenya. The study noted that SMEs do not put attention to risk management seriously and this was attributed to lack of knowledge and skills. The study discovered that risk management practices positively and significantly affect financial performance of SMEs and was recommended that SMEs should adopt appropriate risk management approaches to manage risks in their organizations. The study restricted its performance measure to the financial aspect only. Further still, both small and micro enterprises were studied, hence the need to study youth micro enterprises.

2.4.3 Creativity

Creativity is the ability to come up with new ideas and practices that will spot innovative business opportunities and is among the important entrepreneurial skills. It also can be influenced through education and training. Mumford, Hester and Robledo (2012) assert that creativity is the production of high quality, original and elegant solutions to problems. Creativity as the generation of new ideas that are novel, useful and appropriate is therefore the precursor to innovation. Durbury (2012) observes that creativity matters to entrepreneurs because not only must their initial ideas exhibit dimensions of novelty, usefulness and appropriateness to justify firm performance, but the capacity to sustainably create commercial value from ideas must also be demonstrated.

Creativity has evolved from origins in mysticism and divine inspiration to being a key performance contributor in helping organisations adapt to changing environments in organisational contexts specifically. As a modern idea of business in the 21stcentury, creativity plays a very important role in innovation. Not only is it a way that takes into account the expectations of consumers and the way they are met through practices of developing new goods and services, but it also creates jobs, fulfilling the needs of the community and thereby enhancing the quality of life. Two variables, people and the environment, need to be addressed in order to cultivate

creative and innovative workers in a company (Amabile, 1996; Csikszentmihlayi *et al.,* 1993).

The social environment, a mixture of people, has an important role to play in shaping creative behaviour. In general, contextual characteristics can influence individual creativity on the basis of the organizational environment, which demonstrates the value of organizational creativity. Creativity is most likely to occur when the business climate is right. Creativity is affected by many variables, such as a trustful management, where there are open channels of communication, amicable relationships and communication with outsiders and a working team environment (Nteere, 2012). Desire to create fresh ideas and to explore new ways of looking at challenges and opportunities is creativity. Innovation is the desire to apply new ideas to certain challenges and opportunities to improve or to enrich people's lives.

Kacker (2005) argues that organizations today are knowledge-based, and creativity, innovation, exploration and inventiveness depend on their success and survival. In order to ensure their survival, a successful response to these demands leads to creative change in the company. Effective entrepreneurs come up with new thoughts and then find ways to make them work to fix an issue or to fill a need. Creativity is vital to the success and sustainability of companies in a world that is evolving faster than any of us could ever have expected.

Çekmecelioğlu and Günsel (2013) investigated the effects of individual creativity and climate on firm innovativeness among the manufacturing firms in Kocaeli-Turkey. The purpose of this study was to establish the link between individual creativity, creative climate and firm innovativeness. The findings disclosed that both individual creativity and creative climate have a significant positive influence on firm innovation and hence recommended on the need for the firms to support creative climate that encourages employees for creativity so as to better the firm innovativeness. Only manufacturing firms were studied in this research. The present study will investigate MSEs.

Heffernan, Harney, Cafferkey and Dundon (2013) disclosed a positive significant association between creativity climate, HRM systems and organizational performance outcomes in their survey of the top 2,000 performing firms in Ireland. In an effort to link Information Sharing System on one hand and employee creativity, engagement and performance of mobile phone retail, the study developed sufficient reasons to believe that there exists a significant positive relationship between information sharing system and the quality of creative work when it was more frequently accessed and also between information sharing and the value of creative work and the attendance of salespeople working for stores in divergent markets where customers had distinctive needs requiring customized service. The study however studied firms in Ireland which may have a different economic environment unlike that in Kenya.

A study was done by Ishaq and Hussain (2016) on creative marketing strategy and effective execution on performance in Pakistan. The main aim of the study was to establish the effect of creative marketing strategies and effective execution on business unit performance. By using a sample of 368 respondents drawn from Fast-Moving Consumer Goods (FMCG), banking, chemical, pharmaceutical, insurance, and engineering industries, the study revealed that creative marketing strategy and effective execution had significant positive impact on performance of the firms under study. The study however based its findings on data obtained from enterprises that were engaged in FMCGs. The current study will base its findings on MSEs operating in Nyanza region.

Still in Pakistan, Hassan, Malik and Hasnai (2013) analyzed employee creativity and its impact on organization innovation capability and performance in the banking sector of Pakistan. The main aim of the study was to look at the role of circumstantial factors such as job complexity and relationship with supervisor on employee creativity. The research findings unearthed a direct link between job complexity and supervisory relationship with employee creativity keeping the mediating variable unaffected. More analysis disclosed positive and significant relationship between employee creativity and organization innovation capability and firm performance. The study focused on employee creativity.

Hassan, Qureshi, Sharif and Mukhtar (2013) did similar research on impact of marketing strategy creativity on performance via marketing strategy implementation effectiveness among the Pakistani Organizations and found out that performance is exploited when a firm adopts a creative strategy and achieves effective implementation. The study dwelt on organizations hence research needs to be done on microenterprises.

Lee and Tan (2012) carried out a meta-analytic review of the influences of antecedents on employee creativity and employee performance in Taiwan. The main aim of the study was to identify the conditions which promote the creative performance of employees in the workplace. By examining the results of 57 related studies done between years 1990-2011, the research discovered that, high eminence relationships between the employees and their supervisor's results in employee creativity and higher performance. The study also found out that, when an organization offers psychological empowerment to its employees, it results in employee creativity and performance.

Mwesigwa and Namiyingo (2014) scrutinized the connection between job resources, employees' creativity and firm performance of commercial banks in Uganda and the findings of the study registered a positive insignificant relationship between employee creativity, job resources and firm performance in Uganda. The study was however conducted on employees and not entrepreneurs.

Locally, Kimuru (2018) conducted a study on the role of EO on business performance. The study established no significant effect of creativity on business performance. However, the study established that many of youth-led MSEs faced challenges in accessing capital due to the high cost of credit evident in the high rates of interest, the high cost of accessing credit and the high cost of credit processing fee. MSEs were found not to be fully complying with the tax regime requirements due to multiple taxations from both the National and County governments. The study found that growth component determinants (access to capital, legal and regulatory elements, consumer access, technological adoption and entrepreneurial characteristics) had a substantial positive effect on the growth of MSEs owned by

young people. The most important factor was access to finance, with a coefficient of correlation (0.784) of the growth determinants of youth-led micro and small enterprises in Kenya. The study concluded that the key challenges that MSEs faced were fluctuating interest rates and high credit processing fees. The study applied the case study research design whose results are biased.

2.4.4 Innovativeness

Innovativeness can be said to be the ability to identify, improve, deliver and scale new products, services, processes and business models for customers (Mckinsey, 2022). Innovation is the path by which businesses build inimitable assets and thereby gain a competitive edge (Esteve-Perez & Manez-Castillejo, 2008). The underlying reasoning is that it would lead to improved economic results, faster productivity, more employment and higher wages by motivating businesses to innovate (Duran, Kammerlander, Van Essen, & Zellweger, 2016). Effective corporate entrepreneurship requires both creative originality and innovation with a focus that involves a variety of activities and processes. Innovative companies report substantially higher profits and growth figures than non-innovative companies These inventions are renewing industries, improving their competitive advantage, stimulating growth, creating new job opportunities and generating wealth (Goksoy,Vayvay, & Ergeneli, 2013).

In order for SMEs to succeed in a competitive business environment, they ought to gradually evolve to ensure that their products and services fulfil untapped consumer requirements (Wittmayer, van Steenbergen, & Rok, 2016). Companies with major advancement are less likely to fail (Wagner & Cockburn, 2010). Companies embracing progressive innovation are more likely to succeed due to higher adoption returns as a result of obtaining greater market share (Langerak, Rijsdijk & Dittrich, 2009). Innovation is the only way to thrive and succeed in an increasingly hypercompetitive market, because it has been identified as a key driver of company growth and productivity (Ganotakis, 2012). In empirical literature, the prevalent opinion tends to be that there is a positive correlation between the invention of companies and their subsequent survival (Wagner & Cockburn, 2010).

Aghion and Jaravel (2015), claim that new innovations have a positive effect on earnings. In a variety of ways, small and medium-sized enterprises (SMEs) pursuing an innovation strategy can benefit. Innovation is an opportunity for entrepreneurial companies to receive rents through the temporary creation of a monopoly, and the main source of long-term entrepreneurial success, is continuous innovative activities. Since small and medium-sized businesses are more flexible than larger rivals, they can move quicker and so receive these monopoly rents for a longer period of time. An additional opportunity for SMEs to differentiate themselves from competition is the launch of new products, service processes or business models suited to desirable market niches (Silva, 2012). In doing so, as a result of consumers valuing the uniqueness of the innovation, SMEs will benefit from high brand loyalty of buyers. Because of their small size and greater versatility, serving lucrative niches with creative goods is especially beneficial for SMEs compared to large corporations (Rosenbusch, Brinckmann, & Bausch, 2011).

Claudino, dos Santos, de Aquino Cabral and Pessoa (2017) analyzed the promoting and limiting innovation considerations in Brazil's micro and small businesses. The study pinpointed senior management support as well as planning of actions needed for application as the main factors. These was arrived at by interviewing 20 entrepreneurs by a local technology assistant from SEBRAE (Brazilian Support Service for Micro and Small Enterprises), who however stated that the main limiting factors identified were fear of innovation consequences, absence of qualified personnel and entrepreneurs and employees' conformism. The study found no significant relationship between innovation and performance of the entrepreneurs. The study based its findings only on the factors limiting innovation and not its influence on performance of the SMEs. Moreover, the sample was limited.

A study in the Republic of Croatia's SME's by Bozic and Radas (2005) revealed that all the variables of innovation under study (compliance with legal regulations and standards market share increase, reduction of material costs per unit of product, improvement in the environment impact and health or safety aspects and quality improvement) had significant positive influence on the performance of an enterprise. This study looked at the micro and small enterprises as a whole, whose

characteristics may not necessarily rhyme with those of youth-led SMEs, hence the reason why a study needs to be done to single out the influence of innovativeness with respect to the youth-led micro enterprises only.

In Nigeria, Olughor (2015) found out that there existed a strong positive relationship between the attributes of innovation (product and process, Market and Administrative innovation) on business performance. The study based its study on SMEs as a whole, hence the reason why a study needs to be done to establish the link between innovation and performance with respect to youth-led SMEs.

Onwumere and Eleodinmuo (2015) whose effort to determine the link between innovativeness and performance among small and medium scale leather enterprises in Abia State, Nigeria output level, competitors, enterprise size, credit availability for the business and level of education of the entrepreneurs as the main determinants of innovation. This study too realized that innovation results in improved performance of an organization. The study found sufficient reasons to believe that innovativeness had a key role in influencing the financial performance of an enterprise. This study confined itself to SMEs leather enterprises. Entrepreneurship activities are primarily aimed at improving company performance and resulting in increased profit. The study generally was limited to small and medium scale leather enterprises.

Bigliardi (2014) found out that increase in the innovation level led to a substantial increased financial performance of the firm. The study whose aim was to evaluate the effect of innovation types on the performance of small and medium-sized enterprises in the Sekondi-Takoradi Metropolis maintained that although processes innovation and technological innovation significantly influences a firm's performance positively, product innovation had positive effects though insignificant influence on a firm's performance. The research also found out that innovation accounted for over 51percent of the variation in firm performance. This study had bottlenecks in the sense that it concentrated on the various types of innovation only as a measure of entrepreneurial orientation, and the findings were based on micro and small enterprises, hence the need to look at the other aspects of entrepreneurial orientation, specifically with youth-led micro enterprises.

Ndesaulwa and Kikula (2016) sought empirical evidence to document on the impact of innovation on performance of Small and Medium Enterprises (SMEs) in Tanzania. The study aimed to explore the world wide existing empirical studies results on the relationship between innovation on Small and Medium Enterprises (SMEs) performance sing the descriptive research design. The study reported a positive insignificant effect of innovation on performance. The use of the descriptive research design implies that the cause-effect relationship was not effectively evaluated.

In Kenya, Ngugi, Mcorege and Muiru (2013) argued that innovativeness had a strong significant effect on the growth of SMEs in Kenya. Of important revelation was the fact that, when the manager or owner of a business engages in and supporting Fresh ideas, new approaches, experiments and inventive mechanisms will lead to new brands, services or new technological processes that have a major impact on the success of SMEs. In this study, both micro and small enterprises were studied. The study ignored the fact that the findings from SMEs may not necessarily hold for the influence of innovativeness with respect to youth-led microenterprises, hence the reason why this study is undertaken. Moreover, the study focused on growth of SMEs.

Oirere (2015) revealed that a combination of use of computers, implementation of online sales through the internet, training and development of employees, level of expertise employed, adoption of technology, introduction of new branches/business and introduction of new products/services contributed to financial performance as evident in increased profits, increased market share, increased savings for the firm and reduced operating cost of the small and medium manufacturing enterprises. However, the influence was not significant. This study tried to unearth the link between innovativeness and financial performance, hence the reason why a study needs to be done to ascertain the relationship between innovation and performance as a whole, with no restriction to financial performance. Besides, the study based its findings on manufacturing SMEs hence the need to confine this study on youth micro enterprises.

2.4.5 Pro-activeness

Pro-activeness refers to a role in the marketplace that predicts and acts on potential desires and needs, thereby creating a first-mover Vis-a'-Vis competitive advantage (Querbes & Frenken, 2016). A Proactive behavior has been turned into a critical factor in determining an organization's success. Due to its forward-looking perspective, proactivity is critical for EO (Portillo & Poldma, 2010). A proactive organization is able to recognise and find solutions to potential emerging issues (Dai, Maksimov, Gilbert & Fernhaber, 2014). In addition, Khan and Kakabadse (2014) conceptualized proactiveness as an attitude that focuses on developing new goods or services in anticipation of potential demand and shaping the environment.

Pro-activeness is not just about what is seen in the future in terms of new products and prospects (Dai, Maksimov, Gilbert, & Fernhaber, 2014), but it may also apply to early implementation of new goods and brands ahead of rivals, and also customer consultation to remove those practices that have become or are becoming unprofitable. Proactivity means the individuals' ability to create their environment stemming from an interactional perspective (Bandura, 1997, Schneider, 1983). A proactive behavior of a person has a direct relationship with organizational efficiencies, in terms of job performance, success, satisfaction, sense of control, and being able to forecast on uncertainty (Crant, 2000). Proactive personalities identify opportunities and act on them. They show initiative, take action and persevere until they bring about meaningful change. New opportunity detection and assessment, identification and tracking of industry developments, and new venture team formation are practices underpinning proactivity. As Schwartz, Teach, and Birch (2005) once pointed out, one of the main elements of the entrepreneurial method is opportunity perception.

Fairoz, Hirobum and Tanaka (2010) indicated that pro-activeness, innovativeness, risk taking and overall entrepreneurial orientation were significantly correlated with market share growth among the SMEs of Hambantota District Sri Lanka. The study further discovered the existence of a positive and significant relationship between pro-activeness and entrepreneurial orientation with an organization's performance. In

Indonesia, Haryanto and Haryono (2015) sought to ascertain the effect of the orientation of market on the relationship between type of innovation and the SME performance and using a sample of 200 respondents the findings revealed that pro-active market orientation had positive significant effect on the innovation and performance of the SMEs.

In a proposed hypothetical relationship between pro-activeness and SMEs performance in Nigeria, Bakar and Zainol (2015) had reasons to believe that there exists a significant positive relationship between pro-activeness and SMEs performance in Nigeria. Similar findings were reported by Ajayi (2016) who found that although SMEs operations internationally in Nigeria is obstructed by the institutional environment factor, pro-activeness has significantly and positively improved their export performance. Both studies had bottlenecks in the sense that they looked at SMEs at large, therefore a study needs to be done to sieve the relationship between pro-activeness, innovation, risk-taking and performance of youth owned micro enterprises.

The results of Neneh and Van Zyl (2017) concluded that whereas pro-activeness had a significant positive association with SME growth in South Africa, most of them had a moderate level of adoption of pro-activeness. However, the study discovered that most SMEs had started to adopt pro-active innovation (a combination of pro-activeness and innovativeness) and this had yielded a significant positive impact on the SMEs sales growth. Mohutsiwa (2012) on establishing the link between strategic entrepreneurship and performance of small and medium enterprises in South Africa, held that, firms which are innovative, pro-active and are willing to take risks are likely to more successful than the firms which are not and therefore recommended that, pro-activeness, as a dimension of entrepreneurial orientation, is vital for improved performance.

Ali and Ali (2014) scrutinized the association between entrepreneurial orientation and performance of women owned and managed micro and small enterprises in Somalia. The study purposed to determine the importance of entrepreneurial orientation on performance of women owned and managed enterprises in Somalia.

The study adopted a purposive sampling of 200 women from women owned companies and the findings indicated that pro-activeness had no significant influence on firm performance. The study differed from this study being undertaken in the sense that whereas it looked at SMEs as a whole, this study confines itself to the youth owned microenterprises.

Kiruki (2016) on the relationship between entrepreneurial orientation and performance of social enterprises in Kenya, measured pro-activeness from three dimensions and the study revealed that enterprise tried to exploit trends in their industry to a moderate extent. However, the study realized that the enterprises were not very keen in timing matters in exploitation of industry trends and the enterprises were slow in offering market leadership as far as introduction of new products or services before the rest of industry firms. The study registered a positive relationship between pro-activeness and firm performance. In this study, only social enterprises were taken into consideration, ignoring other forms of enterprises.

A study was done by Kiprotich, Kimosop, Kemboi and Kiprop (2015), seeking to investigate the influences of risk-taking and pro-activeness on performance of SMEs and the moderating effect of social networking on relationship between entrepreneurial orientation and performance of SMEs in Nakuru County, Kenya. The study gathered information from a sample of 214 SMEs and data were analyzed using descriptive and inferential types of statistics. The findings revealed that pro-activeness, risk-taking and innovativeness had a positive but insignificant influence on the performance of SMEs, and that social networking positively moderated the association between Pro-activeness risk-taking and performance of SMEs. The study was not specific on the type of microenterprises since it considered SMEs at large. It also confined itself to one region only hence a study needs to be done to accommodate other regions for a more realistic conclusion.

Wambugu, Gichira, Wanjau and Mung'atu (2015) wanted to know the link between pro-activeness and performance of Agro processing SMEs in Kenya. The main focus of the study was to establish the influence of pro-activeness on the firm performance of Agro processing small and medium enterprises in Kenya. To achieve this, data

were collected from a sample of 111 Agro processing SMEs who were registered members of Kenya Association of Manufacturers. The study disclosed that the existence of a strong positive relation linking pro-activeness and firm performance among the Agro processing SMEs in Kenya. In this study, Agro processing small and medium enterprises were studied, ignoring other forms of micro enterprises.

2.4.6 Moderating Effect of Entrepreneurial Finance Ecosystem

Entrepreneurial finance ecosystem stands to be a critical aspect in determining how effective a firm goes in implementing its mandate and operations for effective performance that will lead to its sustainability. According to Koski (2013), entrepreneurial finance ecosystem is the process of availing finances to an organization so as to promote the effectiveness of its operations and investments out of which the firm performance is enhanced. The source, accessibility, adequacy and management of the entrepreneurial finance ecosystem for any organization determine how best the firm does in outshining its competitors. Entrepreneurial finance ecosystem is a business means that gives a basis and pillars to spearhead business strategies towards gaining competitive advantage.

Small business especially those owned by youth have been known to increasingly either lack start-up capital, face under-funding or possess inadequate finances a matter that has derailed their performance and continuity yet to start a small business one requires capital and that's what most youths lack (Oresha, 2021). According to Santamaria, Barge and Modrego (2010), adequate funding and reliability of the source of funding has been the missing driver in most of the modern businesses, since for them to gain competitiveness, they ought to have properly streamlined entrepreneurial finance ecosystem mechanisms through which they can compete. As far as youth-led small and micro businesses are concerned, funding can be addressed in terms of the awareness of different funding channels available, the current source of entrepreneurial finance ecosystem as well as the accessibility of the different funding mechanisms available.

Awareness of the entrepreneurial finance ecosystem channels available has been a matter of concern among many business owners in Kenya. This is where different funding channels are availed such as the Women Enterprise Fund (WEF), Youth Enterprise Fund (YEF), cheap bank loans and other related forms of entrepreneurial finance ecosystem but they are not known to the youths hence they do not benefit from them at the end of the day (GOK, 2017). Accessibility of the funds is also another aspect affecting youth financing. Recent studies about access to finance indicate that 75% SME owners rely solely upon their own funds to finance their business operations (Rogo, Sharriff & Hafeez, 2017). The funds might be availed and the business owners are aware of the funds but the requirements for accessing the funds are tedious such that they are discouraged from borrowing the funds.

The source of the entrepreneurial finance ecosystem also is known to affect the business performance and their effectiveness. This is whereby they may obtain the funds from a source that is not friendly enough to understand and make the businesses grow but instead eat into the business through high interest rates and tough repayment terms. These aspects have widely been termed to affect entrepreneurial finance ecosystem of small businesses hence the study will seek to address them.

Agwa-Ejon and Mbohwa (2015) in their report on SME access to bank credit, realized that most of their financial assistance mainly came from their personal savings, advances or loans from friends and families for their business start-up, and this was attributed to the fact that their ability to get bank credit was only earmarked to those businesses that had acceptable credit records with strong guarantee to support the loans they are advanced from banks. Mpiti and Rambe (2017) on the other hand argue that, the inability to access funding for MSE's makes them perform poorly, as financing effects the performance of an enterprise. Youth SME performance is regarded as a straight up growth and researchers agree that many SMEs do not usually perform as would be anticipated.

Creswell (2012) views a moderating variable as a special type of independent variable (entrepreneurial finance ecosystem) that is not of primary interest but when combined with the independent variables (entrepreneurial orientation) has an impact on the dependent variable (performance). In this context, Sekaran and Bougie (2016), Srivastava (2011), as well as Blumberg et al. (2014) view the moderating variable as that variable that has a contingent or contextual or contributory effect on the relationship between independent and dependent variables. The nature of the impact of moderating variable on the X-Y relationship is further characterized in diverse conceptualizations of moderating variable. In this context, Hoy (2010), Melnyk and Morrison-Beedy (2012) Koul et al. (2016) as well as describes Hayes (2020), describe a moderating variable as that variable that determines the size, and or direction of the relationship between an independent and dependent variable. Evans and Rooney (2010) asserts that this impact of moderating variable Z on the X-Y relationship may be an increase, decrease or reversal in the direction of the causal (cause and effect) relationship between the independent and dependent variables (Karanja 2022).

Rogo, Shariff, and Hafeez (2017) analysed the moderating effect of access to finance on the relationship between total quality management, market orientation and small and medium enterprise performance in Nigeria. The sample of the study was drawn from 372 out of the 12009 SMEs in the region. Data was analysed using the Partial Least Squares method (PLS-SEM). Results from the study indicated that access to finance is a significant moderator on the relationship between total quality management, market orientation and small and medium enterprise performance in Nigeria. The study concluded that finance is essential for the SMEs to enhance their performance through total quality management efforts. Although findings from the study show that finance is a potential moderator of relationships between variables, the study findings cannot be generalized to the current study which sought to investigate the moderating effect of entrepreneurial finance ecosystem on the relationship between EO and performance of MSEs in Kenya.

Khan, Salamzadeh, Kawamorita and Rethi (2021) conducted a study whose main objective was to examine the influence of entrepreneurial orientation (EO) on financial and non-financial performance of small and medium-sized enterprises (SMEs) using 326 Pakistani SMEs in manufacturing, trading and services industries with the moderating role of access to finance. Structural equation modeling in was used to test the hypotheses. The findings of the study suggest that EO significantly enhances SME's financial and non-financial performance in emerging economies. On the other hand, access to finance significantly moderated the relationship between EO and SME's financial performance while it did not significantly moderate between EO and non-financial performance. The study focused on SMEs in general.

Elsewhere, Sharif, Ahmad and Shabbir (2020) conducted a study which aimed to investigate the moderating effect of access to finance on the linkages between strategic orientations and owner-managed small medium enterprises (SMEs) performance of the gem and jewelry industry in Thailand. The sample of this study consisted of 116 firms operating in the gem and jewelry business in Thailand. In this study that data were collected using the systematic sampling technique. Based on the obtained analysis results, positive and significant relationships were found between market orientation (MO), learning orientation (LO), and SMEs performance, while entrepreneurial orientation (EO) was not found to have a positive significant relationship with SMEs performance. However, the study did not find a significant moderating effect of access to finance on the positive relationship between EO and SMEs performance. Moreover, the moderating effect of access to finance on EO and youth-led MSEs was not evaluated.

Although there is increasing importance of micro small enterprises (MSE), to all economies, entrepreneurs are struggling on how to get easy access to financial resources. To finance a new venture, entrepreneurs have to choose the best opportunities both from internal or external resources. Various studies have considered that access to money related assets would give various advantages to entrepreneurial businesses. In an ever-changing business environment, the enterprises internal resources are not enough to compete well in the market, and therefore the enterprises move towards external financing (Caglayan& Demir, 2014).

2.4.7 Performance of Youth-Led Micro and Small Enterprises

The word performance can be viewed as the outcome of an activity of a business organisation that can be measured with its limited resources (Rogo & Hafeez, 2017). According to Ingenbleek (2013), every organisation intends to grow from one level to another while at the same time enhancing its survival capabilities to prolong its existence in the market. Every formal organisation has a number of goals it intends to achieve in a given time. These goals differ, based on the nature of the organisation, the environment under which the company is operating as well as the specific aims of the stakeholders in the organisation. However, there are common goals that a formal organisation will have, which include growth, performance and sustainability

Notably, as indicated by Ozkaya, Droge, Hult, Calantone and Ozkaya (2015), for any of these goals to be achieved, performance has to prevail. The abstract area of enterprise performance can be specified only by relating this concept to the broader construct of organisational effectiveness (Combs *et al*., 2015). Enterprise effectiveness is also known as the degree to which firms attain all the resolutions they are supposed to (Strasser, Eveland, Cummins, Deniston, & Romani, 2013). Enterprises obtain diverse valuations based on different areas. Therefore, enterprise success includes all the firms' performance, its concepts, its business and social environments which are also related to training and research.

Venkatraman (2013), argues that performance-measurement framework emphases on various indicators of organizational performance. These parameters of financial performance and operational performance necessitate overall success. Performance on finance takes into account all profits earned from investments, sales and equity. Operational performance on the other hand is a non-financial measure that focuses on operational success aspects that may lead to financial performance. Operational performance includes the market niche, efficiency introduction of new products and innovation and product or service quality and processes that impact on internal outcomes. According to Venkatraman (2013), the extent of the overall effectiveness of performance reflects a wider conceptualisation and includes reputation, survival, perceived overall performance, achievement of goals relative to competitors (Lewin

& Minton, 2014; Venkatraman & Ramanujam, 2013). Lynn and Cox (2012) observe that improvement in individual, group or organisational performance cannot occur unless there is some way of getting performance feedback.

2.5 Critique of the Existing Literature

Previous empirical studies have shown mixed results on the effect of the EO on performance of firms. On the influence of competitive aggressiveness on firm performance, Ansir and Cahyono (2014) who studied 163 SMEs in West Java, Indonesia using Structural Equation Modeling (SEM) analysis indicated a significant positive influence of firm competitive advantage on the performance of the SMEs. The study however focused on SMEs in Indonesia whose results may not be generalized to the MSEs in Kenya which has a different regulatory environment.

Hotman Ida Bagus, Adiati and Feliks Anggia (2021) who investigated the causal relationship between competitive aggressiveness and business performance of private universities showed that competitive aggressiveness has a positive mediating variable in the relationship of network capability, knowledge creation, innovativeness, and business performance. The results also show that knowledge creation, and innovativeness, have an effect on competitive aggressiveness, while network capability has no effect. The study only used competitive aggressiveness as a mediating variable.

Asika and Konya (2020) showed that competitive aggressiveness significantly influenced profitability and effectiveness of event management firms in Port Harcourt, Nigeria. The study however focused on event management firms. Linyiru and Ketyenya (2017) study on the other hand sought to establish the influence of competitive aggressiveness on performance of state corporations in Kenya. The study concluded that competitive aggressiveness has no significant effect on firm performance. The use of state corporations which are in most cases non-profit making implies that the results from the study cannot be used to make policies for profit-making organizations such as the MSEs in Nyanza region. Mwaura, Gathenya and Kihoro (2015 on the dynamics of Competitive aggressiveness on the Performance of Women claimed Enterprises showed a positive relationship of

competitive aggressiveness with performance of the women enterprises. The use of Women claimed Enterprises implies that the results in the study were limited and not therefore applicable to the youth-led MSEs in the Jua Kali Artisans Sub-sector in Kisumu, Migori, Siaya, Kisii, Nyamira and Homa Bay Counties which is the focus of the present study. Moreover, the study used the descriptive research design which has high levels of bias.

In Kenya, Kiprotich, Kimosop and Kemboi (2015) assessed the relationship between risk taking and Small and Medium Enterprises (SMEs) performance in Nakuru County. Explanatory research design was adopted and a sample of 214 SMEs was selected by stratified sampling method. The use of an exploratory research design implies that the cause-effect on the independent variable on the dependent variable was not effectively evaluated. Nyakang'o and Kalio (2013)'s study on the effect of risk taking on performance of hotels established that there was no relationship between risks and performance. The study did not evaluate the effect of risk taking for MSEs.

Lack of unanimity in empirical studies on the effect of creativity on performance of firms has been demonstrated. While some studies (Çekmecelioğlu & Günsel, 2013; Heffernan, Harney, Cafferkey & Dundon, 2013; Ishaq & Hussain, 2016, Hassan, Malik & Hasnai, 2013; Lee & Tan, 2012) have reported a positive effect of creativity on performance of firms, others (Mwesigwa & Namiyingo, 2014; Kimuru, 2018) show that creativity does not necessarily have a positive significant effect on performance of firms. However, Çekmecelioğlu and Günsel (2013) studied manufacturing firms in Turkey, Heffernan, Harney, Cafferkey and Dundon (2013) studied firms in Ireland which may have a different economic environment unlike that in Kenya and Ishaq and Hussain (2016) based their findings on data obtained from enterprises that were engaged in FMCGs.

The effect of innovation has also received considerable attention empirically. Claudino, dos Santos, de Aquino Cabral and Pessoa(2017) analyzed the promoting and limiting innovation considerations in Brazil's micro and small businesses. The study found no significant relationship between innovation and performance of the

entrepreneurs. The study based its findings only on the factors limiting innovation and not its influence on performance of the SMEs. A study in the Republic of Croatia's SME's by Bozic and Radas (2005) revealed that all the variables of innovation under study had significant positive influence on the performance of an enterprise. This study looked at the micro and small enterprises as a whole, whose characteristics may not necessarily rhyme with those of youth-led MSEs, hence the reason why a study needs to be done to single out the influence of innovativeness with respect to the youth-led micro enterprises only.

Bigliardi (2014) found out that increase in the innovation level led to a substantial increased financial performance of the firm. The study whose aim was to evaluate the effect of innovation types on the performance of small and medium-sized enterprises in the Sekondi-Takoradi Metropolis maintained that although processes innovation and technological innovation significantly influences a firm's performance positively, product innovation had positive effects though insignificant influence on a firm's performance. This study had bottlenecks in the sense that it concentrated on the various types of innovation only as a measure of entrepreneurial orientation, and the findings were based on micro and small enterprises, hence the need to look at the other aspects of entrepreneurial orientation, specifically with youth-led micro enterprises. Ndesaulwa and Kikula (2016) sought empirical evidence to document on the impact of innovation on performance of Small and Medium Enterprises (SMEs) in Tanzania. The study reported a positive insignificant effect of innovation on performance. In this study, only one aspect of entrepreneurial orientation (that is, innovation) was considered hence the need to look at the other forms of entrepreneurial orientations.

In Kenya, Ngugi, Mcorege and Muiru (2013) argued that innovativeness had a strong significant effect on the growth of SMEs in Kenya. In this study, both micro and small enterprises were studied. The study ignored the fact that the findings from SMEs may not necessarily hold for the influence of innovativeness with respect to youth-led micro enterprises, hence the reason why this study is undertaken. Oirere (2015) revealed that the influence of innovation on firm performance was not

significant. The study based its findings on manufacturing SMEs hence the need to confine this study on youth led micro enterprises.

Empirical evidence on the effect of pro-activeness on firm performance has revealed that there is no direct relationship between the variables. Fairoz, Hirobumi and Tanaka (2010) show existence of a positive and significant relationship between pro-activeness and entrepreneurial orientation with an organization's performance. Bakar and Zainol (2015) also show that there exists a significant positive relationship between vision, pro-activeness, innovation and SMEs performance in Nigeria, similar to results by Neneh and Van Zyl (2017) who concluded that pro-activeness had a significant positive association with SME growth in South Africa. However, these studies were conducted using different methodologies. Kiruki (2016) and Wambugu et al. (2015) also revealed a significant association between pro-activeness and firm performance.

There are empirical studies that have been conducted using entrepreneurial finance as a moderator (Rogo, Shariff, & Hafeez, 2017; Khan, Salamzadeh, Kawamorita & Rethi, 2020; Sharif, Ahmad & Shabbir, 2020). The reviewed studies indicate that entrepreneurial finance could moderate various relationships. Rogo et al. (2017) analysed the moderating effect of access to finance on the relationship between total quality management, market orientation and small and medium enterprise performance in Nigeria. The study revealed that finance is essential for SMEs to enhance their performance through total quality management efforts. Khan et al. (2020) established that access to finance significantly moderated the relationship between EO and SME's financial performance while it did not significantly moderate between EO and non-financial performance. On the other hand, Sharif, Ahmad and Shabbir (2020) did not find a significant moderating effect of access to finance on the positive relationship between EO and SMEs performance. None of these studies focused on youth-led MSE's.

2.6 Research Gap

A review of empirical literature provides insights to the inconclusive results on the effect of the Entrepreneurial Orientation variables on firm performance. While some studies show a positive effect of competitive aggressiveness on firm performance (Asika & Konya, 2020), others show that there is no significant effect of competitive aggressiveness on firm performance (Linyiru & Ketyenya, 2017). Asika and Konya (2020)'s study focused on event management firms with Linyiru and Ketyenya (2017)'s study used state corporations which are in most cases non-profit making implies that the results from the study cannot be used to make policies for profit-making organizations such as the MSEs in Nyanza region.

A critical review of studies on the role of risk taking on performance of firms also shows mixed findings. For instance, while Mburu Gichira and Kyalo (2017) report a significant positive relationship between risk taking and financial performance of firms, their methodologies are different from each other. The use of an exploratory research design by Kiprotich, Kimosop and Kemboi (2015) implies that the cause-effect on the independent variable on the dependent variable was not effectively evaluated.

Mburu, Gichira and Kyalo (2017) focused on family-owned enterprises, while Madembu, Namusonge and Sakwa (2015) focused on financial aspect of performance. Olaniran, Namusonge and Muturi (2016) focused on firms listed in the Stock Exchange and reported a negative significant influence of risk taking on performance of firms.

While some studies have reported a positive effect of creativity on performance of firms, others (Mwesigwa & Namiyingo, 2014; Kimuru, 2018) show that creativity does not necessarily have a positive significant effect on performance of firms. The methodologies used in these studies are however different. However, Çekmecelioğlu and Günsel (2013) studied manufacturing firms in Turkey, Heffernan et al. (2013) studied firms in Ireland which may have a different economic environment unlike that in Kenya and Ishaq and Hussain (2016) based their findings on data obtained from enterprises that were engaged in FMCGs. Hassan, Malik and Hasnai (2013)

analyzed employee creativity and its impact on organization innovation capability and performance in the banking sector of Pakistan and Hassan et al. (2013)'s study dwelt on one organization hence research needs to be done on microenterprises.

The effect of innovation has also received considerable attention empirically. Ndesaulwa and Kikula (2016) and Oirere (2015) found an insignificant effect of innovation on firm performance. However, Claudino, dos Santos, de Aquino Cabral and Pessoa(2017) based their findings only on the factors limiting innovation and not its influence on performance of the SMEs while Oirere (2015) studied manufacturing SMEs. On the other hand, Olughor (2015), Bigliardi (2014) and Ngugi, Mcorege,. & Muiru (2013) reveal a positive significant effect on the variables.

Waithaka (2016), in her study focused on five entrepreneurial orientations; pro-activeness, innovation, risk taking propensity, and autonomy on SMEs based on Agro – based manufacturing sector in Kenya with a moderating variable of levels of education. This study was done in Kiambu County and concluded that further research was needed to provide insight on how entrepreneurial orientation constructs affect performance because several areas still remain unclear and need to be addressed

Empirical studies that have been conducted using entrepreneurial finance as a moderator Rogo, Shariff, and Hafeez (2017), In their study they indicated that 75% out of the survey respondents rely on their own funds in financing their business operations and that the performance of SMEs can either be affected positively or negatively by the availability of financial resources. Khan, Salamzadeh, Kawamorita and Rethi, (2020); Sharif, Ahmad and Shabbir, (2020) reveal that entrepreneurial finance ecosystem could moderate various relationships. For instance, Rogo, Shariff, and Hafeez (2017) found that finance is essential for the SMEs to enhance their performance through total quality management efforts.

Khan, Salamzadeh, Kawamorita and Rethi (2020) established that access to finance significantly moderated the relationship between EO and SME's financial performance while it did not significantly moderate between EO and non-financial

performance. On the other hand, Sharif, Ahmad and Shabbir (2020) did not find a significant moderating effect of access to finance on the positive relationship between EO and SMEs performance. From these studies, it is not very clear about how the moderating effect of finance enhances performance and that these studies focused on other categories of businesses and not the youth-led MSE's.

2.7 Summary

The chapter presented the review of studies on the influence of entrepreneurial orientation on performance of SMEs. The chapter unfolds by presenting the theories in support of the study variables. The theories include Schumpeter's theory of innovation, learning theory, resource-based theory, componential theory and sociological theory of entrepreneurship. The chapter also covered the conceptual framework which shows the relationship between independent variables (innovativeness, pro-activeness, competitiveness and creativity) and independent variable (performance of youth-led SMEs) with moderating effect of government entrepreneurial finance. The chapter reviewed previous empirical studies from which the research gaps and critique of the literature are drawn.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter presents the techniques that were to be utilized to assemble the important information and the apparatuses that were utilized to analyse it. It comprised of the investigation plan, target populace, the test estimate and testing outline, testing procedures utilized and information collection tools which were utilized. Other than that, the chapter highlight**s** the pilot testing done so as to decide their legitimacy and unwavering quality, and the information investigated.

3.2 Research Philosophy

Research philosophy is an underlying term for knowledge advancement and the nature of that knowledge and contains important assumptions about the way researchers view the world. A research philosophy is a system of beliefs and assumptions about the development of knowledge which results into shared understanding of reality,(Saunders *et al.*, 2015).To meet the predetermined objectives, the study employed positivism research philosophy. In this approach the positivists believe that reality is stable and can be observed and described from an objective view point without interfering with the phenomena being studied (Wambugu, 2016). This approach employed a quantitative data to obtain the results for this study. Quantitative methods involve the processes of collecting, analyzing, interpreting and writing the results of a study.

The research task was described as involving the collection of information on which to base generalizable proposals that could be evaluated and hence considered as the ideal research philosophy for the study. Bell *et al. (* 2018), argue that in positivist approach, the researcher has no powers to alter the information obtained from the data collection instrument and instead works with the observed social reality. Consequently, positivism advocates for organized methods to discover and confirm a set of probabilistic variable relationships that can be used to predict general patterns

of human attributes through precise empirical analysis of behavior patterns (Neuman, 2012). In support of this claim, Salminen (2013) added that a researcher must acknowledge the approach in solving questions through a research philosophy which in turn guides research throughout the exercise of study with the basic function of getting relevant scientific knowledge that is new. Therefore, what was observed in the field was reported. It is for this reason that the philosophy was considered fit for the study because it provides better understanding and application

3.3 Research Design

A research design is defined as the theoretical structure within which research is conducted (Kothari, 2006). According to Wambugu (2016), a research design is that which holds all elements in a research project together and is used to structure the research to show how all the major parts of the research project will work together while a survey is the method that includes a detailed description of the subject or topic. This study adopted a descriptive survey design. The study used a descriptive survey design because it can allow statistical information to be easily obtained, while analysis of that data can be used to deduce desired results. This is in agreement with William (2006) who recommends descriptive survey design as being more formalized and typically structured with clearly stated investigative questions. Mugenda and Mugenda (2003) also support descriptive survey design where they state that it is useful for determining and reporting the way things are.

The main objective of descriptive survey design is to help ensure that the information obtained allows the study to respond as unequivocally and as practically as possible to the survey questions (Ngugi, 2015). Surveys are generally used to collect data from a large number of respondents geographically placed in different locations. This translates to a relatively cheap and quick study procedure. Surveys are also helpful in gathering data related to attitudes and opinions of the youth entrepreneurs on the concept of entrepreneurial orientation and enterprise performance.

This study used inferential methods because it was viewed as the most ideal in testing the relationship between the various independent factors (innovativeness, pro-activeness, competitiveness, risk taking and creativity) and dependent variable

(overall MSE performance) of such a study. The study utilized this technique because it subscribes to quantitative method. The choice of a descriptive survey design in this study was also based on two major reasons. One, surveys provide a quick, efficient and accurate means of accessing information about the population, and two, the study sought to sample and describe events or opinions without manipulating variables for which a survey design was the best (Oso & Onen, 2005). According to Saunders, Lewis and Thornhill (2009) surveys allow for a collection of a large amount of data from a sizeable population in a highly economic way. The inferential method helped in tabulating the quantitative results and present data in diagrammatic ways for easy interpretation and understanding. Other previous studies that found it useful were for instance Kiruki (2016), Oirere (2015), Nyakang'o and Kalio's (2013) and Madembu, Namusonge and Sakwa (2015).

3.4 Target Population

The target population for the study was all the registered youth-led MSEs in the Jua Kali Artisans Sub-sector in Kisumu, Migori, Siaya, Kisii, Nyamira and Homa Bay Counties. This is the formerly known Nyanza province region in Kenya (KNBS, 2017). According to the data available from the KNBS and the six counties, there are a total of 771 registered youth-led MSEs under the classification of Jua Kali Artisans. The enterprises were deemed appropriate in that under the vision 2030 and the current Government agenda (big four agenda), artisan is upheld as the major economic driver and through this the Government hopes to continually fund the TVET institutions who offer the artisan skills (carpentry, plumbing, masonry etc.) to the youths. However, the youth-led SMEs in artisan continue to underperform despite the training and entrepreneurial finance ecosystem from the Government. The distribution of the youth-led micro enterprises under Jua Kali Artisans per county is as shown in Table 3.1 below:

Table 3.1: Target Population of Registered Funded Youth Enterprises

County	Target Population	Percent
Homabay County	154	20.0
Kisumu County	136	17.6
Kisii County	113	14.7
Migori County	129	16.7
Nyamira County	133	17.3
Siaya County	106	13.7
Total	**771**	**100.0**

3.5 Sample Size and Sampling Technique

Sampling as defined by Kothari (2014) is a process which should stipulate the method or technique used to obtain the sample size, as well as how the sample is picked from the target population. In this study, the sample size (appropriate sample size) as well as the technique used to obtain the sample from the population have been stipulated.

3.5.1 Sample size

Sampling is a method that is used to select a sample from a general population which represents the whole population. Sampling methods are required to eliminate bias during the selection process. The sample size is supposed to fulfill the rule of flexibility, efficiency, reliability, and representativeness. Sampling needs to be appropriate so that reliable and valid inferences can be made. Good sampling can allow for the reduction of cost in gathering samples (Creswell, 2013). The study employed a sampling formula by Cochran (1963). This is a formula that has been extensively utilized in determining sample sizes for both extra-large populations and small population. A similar sampling formula has been proposed by Israel (1992); Bartlett (2001); Evans, Hastings, and Peacock (2000); Ahmad and Halim (2017); and Rahi (2017).

The Cochran's formula is:

$$n_o = \frac{Z^2pq}{e^2}$$

Where:

e is the desired level of precision (i.e., the margin of error),

p is the (estimated) proportion of the population which has the attribute in question (usually 50% or 0.5)

q is 1 – p.

n_o is the desired sample size

Z is the standard normal deviation, set at 1.96, which corresponds to 95% confidence level

The desired sample size according to Cochran (1963) was therefore as follows;

$$n = \frac{1.96^2(0.5)}{0.05^2}(0.5)$$

$$n = 384$$

According to Israel (1992) and Halim (2017), when the target population is less than 1000, it is recommended to modify the Cochran's formula to establish the actual sample size that would effectively represent the targeted population. The following formula therefore as proposed by Israel (1992) and Ahmad, H., & Halim (2017) was adopted to identify the actual sample size appropriate for this study.

$$n = \frac{n_o}{1 + \frac{(n_o - 1)}{N}}$$

Where:

n is the actual sample size

n_o is the recommended sample size (384)

N is the target population (771)

$$n = \frac{384}{1 + \frac{(384 - 1)}{771}}$$

$$n = \frac{384}{1.497}$$

n = 257

The sample size for this study was therefore 257 respondents.

The distribution of the sample size was done proportionately as shown in Table 3.2. by using Bowley's formula; nh/n * wn where;

nh= total sample size

n = total population

wn = population per stratum, for instance, **257/771*154=51** jua kali artisans in Homabay county whose percentage is 154/771*100 = 20%.

Table 3.2: Distribution of the Sample Population of Registered Artisan Youth Enterprises

County	Target Population	Sample Size	Percent
Homabay County	154	51	20.0
Kisumu County	136	45	17.6
Kisii County	113	38	14.7
Migori County	129	43	16.7
Nyamira County	133	44	17.3
Siaya County	106	35	13.7
Total	771	257	100.0

3.5.2 Sampling Technique

Sampling technique is a method used in selecting an appropriate sample from a target population. This means that it is possible to answer research questions and to achieve objectives that require you to estimate statistically the characteristics of the population from the sample (Thornhill, Saunders, & Lewis, 2009). Stratified sampling and random sampling were employed in this study to select respondents the youth led micro enterprises in the Jua Kali sub sector of welders who had crucial information regarding their enterprises performance. Stratified sampling was used to achieve the desired representation from all the six counties of the respondents.

Stratified sampling was used to divide the counties into strata's while simple random sampling was used to select individual cases to participate in the study. Stratification ensures that the stratum desired will be represented in the sample in proportion to that existence in the population (Creswell, 2012). The study used stratified random sampling to pick the 257 respondents from the Youth-led MSEs under Jua Kali Artisans with the six counties being the strata.

3.6 Data Collection Procedure

Data was collected by use of questionnaires which were administered to the respondents to be completed. The researcher assisted with the research assistants delivered the questionnaires to the respondents and then either waited for the respondents to fill them or agreed on the time to collect them later. The questionnaire is one of the mostly widely used data collection technique within the survey strategy. Each respondent was required to respond to a similar set of questions and this gave an efficient form of collecting answers from the sample prior to quantitative analysis closed questions, referred to as close ended questions (Dillman, 2007). Closed ended questions also provide a means for coding responses or assigning a numeric value and statistically analysing the data (Creswell, 2012). For this study, a structured questionnaire was used that used the Likert scale format with a five-point response scale. The researcher preferred this method because the question was provided followed by a limited number of response options which were mutually exclusive or distinct from each other and included the typical responses an individual might provide.

After approval from ascertaining the research authorization letter from the University, the researcher applied for a NACOSTI permit. Copies of the research permit were supplied to the office of the county commissioners in the six counties who then gave authority to the researcher to carry out a study in those areas. For each county the researcher visited the ministry of trade to ascertain the records of the registered youth groups. Then, after requesting the Ministry of Trade in those counties selected for a list of the youths who had registered their business (by way of paying the county business permit fee), the enterprises were selected at random and constituted the sample. This meant that a sample of 257 Jua Kali artisans who deal with welding were used as respondents.

The survey consisted of a series of questions, so either providing space for answering the quiz or offering a number of adjusted options from which the interviewee made a choice. This exposed into details the youth MSEs in terms of their aspects of entrepreneurial orientation and performance. The researcher read through the

questionnaires with the research assistants and made sure they understood it for efficient data collection. It was assumed that the respondents were capable of answering the relevant questions knowledgeably and accurately. The respondents experience and insight about their enterprises gave them the expertise to give accurate responses and that the responses given were representative of the enterprises behaviour and practice (Kothari, 2007; Bryman & Bell, 2011; Wambugu, 2016).

3.7 Pilot Study

Pilot study was conducted before the commencement of the actual study to test the research protocols. This was done as a small-scale preliminary study before the large-scale quantitative research in order to evaluate the potential for a future full-scale project. This was done to avoid misleading, in appropriate or redundant questions. Pilot testing also ensures that a research instrument can be used properly and evaluate its practicability and that the information obtained is consistent. According to Zikmund (2010), pre-testing the questionnaire is of essence, this is done to obtain feedback, check whether it is effective and well understood by respondents. This was done using 10% of the sample size which totalled to 26 respondents. Mugenda and Mugenda (2003) asserted that, the accuracy of data to be collected largely depended on the data collection instruments in terms of validity and reliability. The Jua Kali artisan enterprises were conveniently selected due to limited time and resources.

The questionnaire was designed based on the research questions and was pilot-tested to refine the questions before it was administered to the selected sample. A pilot test was conducted to detect weakness in design and instrumentation and to provide proxy data for selection of a probability sample. This was done by use of 10% of the sample size which totalled to 26 respondents. This was in line with Creswell (2013) who suggested that a pilot study in academic research can be done with between 10% and 20% of the sample size. Mugenda (2011) asserted that, the accuracy of data to be collected largely depended on the data collection instruments in terms of validity and reliability.

3.7.1 Reliability Test

The first test carried out for the collected data after the pilot study was the test for reliability. Instrument reliability refers to the consistency of scores or answers from one administration of an instrument to another, and from one set of items to another (Fraenkel & Wallen, 2003). It is the extent to which data collection techniques or analysis procedures will yield consistent findings (accuracy and precision of a measurement procedure) (Creswell, 2014). It establishes if the measure is able to yield the same results on other occasions, similar observations are reached by other observers and transparency in the raw data.

Reliability was checked using the internal consistency of the instrument. For this study, Cronbach's Alpha (α) was used to test for internal consistency. This is a test of reliability proposed by Cronbach (1952). The alpha value ranges between 0 and 1 with reliability increasing with the increase in value. Coefficient of 0.6-0.7 is a commonly accepted rule of thumb that indicates acceptable reliability and 0.8 or higher indicated good reliability (Mugenda, 2008). The pilot data was not included in the actual study. To obtain the Cronbach's Alpha the Kunder-Richard's (KR) formula was used;

$$KR= [n/n-1] * [1-(\Sigma p*q)/Var]$$

Where:

n = sample size for the test,

Var = variance for the test,

p = proportion of people passing the item,

q = proportion of people failing the item.

Σ = the sum of.

In other words, multiply each question's p by q, and then add them all up. If there are 10 items, multiply p by q ten times, then add those ten items up to get a total.

3.7.2 Validity Test

According to Foss and Saebi (2017) validity is the degree by which the sample of test items represents the content the test is designed to measure. There are four types of validities; face, content, construct and criterion. In this study, three types of validities were tested; face, content and construct validities. According to Kothari (2009), face validity ensures that there is a logical link between research objectives and research questions, i.e., to test whether the content of the questionnaire appeared suitable to its aims. Content validity, on the other hand, measures the extent to which underlying constructs are represented in the research instrument, i.e., if the instrument measures knowledge of the content domain of which it was designed to measure (Wilson, 2010). It is a measure of the degree to which data collected using a particular instrument represents a specific domain or content of a particular concept.

In this study, both face validity and content validities were tested using expert judgment whose assessment of the presentation of the questionnaire suggested that the measure indicated relevance and clarity which was important in face validity (Oluwatayo, 2012). While face validity was based on the opinion of the experts, content validity was measured using the Content Validity Index (CVI). As observed by Waltz, Strickland & Lenz (2010) at least two or three experts in the area of the content to be measured can evaluate the validity of the items, and when only two or three experts are employed, content validity index (CVI) is used to measure the level of agreement between the experts. Mason (2010) observes that a CVI of greater than 0.7 is acceptable.

Construct validity which is the degree to which a test measures what it claims to measure (Boudreau *et al*., 2004) was assessed using convergent and discriminant validities. According to Waltz, Strickland and Lenz (2010), convergent validity defines the degree to which two measures of constructs that theoretically should be related are actually related, while divergent validity tests whether the measurements that are supposed to be unrelated are actually unrelated. Factor loadings of constructs and Average Variance Extracted estimations were used to assess convergent validity of each of the constructs (Hair, Black, Babin, Anderson & Tatham, 2010). According

to Hair *et al*. (2010), the ideal standardized loading estimates should be 0.7 or higher, but that factor loadings with score of 0.5 or higher are very significant. Discriminant validity was assessed using Inter Construct Correlation.

3.8 Data Analysis and Presentation

The collected data was edited, coded, tabulated, and then analyzed by the use of descriptive and inferential type of statistics using the Statistical Package for Social Science (SPSS) version 21. Qualitative data was analyzed descriptively using the mean and the standard deviation. Quantitative data was analyzed by use of inferential statistics models which involved correlation and multiple regression analysis to establish the mathematical model linking the independent variables and the dependent variables. Correlation is defined as a linear correlation coefficient that falls in the value range of -1 to +1. Correlation of coefficient uses Karl Pearson's formula dx=x series deviation from an assumed mean. The analysis was done with the aid of the computer data analysis software Statistics Package for Social Sciences (SPSS) version 24. The study used the following Statistical Measurement Models;

Model 1; Regression model equation

The regression model one was used to establish the link between the independent variable and the dependent variable as follows;

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + + \beta_5 X_5 + \varepsilon,$$

Where:

Y= Firm Performance

X_1= Competitive Aggressiveness

X_2 = Risk taking

X_3 = Creativity

X_4 = Innovativeness

X_5 = Proactiveness

$\beta_1, \beta_2, \beta_3, \beta_4$ and β_5 = regression coefficients to be estimated

ε =error term

After presenting the model linking the independent variables and the dependent variables, another regression analysis was done with an inclusion of the moderating variable (Entrepreneurial finance ecosystem) so as to determine its influence on the relationship between the independent variables (competitiveness, risk- taking, creativity, innovativeness and proactiveness), and the dependent variable MSE performance.

Model 2; Regression Model Two

Regression model two was used to determine the effect of the moderating variable of Enterprise Funding has between the independent variable and dependent variable where the model used was as follows;

$$Y = \beta_0 + Z(\beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5)$$

Where;

Y= Firm Performance

X_1= Competitive Aggressiveness

X_2 = Risk taking

X_3= Creativity

X_4= Innovativeness

X_5= Proactiveness

z= Entrepreneurial finance ecosystem

$\beta_1, \beta_2, \beta_3, \beta_4\ \beta_5$=regression coefficients to be estimated

ε=error term.

Table 3.3: Summary of Hypotheses Testing

Hypotheses		Regression Model Equation	Test Carried Out	Verdict
$H_0$1:	Competitive aggressiveness has no significant influence on the performance of youth-led micro and small enterprises in the Nyanza region, Kenya	$Y= \beta o + \beta_1 X_1 + \varepsilon$	F-test	Reject the Null hypothesis if P-value is less than 0.05
$H_0$2:	Risk taking has no significant influence on the performance of youth-led micro and small enterprises in Nyanza region, Kenya	$Y= \beta o + \beta_2 X_2 + \varepsilon$	F-test	Reject the Null hypothesis if P-value is less than 0.05
$H_0$3:	Creativity has no significant influence on the performance of youth-led micro and small enterprises in Nyanza region, Kenya	$Y= \beta o + \beta_3 X_3 + \varepsilon$	F-test	Reject the Null hypothesis if P-value is less than 0.05
$H_0$4:	Innovativeness has no significant influence on the performance of youth-led micro and small enterprise ii Nyanza region, Kenya	$Y= \beta o + \beta_4 X_4 + \varepsilon$	F-test	Reject the Null hypothesis if P-value is less than 0.05
$H_0$5:	Pro-activeness has no significant influence on the performance of youth-led micro and small enterprises in Nyanza region, Kenya	$Y= \beta o + \beta_5 X_5 + \varepsilon$	F-test	Reject the Null hypothesis if P-value is less than 0.05
$H_0$6:	Entrepreneurial finance ecosystem has no significant moderating effect on the relationship between entrepreneurial orientation and the performance of youth micro and small enterprises in the Nyanza region, Kenya.	$Y=\beta o+\beta_1 X_1 * Z+\beta_2 X_2 * Z+ \beta_3 X_3 * Z+\beta_4 X_4 * Z+\beta_5 X_5 * Z+\varepsilon$	F-test	Reject the Null hypothesis if P-value is less than 0.05

3.9 Diagnostic Tests

The models are advanced on the assumption that there exists a linear relationship between the variables. After data collection, this is done to confirm whether the data collection instruments are reliable and valid and whether the set questions are aimed at addressing the set of justice. Diagnostic tests were carried out to establish whether the data collected met the assumptions of the regression model.

3.9.1 Multicollinearity Test

Multicollinearity is a statistical phenomenon in which there exists a perfect or exact relationship between the predictor variables making it difficult to come up with reliable estimates of their individual coefficients (Joshi, Kulkarni & Deshpande, 2012). The study carried out one way to estimate multicollinearity using the variance inflation factor (VIF). The VIF assesses how much the variance of an estimated regression coefficient increases when predictors are correlated. If no factors are correlated, the VIFs will all be 1 but if the VIF is greater than 1, the regressors may be moderately correlated. A VIF between 5 and 10 indicates high correlation that may be problematic and that would require removal of highly correlated predictors from the model.

3.9.2 Homoscedasticity Test

Homoscedasticity means the relationship under investigation is the same for the entire range of the dependent variable. The test here is by graphical examination of the squared residuals. When the homoscedasticity assumption is met, residuals will form a pattern less cloud of dots. Lack of homoscedasticity is most easily seen in a standardized scatter plot. This scatter plot of the standardized predicted dependent variable (ZPR_1 in SPSS) against the standardized residuals (ZRE_1 in SPSS) should show a random pattern across the entire range of ZPR_1 when, in regression, error is homoscedastic -- that is, when the regression model is equally accurate across the range of the dependent variable (David, 2012).

3.9.3 Normality Test

Before analysis of the data, the model was tested for normality. This test was performed to validate the methodology used. The normality test generates a normal probability plot and performs a hypothesis test to examine whether or not the observations follow a normal distribution. For the normality test, the hypotheses are:

H_0: Data do not follow a normal distribution

H_A: Data follow a normal distribution.

In this case a P-value was generated and the null hypothesis was tested for validity.

The normality test was carried out in the study to ensure that the data collected was normally distributed. The regression model assumes that the data used in analysis is normally distributed such that it forms a linear pattern. A normally distributed data takes the form of a symmetric bell-shaped curve. The quantile-quantile plot (Q-Q plot) and the Kolmogorov-Smirnov (K-S) and Shapiro-Wilk tests were used to test for normality in the study. If two distributions match, the points on the plot formed a linear pattern passing through the origin with a unit slope.

3.9.4 Test for Autocorrelation

Autocorrelation is the correlation between members of observations ordered in time (Damodar, 2010). The Durbin Watson (DW) statistic was used to test for autocorrelation in the study where Ordinary Least Square (OLS) residuals with values ranging from 0 to 4 were observed. If the D value is 4 then there is negative autocorrelation, 2 means no autocorrelation and 0 means positive autocorrelation (Damodar, 2010). In the event of autocorrelation, there will be need to transform the model so that the error term can be serially independent (Damodar, 2010).

3.10 Operationalization of the Study Variables

The variables in the study were operationalized as shown in Table 3.4. The independent variables were competitive aggressiveness, risk-taking, creativity, pro-

activeness, and innovativeness. The moderating variable was entrepreneurial finance ecosystem while the independent variable was the performance of youth-led MSEs in Kenya.

Table 3.4: Operationalization of the Study Variables

Objective	Variable	Variable Type	Parameters/Indicators
To establish the influence of entrepreneurial competitive aggressiveness on performance of youth-led MSEs in Nyanza region, Kenya.	Competitive Aggressiveness	Independent	• Available competence • Rival awareness • Technology adoption • Customer focus
To examine the influence of entrepreneurial risk-taking on the performance of youth-led MSEs in Nyanza region, Kenya.	Risk-Taking	Independent	• Quick to take chances • Anticipating future events • Financial risks • Available knowledge
To assess the influence of entrepreneurial creativity on the performance of youth-led MSEs in Nyanza region, Kenya.	Creativity	Independent	• Ideas and practices • Product and services • Problem solving • Information sharing
To determine the influence of entrepreneurial innovativeness on the performance of youth-led MSEs in Nyanza region, Kenya.	Innovativeness	Independent	• Raw materials Sources • New markets • New businesses • New production systems
To evaluate the influence of entrepreneurial pro-activeness on performance of youth-led MSEs	Pro-Activeness	Independent	• Customer consultation • Product forecasting • Alternative causes action • Early implementation
To analyze the moderating effect of entrepreneurial finance ecosystem on the relationship between entrepreneurial orientation and performance of youth-led MSEs in Nyanza region, Kenya.	Entrepreneurial Finance Ecosystem	Moderating	• Accessibility • Source of funding • Awareness • Quality/Quantity
Performance of youth-led micro and small enterprises		Dependent	• Sales • Employees • Profits • Customers • Branches

CHAPTER FOUR

RESEARCH FINDINGS AND DISCUSSION

4.1 Introduction

This chapter presents the findings of the study on influence of entrepreneurial orientation on the performance of youth-led micro and small enterprises in Kenya. The chapter covers the pilot study results, the demographic results and the descriptive analysis of the main findings based on the variables of the study. The variables were innovativeness, risk-taking, competitive aggressiveness, pro-activeness, creativity, entrepreneurial financing ecosystem (moderating) and firm performance (dependent). The inferential analysis was covered in this chapter.

4.2 Response Rate for the Main Study

Maat, Zakar, Nordin, and Meerah (2011) define response rate as the extent to which the sampled respondents in a study are able to effectively participate in the study by giving the required responses. Table 4.1 shows the distribution of the response rate. In this study, there was a sample of 257 respondents drawn from Youth-led enterprises in Nyanza region. Out of the 257 issued questionnaires, 221 were dully filled and returned for analysis. This represented a response rate of 85.9% while the non-response was 14.1%. According to Chua (2014), a response rate of 40% is fairly adequate, 50% (Kothari, 2014), is adequate, 60% is very adequate while 70% and above is excellent. Neuman (2012) proposed that a response rate of more than 60% is adequate to effectively represent the sample size and the population hence such data can be used to make conclusion and recommendation in a study. To this end, the study's response rate of 85.9% was considered to have met the threshold hence the analysis was carried out.

Table 4.1: Response Rate for the Study

	Sample Size	Response Rate	Non-Response Rate	Verdict	Justification
Frequency	257	221	36	Continue with data analysis	Chua (2014); Neuman (2012); Kothari (2014)
Percentage	100	85.9	14.1		

4.3 Results of the Pilot Study

Pilot study was conducted before the commencement of the actual study. This was done to avoid misleading, in appropriate or redundant questions. Pilot testing also ensures that a research instrument can be used properly and that the information obtained is consistent. According to Zikmund (2010), pre-testing the questionnaire is of essence, this is done to obtain feedback, check whether it is effective and well understood by respondents.

The pilot study was carried out using 26 youth led micro and small enterprises in the six counties in Nyanza region (Homabay county, Kisumu County, Kisii county, Migori county, Nyamira county and Siaya county). This was 10% of the sample size for the actual study (257). Questionnaires were delivered to each of the respondents and collected at an agreed time. The pilot study obtained a response rate of 88.46 whereby the 23 respondents dully filled the questionnaires and gave them back for analysis. This was considered adequate for analysis. The high response rate was achievable due to continuous communication and consultations with the surveyed Youth led MSEs as well as the number being relatively small hence manageable.

4.3.1 Reliability of the Data Collection Instrument

The first test carried out for the collected data after the pilot study was the test for reliability. Instrument reliability refers to the consistency of scores or answers from one administration of an instrument to another, and from one set of items to another (Fraenkel, Wallen, & Hyun, 2012). It is the extent to which data collection techniques or analysis procedures will yield consistent finding accuracy and

precision of a measurement procedure) (Creswell, 2014). It establishes if the measure is able to yield the same results on other occasions, similar observations are reached by other observers and transparency in the raw data. Reliability was used to check the internal consistency of the data measuring instrument. For this study, Cronbach's Alpha (α) was used to test for the instrument reliability. This is a test of reliability proposed by Rudin., Lazar, Ehart., & Cronbach (1952).

Cronbach (α) is the measure of the extent to which all the variables in the scale are positively related to each other (Ravi & Shankar, 2015). According to Rudin, Lazar,Ehart, & Cronbach (1952) the general assumption of the coefficient alpha is that the correlation between all the items under consideration in the study ought to be positive since they are measuring the same thing. This further illustrates that a reliable coefficient should be between 0.00 and 1.00. A coefficient of 0.00 means the measurement is not consistent while a coefficient of 1.00 means the instrument is perfectly consistent. However, as Nunally, and Bernstein (1978) contends, a general rule for measuring Cronbach's should be above 0.7, meaning that there exist a high and realistic degree of internal consistency in the responses. Table 4.2 below shows a summary of the reliability analysis for the variables under study. As the table shows, all the variables had Cronbach's alpha of over 0.7 indicating that the questions in the questionnaire contributed to reliability of the instrument.

Table 4.2: Reliability of the Research Instrument

Variable	Coefficient (α)	Number of Items	Verdict
Innovativenes	0.835	12	Reliable, use all the 12 Items
Risk Taking	0.851	12	Reliable, use all the 12 Items
Pro-activeness	0.769	12	Reliable, use all the 12 Items
Competitive Aggressiveness	0.720	12	Reliable, use all the 12 Items
Creativity	0.826	13	Reliable, use all the 13 Items
Entrepreneurial Finance Ecosystem	0.921	12	Reliable, use all the 12 Items
SME Performance	0.932	12	Reliable, use all the 12 Items

4.3.2 Validity of the Data Collection Instrument

According to Foss, and Saebi (2017) validity is the degree by which the sample of test items represents the content and the test it is designed to measure. There are four types of validities; face, content, construct and criterion. In this study, three types of validities were tested; face, content and construct validities. According to Kothari (2009) face validity ensures that there is a logical link between research objectives and research questions, i.e., to test whether the content of the questionnaire appears suitable to its aims. Content validity, on the other hand, measures the extent to which underlying constructs are represented in the research instrument, i.e., if the instrument measures knowledge of the content domain of which it was designed to measure (Wilson, 2010, Sekaran & Bougie, 2016). The main objective of the validity analysis is to provide the research instrument that allows the researcher to find the objective of the research study. It is a measure of the degree to which data collected using a particular instrument represents a specific domain or content of a particular concept.

In this study, both face validity and content validities were tested using expert judgment. To first test for face validity, two professional entrepreneurs were used to evaluate the appearance of the questions in terms of feasibility, readability, consistency of style and formatting and the clarity of the language used. The experts confirmed that based on these metrics of validity, the research questionnaire was valid.

Construct validity which is the degree to which a test measures what it claims to measure (Boudreau *et al*., 2004) was assessed using convergent and discriminant validities. According to Waltz, Strickland and Lenz (2010), convergent validity defines the degree to which two measures of constructs that theoretically should be related are actually related, while divergent validity tests whether the measurements that are supposed to be unrelated are actually unrelated.

Factor loadings of constructs estimations by use of Principal Factor Analysis (PCA) were used to asses convergent validity of each of the constructs (Hair, *et al.*, 2010). Factor analysis is mainly concerned about the internal-correlations among the items

under investigations to ensure that there is consistent correlation among the items under investigation as illustrated by Mugenda and Mugenda (2010). According to (Hair, *et al.*, 2010), the ideal standardized loading estimates should be 0.7 or higher, but that factor loadings with score of 0.5 or higher are very significant.

Table 4.3 shows the summary results for the test that are extracted from the individual variable's factor loadings in Appendix V.

Table 4.3: Factor Loadings for Construct Validity

Variable	Number of Items	Average Factor loadings
Competitive Aggressiveness	12	.7008
Risk Taking	12	.7782
Creativity	12	.7544
Innovativeness	12	.8460
Proactiveness	13	.8065
Entrepreneurial finance	12	.8805
SME Performance	12	.8176

Based on the findings in Table 4.3, with factors loadings of more than 0.5, is concluded that the constructs are valid in terms convergence validity. To establish discriminant validity, it was desired to show that the five independent constructs that should not be related were in reality not related. Discriminant validity was assessed using Inter-Construct Correlation. According to Hair, *et al*. (2010) correlation values of less than 0.5 show low levels of correlations among variables. Table 4.4 shows results for the inter-construct correlation for the study's independent variables.

Kaiser-Meyer-Olkin (KMO) test was also used to test for the validity of the research instrument. The findings are as shown in Table 4.4. KMO test is a measure of how suited the questionnaire is to give appropriate responses for the sampled population (Garson, 2012). The test measures sampling adequacy for each variable in the model and for the complete model. It is a measure of the proportion of

variance among variables that might be common variance. Hair, Black, and Babin (2010); Chua (2014) suggested that if the Kaiser-Meyer-Olkin (KMO) is greater than 0.6 and the Bartlett's Test of Sphericity (BTS) is significant at $\alpha < 0.05$ then factorability of the correlation matrix is assumed thus the instrument is ruled to be valid. The findings revealed that innovativeness had a KMO value of 0.786 and a BTS significance of 0.000<0.05. Risk taking had a KMO value of 0.703 and a BTS significant at 0.000<0.05 while pro-activeness had a KMO value of 0.716 and BTS significant at 0.000<0.05. Competitive aggressiveness and creativity had KMO values of 0.970 and 0.705 respectively while funding and firm performance had KMO value of 0.665 and 0.799 respectively. All the variables had KMO values higher than 0.60 hence the instrument was ruled valid.

Table 4.4: Kaiser-Meyer-Olkin Measure Test and Bartlett's Test of Sphericity for Validity

		Innovativeness	Risk Taking	Pro-activeness	Competitive Aggressiveness	Creativity	Funding	Firm performance
KMO - Sampling Adequacy.		.786	.793	.716	.970	.705	.665	.799
Bartlett's Test of Sphericity	Approx. Chi-Square	215.484	218.484	229.247	514.510	211.420	271.395	214.216
	Df	66	66	66	66	78	66	66
	Sig.	.000	.000	.000	.000	.000	.000	.000

4.4 Analysis of the Demographic Information

This study sought to establish the background of the respondents. This was in line with Robson and McCartan (2016) that in a real-world study, there ought to be an active interaction with the respondents and this has to take a normal mode of interaction where demographic information comes first. Also, the study aimed at

establishing a deeper understanding on the demographics of the respondents prior to the main questions of the study as a way of developing prior judgments and the diversity of the responses. The main demographic data sought in the study included; gender, age bracket, level of education, period the firms had been in operation as well as the skills possessed by the entrepreneurs.

4.4.1 Distribution of the Respondents by Gender

The study sought to assess the distribution of the respondents by their gender. MSEs have been highly categorized based on the gender of the owners and of the initiators. This therefore sought to assess whether in Nyanza part of Kenya MSEs are mainly led by males of females.

Table 4.5: Gender of the Respondents

Gender	Frequency	Percent
Male	154	69.7
Female	67	30.3
Total	**221**	**100**

The findings as shown in Table 4.5 revealed that majority of the respondents were male (69.7%) while 30.3% were female. This was an indication that most of the youth MSEs in Nyanza region were owned by males. This calls for policy makers and those in leadership positions in the region to be in the frontline for pushing for women empowerment and doing this by starting with the women youth by encouraging them through mentorship business programs, business training and linking to the financial assistance. This will play a key role in pulling more youth women to entrepreneurship thus steering sustainability of their livelihoods (Bula &Tiagha, 2012).

4.4.2 Distribution of the Respondents by Age

The study sought to determine the distribution of the respondents by their age. While youth are aged between 18 and 35 years as per the Kenyan constitution, it would be important to establish the earliest age at which most of the youth are exposed to entrepreneurship. It is believed that the earlier one gets into entrepreneurship, the more he or she gets attached to being dynamic and able to steer business into success. The findings are as shown in Table 4.6.

Table 4.6: Age of the Respondents

Age	Frequency	Percent
Below 20 Years	31	14
21 - 25 Years	37	16.7
26 - 30 Years	100	45.2
31 - 35 Years	53	24
Total	**221**	**100**

A the findings portray, 45.2% of the surveyed youth-led MSEs in Nyanza region were led/owned by youth aged between 26 and 30 years, 24.0% were aged between 31 and 35 years while 16% were aged below 20 years. This is an indication that younger youth in Nyanza region are not effectively exposed to entrepreneurship as compared to older ones who are over 26 years of age. The less 20 years could be as a result of focus on education, lack of capital or the continued perception of too young to start a business or be self-reliant Kanyari, and Namusonge (2013), Naldi, Nordqvist, Sjöberg, and Wiklund (2007) But the 26 years could be as a result of lack of jobs and exposure by their peers who could already be in business.

4.4.3 Distribution of the Respondents by Level of Education

Education is one of the key aspects when it comes to entrepreneurship and one's ability to effectively make decisions, take risks and manage a business to success. The study sought to assess the respondent's highest level of education.

Table 4.7: Categories of Respondents' Educational Level

Education	Frequency	Percent
Primary/Secondary	64	29
Certificate	116	52.5
Diploma	33	14.9
Undergraduate	8	3.6
Total	**221**	**100**

As the findings in Table 4.7 portray, majority of the respondents (52.5%) had a college certificate as their highest educational qualification, 29% had primary/secondary level, 14.9% had a diploma while 3.6% had a degree as their highest educational qualification. This was an indication that the youth had professional education qualification though they had invested in artisan enterprises. This is an indication that the level of educational qualification may not be a key aspect for one to diverge in artisan or any other entrepreneurial activity. Although the level of education may influence other aspects such as decision making, taking part in the entire business may not require or limit to academic qualification. This also served as a good basis for the respondents were in a position to read, understand and respond to the research questions most appropriately.

4.4.4 Distribution of the Respondents by Period of Operation

The study sought to assess the distribution of the respondents by the period they had operated their enterprises.

Table 4.8: Period of Firms' Operation

Category	Frequency	Percent
Less than 3 Years	104	47.1
3 - 7 Years	72	32.6
8 - 11 Years	15	6.8
12 - 15 Years	21	9.5
Above 15 Years	9	4.1
Total	**221**	**100**

The findings as shown in Table 4.8 revealed that 47.1% had operated their respective enterprises for a period less than 3 years, 32.6% had operated for a period between 3 and 7 years while 4.1% had been in operation for more than 15 years. This is an indication that sustainability of the youth led enterprises similar to other SMEs may be very low with only less than 50% of them making it to more than 10 years (GOK Report 2017).

4.4.5 Distribution of the Respondents by the Skills of Expertise

The respondents were assessed on their area of expertise. While the main category of the study on youth led MSEs focused on artisans, they were further categorized based on the specific activity involved.

Table 4.9: Skills of Expertise

Category	Frequency	Percent
Carpentry	47	21.3
Tailoring	21	9.5
Plumbing	44	19.8
Welding	13	5.9
Electrical	49	22.2
Mechanics	47	21.3
Total	**221**	**100**

The findings as shown in Table 4.9 revealed that 21.3% were in carpentry 22.2% were in electrical, 21.3% were in mechanical category, 19.9% were in plumbing while 9.5% were in tailoring and 5.9% were in welding. This implies that the artisan MSEs are effectively distributed across the sub-sectors mainly based on the Jua kali products/services that are in demand in Nyanza region.

4.5 Descriptive Results on the Study of Variables

The research instrument was divided into two sub-sections for each of the research variable. The two sub-sections consisted of closed ended questions. These questions provided respondents with statements opinion to select from Likert scale and two alternatives of either responding in the affirmative or in the negative.

4.5.1 Descriptive Results of Competitive Aggressiveness

The first objective of the study was to establish the influence of competitive aggressiveness on the performance of youth-led MSEs. The variable was assessed through pricing, resource sharing, and adoption of technology and customer focus. The respondents were asked to indicate their levels of agreement or disagreement with specific statements drawn from these measures. A five-points Likert's scale was used where 1 was Strongly Disagree, 2 was Disagree, 3 = Neutral, 4 = Agree, and 5 = Strongly Agree. Table 4.10 shows the findings.

Table 4.10: Descriptive Results of Competitive Aggressiveness

Statements	SD	D	N	A	SA	Mean	Std. Dev.
1. The competence I have helps me save on operational costs	21.3%	14.5%	3.6%	42.5%	18.1%	3.21	1.45
2. I use available competence on production to ensure cheaper costs of my products	21.3%	17.6%	2.7%	45.2%	13.1%	3.11	1.41
3. The competence I have helps me bargain for better prices of input materials to ensure lower costs of production	20.8%	18.1%	12.7%	44.8%	3.6%	2.92	1.26
4. I always seek to recognise any emerging competitive opportunity	20.4%	43.1%	2.7%	15.2%	18.6%	3.28	1.43
5. I outsource information concerning my rivals actions, intentions and capabilities	20.4%	62.2%	0.0%	17.4%	0.0%	3.14	1.26
6. I keep monitoring rivals competitive actions while anticipating future rivals moves	18.4%	12.2%	0.9%	44.5%	24.0%	3.37	1.47
7. I have always embraced the 'customer-first' approach to ensure I offer their demands	11.7%	25.8%	6.3%	43.9%	12.2%	3.09	1.39
8. I always seek information from the competitor's customers to identify their needs and struggle to meet them	12.6%	28.6%	5.9%	45.2%	7.7%	2.96	1.36
9. I offer after-sale services to my customers to ensure their needs are exceeded.	20.4%	12.2%	0.9%	48.0%	18.6%	3.32	1.43
10. I have embraced new technology in my operations over the recent past	21.3%	14.0%	1.4%	46.2%	17.2%	3.23	1.44
11. I have learned new IT skills related to my business ever since I started the enterprise	20.8%	14.5%	2.7%	47.5%	14.5%	3.20	1.41
12. I would prefer bringing in new technologies to counter competition from other enterprises	20.4%	12.7%	2.3%	53.4%	11.3%	3.22	1.37

Based on study findings, it was revealed that majority of the respondents (60.6 percent) indicated that they outsourced affordable labour in order to save on operational costs. The respondents further indicated that (58.3 percent) used cheap means of production in order to reduce the costs of their products and bargained for better prices on input materials to ensure lower costs on outsourced material for production. This ensured that the firms were able to produce low-cost products thus sell them at lower prices thus gaining competitiveness. This study findings are in harmony with the study by Bourbita (2015) competitive aggressiveness is about getting a better position than other competitors by providing quality products at low cost to obtain a market niche.

It was further established that most of the entrepreneurs surveyed (82.6 percent) did not outsource their workers from better competitors to gain their skills despite this being a key strategy towards gaining competitiveness and enhancing performance. Most of the respondents (68.5 percent) however stated that they imitated their competitors as a way of gaining from their production skills and quality of products as well as giving the customers the best attention to enhance their satisfaction. Equally, majority of the respondents (71.2 percent) disagreed that they sought information from the competitors through their customers to identify the customer needs but came up with strategies to meet such need in order to win the customers in future. This finding concurred with the study of Mohutsiwa (2012) competitive aggressiveness in services/product provision is to enable small businesses focus on the customers and their needs thus being able to gain competitiveness. Majority of the respondents (66.6 percent) indicated that they offered after-sale services to their customers as a way of enhancing customer satisfaction and gain customer loyalty.

The findings further are in agreement with those by Haryanto and Haryono (2015) who established that being oriented to the customers by always seeking their opinions and making their needs come first enables modern enterprises to cope with the dynamisms thus sustaining their performance. However, Baraza (2017) further stated that for firms to sustain their operations in the market, they ought to embrace competitive aggressiveness through cost leadership, price and quality differentiation.

4.5.2 Descriptive Results of Risk Taking

The second objective of the study was to assess the influence of risk taking on the performance of youth-led MSEs in Nyanza region, Kenya. Risk taking was defined as the ability of an entrepreneur to plan and make future decisions for the enterprise without necessarily knowing what to expect. It was assessed in terms of quickness to take chances, anticipation of future events, financial risks and availability of knowledge. The respondents were asked to indicate their levels of agreement or disagreement based on Likert's scale. Table 4.11 shows the findings.

Table 4.11: Descriptive Results of Risk Taking

Statement		SD	D	N	A	SA	Mean	Std. Dev.
1.	I always take advantage of failed businesses as opportunities	20.4%	14.0%	5.4%	39.4%	20.8%	3.26	1.45
2.	I undertake frequent surveys to take note on any upcoming opportunity within my enterprise range	20.4%	13.1%	5.0%	41.2%	20.4%	3.28	1.45
3.	I do not hesitate in implementing observed ideas to make them practical	21.3%	14.5%	3.6%	38.5%	22.2%	3.25	1.48
4.	I keenly analyse risks to ensure they conform to the anticipated future	21.3%	14.9%	3.6%	40.7%	19.5%	3.22	1.46
5.	I invest in dimensions whose benefits are likely to come in the coming future	21.7%	16.7%	4.1%	42.1%	15.4%	3.12	1.43
6.	I have insured my firm as a way of getting ready for any uncertainty in future	21.3%	16.3%	4.5%	37.6%	20.4%	3.19	1.47
7.	I am ready and willing to seek funding from the available sources of loans to finance my business	20.8%	14.5%	4.1%	36.7%	24.0%	3.28	1.49
8.	I am aware of the risks that are connected to business financing through external means	20.8%	14.5%	2.7%	33.0%	29.0%	3.34	1.53
9.	I frequently take precautions before opening a new branch or business	21.7%	14.9%	8.6%	36.7%	18.1%	3.14	1.44
10.	I am aware of available insurance plans for small enterprises offered by various insurance organizations	20.4%	14.0%	6.3%	38.9%	20.4%	3.24	1.45
11.	I have bought insurance for by enterprise for unprecedented risks such as fire and theft	22.2%	46.7%	8.1%	18.6%	6.4%	3.12	1.47
12.	I know how to identify risks and analyse the possible outcomes before embarking on them	20.4%	12.7%	3.6%	34.4%	29.0%	3.38	1.51

Based on the findings, majority of the respondents (60.2 percent) agreed that they took advantage of failed businesses to identify and take advantage of the opportunities, while 61.6 percent indicated that they undertook surveys in identifying opportunities that they could venture into. Most of the respondents indicated that they keenly analyzed risks as a way of ensuring that they conform to the anticipated future and made investments in dimension with promising future. According to Nyakang'o. and Kalio (2013) while taking risks is a way of ensuring that the enterprises expand their strength in the future, entrepreneurial orientation calls for entrepreneurs who take calculated risks in order to be at least assured they do not lose everything in case the risks do not come out as anticipated and to always come with mitigation ideas in case things go wrong.

The findings further revealed that 35.3 percent of the surveyed youth entrepreneurs were not willing to seek entrepreneurial finance ecosystem from external sources such as loans to finance their enterprises while indicating that they were aware of the risks associated with external business financing. This is an indication that most youth-led MSEs are failing not because they lack financing but because the youth entrepreneurs are not willing to seek external financing which is an implication of low capability of taking financial risks. Majority of the respondents (59.2 percent) agreed that they were aware of insurance plans available in the market for small enterprises while 68.9 percent indicated that they had not bought any insurance plan for their enterprises. The findings imply that despite the awareness of the availability of insurance as a risk management strategy, most of the youth entrepreneurs are not willing to uptake the strategy. According to Tang, Tang and Cowden (2017) the capability of entrepreneurs by not only take the risks but also to manage and mitigate the risks is critical in enhancing the success of their enterprises. As noted in the Knight's risk-taking theory, risk taking is a characteristic of an entrepreneur who aspires to grow and expand the enterprise but this becomes more viable with the integration of risk mitigation capabilities (Barberis, 2013).

4.5.3 Descriptive Results of Creativity

The third objective of the study was to assess the influence of creativity on the performance of youth-led Micro and Small Enterprises (MSEs) in Nyanza region,

Kenya. Unlike innovation that focuses on new products/services, new markets and improvement of the existing products/services, creativity focuses on coming up with ideas and ways of sweeping across a differentiated way of rendering services/products to the customers.

Table 4.12: Descriptive Results of Creativity

Statements	SD	D	N	A	SA	Mean	Std. Dev.
1. I always encourage new ideas in my business operations to ensure customer satisfaction	22.2%	14.9%	2.7%	29.4%	30.8%	3.31	1.57
2. The mode of addressing our customers is directed towards making the customer happy	20.4%	13.6%	4.1%	31.2%	30.8%	3.38	1.53
3. I ensure practices in the firm are streamlined towards meeting market demands	22.6%	15.4%	9.5%	24.0%	28.5%	3.20	1.55
4. I embrace new and better ways of problem solving to ensure firms smooth running	21.3%	19.0%	6.3%	27.1%	26.2%	3.18	1.52
5. Problems in my enterprise are solved by use of new and original ideas from employees	25.3%	23.1%	5.4%	26.2%	19.9%	2.92	1.51
6. I encourage information sharing and networking to come up with new and better ways of solving business problems	21.3%	12.2%	0.5%	29.0%	37.1%	3.48	1.58
7. Creativity helps me come up with attractive designs for my products	22.2%	19.9%	5.4%	21.7%	30.8%	3.19	1.58
8. We tap on employee talents to introduce new ideas about best practices in their work	22.2%	20.4%	10.4%	24.0%	23.1%	3.05	1.50
9. I support the creative employees to improve the products and services	33.9%	24.0%	16.7%	10.0%	15.4%	2.48	1.43
10. We uphold development of new ideas about product or service that are novel and potentially useful to our business	31.7%	25.3%	17.2%	11.3%	14.5%	2.51	1.40
11. I always encourage the right information with the customers to boost sales	24.0%	22.2%	9.0%	28.1%	16.7%	2.91	1.46
12. I have platforms with my customer for sharing the necessary information regarding my products and services	22.2%	18.6%	8.6%	34.4%	16.3%	3.04	1.44
13. I always come up with creative ways of relaying information that attracts customers to our products over others	21.7%	21.3%	6.3%	28.5%	22.2%	3.08	1.50

The findings as shown in Table 4.12 revealed that most of the respondents (60.2 percent) agreed that they introduced new ideas in their business operations to promote customer satisfaction. Most of the respondents (62 percent) agreed that they embraced creativity when addressing their customers for better satisfaction. Some of the youth entrepreneurs surveyed indicated that they embraced new ways of solving problems in their enterprises and utilized ideas from their employees to solve the problems faced in the enterprises. This study finding concurred with the study of Hassan, Malik, Hasnain, Faiz, & Abbas (2013) who established that for a firm to benefit from creativity, it has to be dispensed down to the employees through allowing them to make decisions that are customer focused.

The findings further revealed that majority (66.1 percent) of the youth enterprises surveyed had embraced information sharing with their customers as a way of coming up with better and creative ways to serve the customers. Equally, the study noted that most of the enterprises (52.5 percent) embraced creative methods of packaging and designing their products and encouraged the employees to come up with best practices in performing their duties. The findings are in concurrence with those by Kimuru (2018) who indicated that being creative as an entrepreneur helps one to effectively meet the expectations of their customers and to uniquely render their services and products in a better way than their competitors

4.5.4 Descriptive Results of Innovativeness

The fourth objective of the study was to establish the influence of innovativeness on the performance of youth-led MSEs in Nyanza Region, Kenya. Innovativeness was assessed in terms of new products/services, improvement of the existing products, new production systems and new markets. The findings are as shown in Table 4.13.

Table 4.13: Level of Agreement with Statements on Innovativeness

Statements	SD	D	N	A	SA	Mean	Std. Dev.
1. I frequently look for new sources of working materials for my enterprise	20.4%	19.0%	3.2%	22.6%	34.8%	3.32	1.59
2. I always ensure that the available raw materials are cheap and of the right quality to meet my clients' needs	20.4%	14.0%	0.9%	33.9%	30.8%	3.40	1.53
3. I frequently carry out research on where and how to obtain better raw materials for my productions	20.8%	12.2%	0.9%	35.3%	30.8%	3.42	1.53
4. I have embraced technology-based marketing to capture more customers	20.8%	12.7%	1.4%	43.4%	21.7%	3.32	1.47
5. I frequently look for new markets for my firm products	21.3%	15.4%	4.1%	36.7%	22.6%	3.23	1.49
6. My marketing strategies are unique to capture better part of the existing market	21.3%	19.5%	5.4%	40.3%	13.6%	3.05	1.41
7. I have started new businesses in the recent past	20.8%	13.1%	1.4%	27.6%	37.1%	3.47	1.58
8. I have introduced new products to enlarge my business operation	20.8%	14.5%	4.1%	33.0%	27.6%	3.32	1.52
9. I have embraced new production units of the products to meet customer need	21.3%	14.0%	4.1%	41.6%	19.0%	3.23	1.45
10. I have embraced new ways of producing my products in the recent past	33.5%	32.6%	19.0%	11.8%	3.2%	2.18	1.11
11. The method I use in coming up with products is different from what I initiated	34.4%	29.4%	13.6%	16.7%	5.9%	2.30	1.26
12. My products are more appealing and interesting than what I started with	22.2%	17.2%	4.1%	43.9%	12.7%	3.07	1.41

From the findings it was established that, 57.4 percent of the respondents agreed that they frequently looked for new sources of working materials for their enterprises while 39.4 percent disagreed. Majority of the respondents (64.7 percent) stated that they always ensured that the available raw materials in their respective enterprises were cheap and in the right quality as required by the customers and this was enabled by frequent research to establish where and how to obtain better raw materials. This study finding concurred with the study of Bakar, & Zainol (2015) which noted that innovative entrepreneurs are always keen to establish the best sources of raw materials as a way of ensuring effective production of quality and improved products at an affordable cost.

The findings further revealed that majority of the respondents (65.1 percent) agreed to have embraced technology-based marketing as a way of capturing more customers while still looking for new markets for the products and services. On new products, 35.3 percent of the respondents disagreed having introduced new products to enlarge their business operations while 33.9 percent disagreed that they had started any new business while having the current one. This shows that a good number of youth entrepreneurs are yet to be outgoing and innovative enough to try new products in the market and this could affect the performance of their enterprises negatively. Majority (66.1 percent) of the respondents indicated that they not embraced new ways of producing their existing products or even improved from where they started while 39.4 percent felt that their products were not appealing and interesting to the customers. Failure to innovate and improve the product appearance and quality in the modern business era can greatly cost business since the customer tastes and preferences are increasingly changing.

The findings concur with those by Karabulut (2015) who established that most of the small businesses in the modern World failed as a result of over-reliance on old methods of doing things and being too slow to innovate and change with the changing times. As Schumpeter (1949) notes in the theory of innovation, in a vibrant and dynamic business environment, every manager/business leader has the core duty of ensuring that they come up with new ways of doing things and accommodate anything new in their normal processes for differentiation and gaining the

competitive advantage (Vasconcelos & Oliveria, 2018). This should be the case for the MSEs in artisan industry where innovation is the order of the day.

4.5.5 Descriptive Results of Pro-activeness

The fifth objective of the study was to examine the influence of pro-activeness on the performance of youth MSEs in Nyanza Region, Kenya. Pro-activeness was measured through customer consultations, product forecasting, looking for alternative cause of action and early implementation of new ideas. The respondents were asked to indicate their level of agreement or disagreement with specific statements drawn from these aspects based on a 5-point Likert's scale. The findings are as shown in Table 4.14.

The findings revealed that most of the respondents (62 percent) consulted with their customers to identify their tastes and preferences and majority of them took note of the customer feedback which helped them improve on the quality of products and enhance customer service. Majority of the respondents indicated that the loyalty in their customers could be attributed to the quality of services they offered and this is evidence of pro-actives which according to Bakar, & Zainol (2015) entails doing the best to the customers in order to understand their feelings, preferences and needs thus developing ideas that match the expectations of the customers.

Table 4.14: Descriptive Findings of Pro-activeness

Statements	SD	D	N	A	SA	Mean	Std. Dev.
1. I regularly consult with the consumers to know their tastes	20.4%	13.1%	4.5%	38.9%	23.1%	3.31	1.47
2. I take note of the customer feedbacks to improve on quality of products	20.4%	13.1%	5.9%	32.1%	28.5%	3.35	1.51
3. Most of my customers are loyal which could be attributed to the quality of services rendered	20.8%	13.1%	1.4%	35.3%	29.4%	3.39	1.53
4. I frequently forecast on the products that customers would require in terms of quality and designs	20.4%	12.2%	2.3%	31.2%	33.9%	3.46	1.55
5. Through product predicting I have been able to make prior changes to products to suit the market	20.8%	16.3%	3.6%	40.7%	18.6%	3.19	1.45
6. I always ensure that my products are of higher quality and designs as compared to those of my competitors	20.4%	15.8%	6.3%	42.1%	15.4%	3.16	1.41
7. I look for alternatives when one decision/action has an unexpected outcome	22.2%	16.3%	10.9%	45.7%	5.0%	2.95	1.30
8. I plan for other ways of having my strategies implemented if the main one does not work before, I start	22.6%	14.5%	6.3%	47.5%	9.0%	3.05	1.37
9. I think of the implications of actions I plan to undertake in my enterprise	22.6%	18.1%	8.1%	41.2%	10.0%	2.97	1.37
10. I always carry out continuous market research to enhance early recognition of new opportunities in the market.	20.8%	14.0%	3.6%	38.0%	23.5%	3.29	1.48
11. I implement new opportunities earlier than the competitors	23.1%	21.3%	10.9%	36.2%	8.6%	2.85	1.35
12. I am keen to observe new changes among my competitors and take advantage to implement any changes	20.8%	18.1%	8.6%	41.2%	11.3%	3.04	1.37

Likewise, majority of the respondents (65.1 percent) further agreed that they frequently forecasted on the products and services that would best-suit their customers and offered them way before the customers asked for them. This saw most of the surveyed entrepreneurs tap the niche of the market by availing products that meet the future needs of the customers. The respondents however indicated that that they had no alternative plans in case their main ones did not work and this shows lack of effective pro-activeness as stated by Mah (2012) that pro-active entrepreneurs are always set with options and alternatives of what to do in case their master plans do not succeed. The respondents further indicated that they were keen to implement new identified opportunities before the competitors (44.8 percent) and that they were keen to observe any new changes from the competitors and come up with ways of imitating.

The findings compare with those by Moylan, Gallagher and Heagney (2016) who established that most of the small businesses faced slow growth rate and poor performance as a result of taking too long to observe what is happening in the market and implementing new changes ahead of the competitors. According to Namusonge, Muturi & Olaniran (2016) pro-active entrepreneurs are committed toward learning from their peers and competitors and taking advantage of any new development to better their enterprises and steer growth.

4.5.6 Descriptive Results of Entrepreneurial finance Ecosystem

The sixth objective of the study was to analyse the moderating effect of entrepreneurial finance ecosystem on the relationship between entrepreneurial orientation and the performance of youth-led micro and small enterprises in Nyanza region, Kenya. Entrepreneurial finance ecosystem has been a critical aspect affecting the performance and sustainability of small businesses in Kenya including the youth enterprises. This study assessed enterprise funding through accessibility, source of the finances and awareness.

The respondents were asked to indicate the source of financing that they had access to or accessed in the course of establishing their enterprises. This was so as to assess the awareness of the available finance and the extent to which the youth

entrepreneurs were willing and capable to outsource for financing in order to steer the success of their enterprises. The findings as shown in Table 4.15 revealed that majority (75.1 percent) of the respondents financed their enterprises from their personal means such as personal savings.

Government sources of financing were the least accessed by the surveyed respondents where women fund had been accessed by 24.4 percent of the respondents, youth enterprise fund had been accessed by 20.8 percent while Uwezo fund had been accessed by 13.6 percent of the youth entrepreneurs surveyed. The findings imply that the main sources of financing accessed by the youth entrepreneurs in the Nyanza region (family and friends and personal savings) are those that are not reliable (Mpiti, 2017) hence this could be a negative factor affecting the performance of youth-led MSE's.

Table 4.15: Source of MSE Entrepreneurial Finance Ecosystem

Source of Fund	Frequency	Percent
Personal Funding (Savings)	166	75.1
Family/Friends	154	69.7
Bank/SACCO Loans	131	59.3
Women Fund	54	24.4
Youth Enterprise Fund	46	20.8
Uwezo Fund	30	13.6
Total	**221**	**100**

The respondents were further asked to indicate their level of agreement on specific statements on entrepreneurial finance ecosystem. The findings are as shown in Table 4.16. As the findings portray, majority of the respondents (56.6 percent) disagreed that they were aware of the availability of sources of financing for youth enterprises while 52.1 percent indicated that the entrepreneurial finance ecosystem, they got was not adequate in running their enterprises. 68.3 percent of the respondents indicated that they had not applied for the government entrepreneurial finance ecosystem through the available channels. The findings imply that enterprise funding has not been well upheld among the youth entrepreneurs in Nyanza region and this could

have affected the success of their enterprises. According to Mpiti (2017), one of the main challenges that face small businesses in the current era is inadequacy of funds which renders them incapable of meeting their expenses and applying their entrepreneurial skills.

Table 4.16: Level of Agreement with Statements on Entrepreneurial Finance Ecosystem

Statements	SD	D	N	A	SA	Mean	Std. Dev.
1. I'm aware of the available sources of financing for youth enterprises	29.0%	27.6%	13.1%	17.6%	12.7%	2.57	1.39
2. The funding I get for my enterprise is adequate for running the firm effectively	23.1%	29.0%	7.2%	19.0%	21.7%	3.07	1.50
3. I have frequently applied for government financing channels to support my enterprise	37.1%	31.2%	11.8%	6.3%	13.6%	2.57	1.39
4. The current source of financing for the enterprise is reliable in pushing the firm into success	27.6%	31.2%	14.0%	11.3%	15.8%	2.56	1.40
5. I find some modes of financing lesser accessible than others	14.0%	17.6%	12.2%	26.2%	29.9%	3.00	1.48
6. I believe the financing I have received has pushed my enterprise into its current state	25.8%	23.5%	12.7%	22.2%	15.8%	2.78	1.44

4.5.7 Descriptive Results of the Performance of Youth-led Enterprises

The study sought to establish the performance of youth-led small and micro enterprises in Nyanza region, Kenya. As the findings in Table 4.17 show, most of the respondents (55.8 percent) disagreed that the sales volume of their enterprises had been on the increase since the inception of their enterprises while majority (65.2 percent) indicated that they had not employed more workers to meet the growing

demand of their products and services. Majority of the respondents indicated that their firms had not increased their profits over the years of operation (71.1 percent) while most of the respondents agreed that they had embraced better strategies of minimizing costs and maximizing the profits in their enterprises and 59.4 percent indicated that the number of customers in their enterprises had increased significantly since they started the business. This shows that most of the youth enterprises could be enhancing their customer base but still not making enough profits to enhance the viability of meeting extra operational costs and other related business demands.

Table 4.17: Performance of Youth Enterprises

Statements	SD	D	N	A	SA	Mean	Std. Dev.
1. The level of sales volume in my enterprise have been on the increase since the inception of the business	21.3%	34.5%	2.7%	22.6%	18.9%	2.43	1.61
2. I have employed additional workers to meet the growing demand of my products and services	34.4%	30.8%	0.5%	13.8%	20.6%	2.46	1.56
3. The profits recorded from the business are higher from what I started with	40.7%	30.4%	6.8%	10.9%	11.2%	2.23	1.52
4. I have embraced better strategies of minimizing costs and maximizing the profits in my enterprise	5.3%	14.9%	19.5%	44.0%	26.3%	2.61	1.26
5. The number of customers in my enterprise have increased significantly since I started the enterprise	3.5%	19.5%	17.6%	30.8%	28.6%	2.81	1.32
6. I have opened other branches so as to meet the demand and as a way of reinvesting profits	20.4%	19.5%	37.1%	7.2%	15.8%	2.78	1.29

4.6 Diagnostic Test Results

The study conducted diagnostic tests which included multicollinearity test, normality test and test for autocorrelation. The tests were conducted to establish whether the data collected were accurate, reliable and capable of inferring the study results to the population. The section is arranged beginning with multicollinearity test followed by homoscedasticity test, normality test and test for correlation.

4.6.1 Test for Multicollinearity

This study sought to find out the collinearity among the independent variables using tolerance and variation inflation factor (VIF) statistics of the predictor constructs. Multicollinearity in statistics is where two or more predictor variables in a multiple regression model are highly correlated such that they do not provide a unique or independent information in the regression model (Field 2009). Multicollinearity is a problem because independent variables should be independent of each other if they are to result in best least unbiased estimators. Variance inflation factor (VIF) was retrieved to test the presence of Multicollinearity (Billings & Wroten, 1978). The VIF's not more than 2.0, suggested the absence of possible threats from multicollinearity (Hair *et.al.* 2009). Table 4.20 shows the result of the test.

Table 4.18: Multicollinearity Test

Model		**Tolerance**	**VIF**
1	Innovativeness	.734	1.362
	Risk Taking	.731	1.367
	Pro-activeness	.515	1.943
	Competitive Aggressiveness	.684	1.472
	Creativity	.793	1.518

a. Dependent Variable: enterprise Performance

The study adopted a threshold value of variance inflation factor of 4.0 to represent high multicollinearity status. The findings as shown in Table 4.18 revealed that the independent variables had high tolerance values, which indicates that the beta values of the regression equation of the independent variables would be constant with low standard error terms. Tolerance is whereby part of the denominator in calculating the confidence limits on the partial regression coefficient. As by Porter (2009), the VIF of independent construct that exceed 10 as a rule of thumb is regarded as collinear. This means that there was no collinearity among the observed independent variables had a VIF of over 10 and there was none with a statistic value below 0.100, (Hamilton, 2012), Waithaka (2016).

4.6.2. Test for Homoscedasticity

The study carried out a test for homogeneity of variance. It is the assumption that the variability of a dependent variable is equal across the range of values of a second variable that predicts it (Vinod, 2008). It's the assumption that the dependent variable has equal variance across the range of values of the independent variable (Hair, Anderson& Black 1998). Homoscedasticity condition is fulfilled when at each level of the predictor variables, the variance of the residual terms is constant. The null hypothesis was that there was no homoscedasticity in the model for the study. A scatter plot was used to test for homoscedasticity. The findings as shown in Figure 4.1 revealed that the plots had no standard flow, in that they are scattered across the chart. This is an indication that there was homoscedasticity. The study therefore fails to reject the null hypothesis that there is no homoscedasticity.

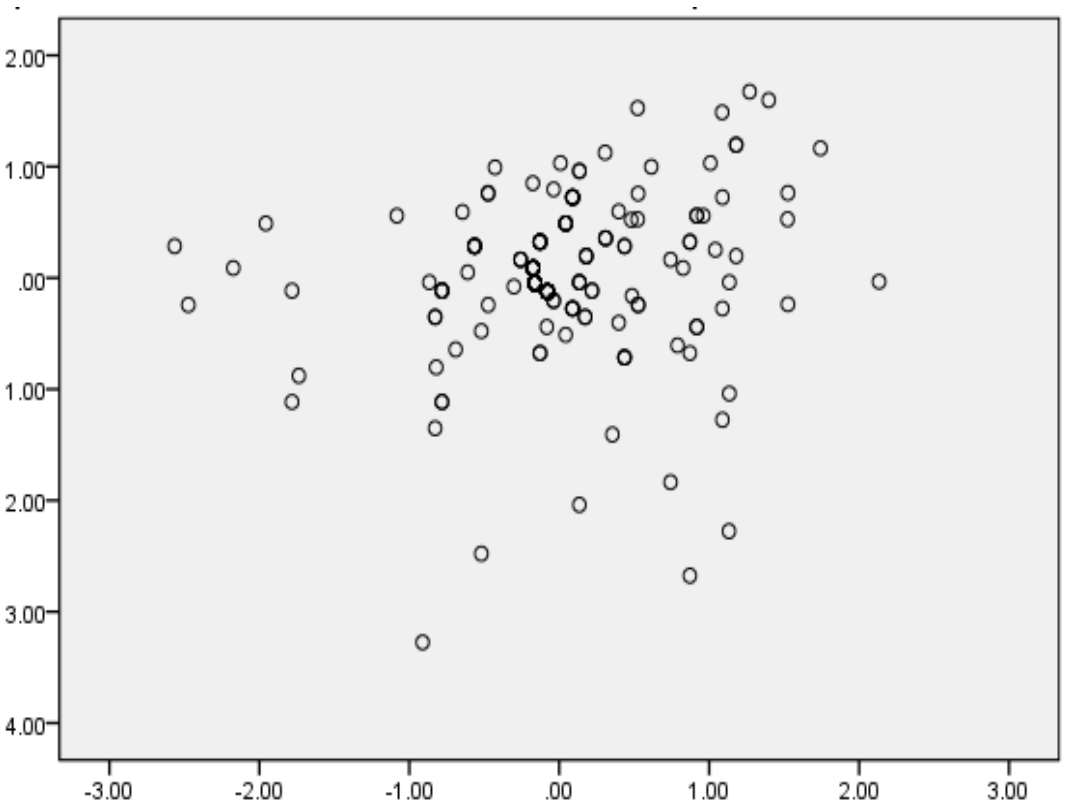

Figure 4.1: Scatter Plot for Homoscedasticity

4.6.3. Test for Normality

Normality test was done using Shapiro-Wilk test and Kolmogorov Tests. Shapiro-Wilk is appropriate for smaller samples less than 50 while Kolmogorov-Smirnov (KS) is appropriate for larger samples. As per Kolmogorov-Smirnov (KS) and Shapiro-Wilk test values indicate insignificant statistics with p-values exceeding the standard p-value of 0.05. This study used Kolmogorov-Smirnov (KS) since the sample size is larger. According to Ricci, Baumgartner, Malan, and Smuts (2019), when the significance level of a variable is more than 0.05, we reject the null hypothesis that the data is not normally distributed. In this study in Table 4;19, it was established that the P-values for the variables were more than 0.05 hence the null hypothesis was rejected. This implies that the responses on the variable were normally distributed.

Table 4.19: Normality Test

Variables	**Kolmogorov-Smirnov[a]**		
	Statistic	**df**	**Sig.**
Innovativeness	.065	221	.200
Risk Taking	.061	221	.200
Pro-activeness	.074	221	.068
Competitive Aggressiveness	.092	221	.200
Creativity	.071	221	.096
Enterprise Finance	.060	221	.200

*. This is a lower bound of the true significance.
a. Lilliefors Significance Correction

The Q-Q plot for normality as shown in Figure 4.2 also shows that the distribution of the variables in the study is normally distributed. When they are low values of the construct, some minimal deviation from normality is regarded as normal. The distribution gives the impression of normal distribution.

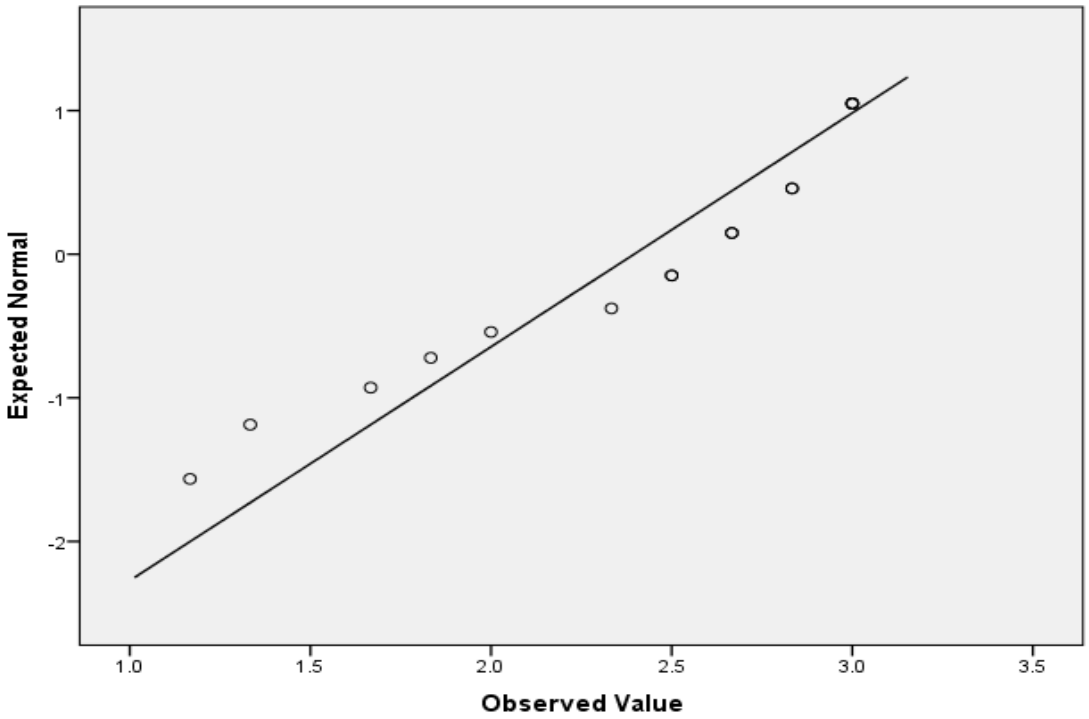

Figure 4.2: Q-Q Plot for Normality Test

4.6.4 Test for Autocorrelation

The study conducted an autocorrelation test using the Durbin-Watson method. The findings indicated that the Durbin-Watson value is at 2.374 which shows that Durbin-Watson statistics is between 1.5 and 2.5, given in Table 4.20 hence there is no autocorrelation (Hair et al., 2010; Gandiet et al., 2017) According to Verbeek, (2004) and Gujarat (2009), the Dublin-Watson values of less than 1.0 or greater than 3.0 may be a cause of concern. A Dublin-Watson value closer to 2.0 is regarded as satisfactory. Thus the value 2.374 lies within the satisfactory levels and thus regarded as acceptable.

Table 4.20: Test for Correlation using Durbin-Watson

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.297[a]	.088	-.244	.54911	2.374

4.7 Correlation Results

Correlation analysis was carried out to establish the relationship between the independent variables (entrepreneurial orientation aspects) and performance youth-led MSEs. Correlation is used to explore the relationship among a group of variables (Pallant, 2010), in turn helping in testing for multicollinearity. Correlation analysis is a bivariate analysis that measures the extent to which two variables are related to each other (Saunders, Lewis, Thornhil & bristow, 2015). That the correlation values are not close to 1 or -1 is an indication that the factors are sufficiently different measures of separate variables. A correlation coefficient of +1 indicates that two variables are perfectly related in a positive linear sense; a correlation coefficient of -1 indicates that two variables are perfectly related in a negative linear sense, and a correlation coefficient of 0 indicates that there is no linear relationship between the two variables. A correlation coefficient of between 0.0 and 0.19 is considered to be "very weak", between 0.20 and 0.39 is considered to be "weak", between 0.40 and 0.59 is considered to be "moderate", between 0.60 and 0.79 is considered to be "strong" and between 0.80 and 1.0 is considered to be "very strong" (Hope-Hailey, Farndale, & Kelliher, 2010). The correlation results are as shown in Table 4.21

Table 4.21: Correlations Matrix

Variables		Innovativeness	Risk Taking	Pro-activeness	Competitiveness	Creativity	Entrepreneurial finance ecosystem	Performance
Innovativeness	Pearson Correlation	1						
	Sig. (2-tailed)							
Risk Taking	Pearson Correlation	.393	1					
	Sig.(2-tailed)	.000						
Pro-activeness	Pearson Correlation	.420	.307	1				
	Sig. (2-tailed)	.000	.000					
Competitiveness	Pearson Correlation	.407	.391	.443	1			
	Sig. (2-tailed)	.000	.000	.000				
Creativity	Pearson Correlation	.279	.353	.496	.372	1		
	Sig. (2-tailed)	.000	.000	.000	.000			
Enterprise finance	Pearson Correlation	.389	.586	.416	.393	.251	1	
	Sig. (2-tailed)	.000	.000	.000	.000	.000		
Performance	Pearson Correlation	**.719**	**.585**	**.654**	**.768**	**.648**	**.729**	1
	Sig. (2-tailed)	.000	.000	.000	.000	.000	.000	

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

As the findings portray, the lowest correlation in this study was between risk taking and MSE performance ($r=0.585$, $p<0.01$). The highest correlation was between competitive aggressiveness and MSE performance ($r=0.768$, $p<0.01$). A correlation of above 0.90 is a strong indication that the variables may be measuring the same thing (Tabachnick, & Fidell, 2013). The fact that all the correlations were less than 0.90 was an indication that the factors were sufficiently different measures of

separate variables, and consequently, this study utilized all the variables. The Pearson Correlation between innovativeness and performance of the youth-led MSEs was 0.719. This is an indication that innovativeness had a strong correlation with performance of the youth-led MSEs of 71.9%. The Pearson correlation coefficient between pro-activeness and performance of the youth-led MSEs was 0.654, an indication that there was a strong correlation of 65.4% between pro-activeness and performance of the youth-led MSEs. With a correlation coefficient of 0.648, the results revealed that creativity had a strong correlation of 64.8% with the performance of the youth-led MSEs. The results imply that indeed the entrepreneurial orientation (innovativeness, risk-taking, competitive aggressiveness, pro-activeness and creativity) had a strong correlation with the performance of the youth-led MSEs. However, to test the hypotheses and determine the direction of the relationship between the independent variables and the dependent variables, regression analysis was carried out.

4.8 Linear Regression Results

The research used linear regression analysis to test the research hypotheses where the linear statistical relationship between the independent variables and the dependent variable was determined. According to Young (2014), regression analysis helps to explain the statistical relationship between variables thus enhancing the ability of the study to make substantive conclusions and recommendations. The statistical objective of regression analysis is to show high R^2 and significant t-values, thus rejecting the null hypothesis of no influence. Parameters with an absolute t-value greater than 1.96 indicate a significance level of 0.05 (i.e., $p<0.05$). The entire six null hypotheses as stated in chapter one of this study were tested using regression models.

4.8.1 Competitive Aggressiveness and Performance of Youth-led MSEs

The first objective of the study was to examine the influence of competitive aggressiveness on performance of youth-led Micro and Small Enterprise in Nyanza region, Kenya. To test the hypothesis, linear regression was used to test the relationship between competitive aggressiveness and performance of youth-led

Micro and Small Enterprise in Nyanza region, Kenya. Path coefficients were used to determine the direction and strength while T statistics provided information on the significance to the relationships. The results are presented in Table 4.22.

Table 4.22: Model Summary on Competitive Aggressiveness

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.909[a]	.827	.826	5.22463

The R^2 for the regression model between competitive aggressiveness and performance of youth-led Micro and Small Enterprise in Nyanza region, Kenya was 0.827 meaning that competitive aggressiveness explains 82.7 % variation in the performance of youth-led Micro and Small Enterprise in Nyanza region, Kenya while the remaining variation is explained by other external factors outside this model. The difference between R squared = 0.827 and adjusted R= 0.826 is 0.001 which shows that the suggested model generalises well as the adjusted R is too close to R squared. According to interpretation by Field (2009), shrinkage of less than 0.5 shows that the model is a good one.

Table 4.23: ANOVA Results on Competitive Aggressiveness

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	28552.972	1	28552.972	1046.021	.000[b]
	Residual	5977.987	219	27.297		
	Total	34530.959	220			

Further test on ANOVA shows that the regression model was a good fit as indicated by a significant F-statistic ($F=1046.021$, $p<0.05$). Results from the ANOVA table show that the model that predicts performance of youth-led enterprises is significant. This implies that competitive aggressiveness can statistically predict the performance of youth-led enterprises in Nyanza region, Kenya.

Table 4.24: Regression Coefficients on Competitive Aggressiveness

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	9.795	.923		10.612	.000
	Competitive Aggressiveness	.724	.022	.909	32.342	.000

a. Dependent Variable: Enterprise Performance
b. Predictors: (Constant), Competitive Aggressiveness

Suggested model: Performance =9.795 +0.724*Competitive aggressiveness +.022 (error)

H_{01}: *Competitive aggressiveness has no significant influence on the performance of youth-led micro and small enterprise in Nyanza region, Kenya*

The unstandardized regression coefficient for competitive aggressiveness was 0.724. This indicates that a unit increase in the competitive aggressiveness would result in 72.4% increase in the performance of youth-led enterprises in Nyanza region, Kenya. The t-statistic for the regression coefficient for competitive aggressiveness was significant at 5% level of significance ($T=32.342$, $p<0.05$) as shown in Table 4.23, implying rejection of null hypothesis. On the basis of these statistics, the study concludes that there is significant positive relationship between competitive aggressiveness and performance of youth-led Micro and Small Enterprise in Nyanza region, Kenya.

Scatter Plot was also used to further predict the relationship between innovativeness and performance of youth-led enterprises in Nyanza region. The findings in Figure 4.3 revealed that there was a positive influence of Competitive aggressiveness on performance of youth-led MSEs.

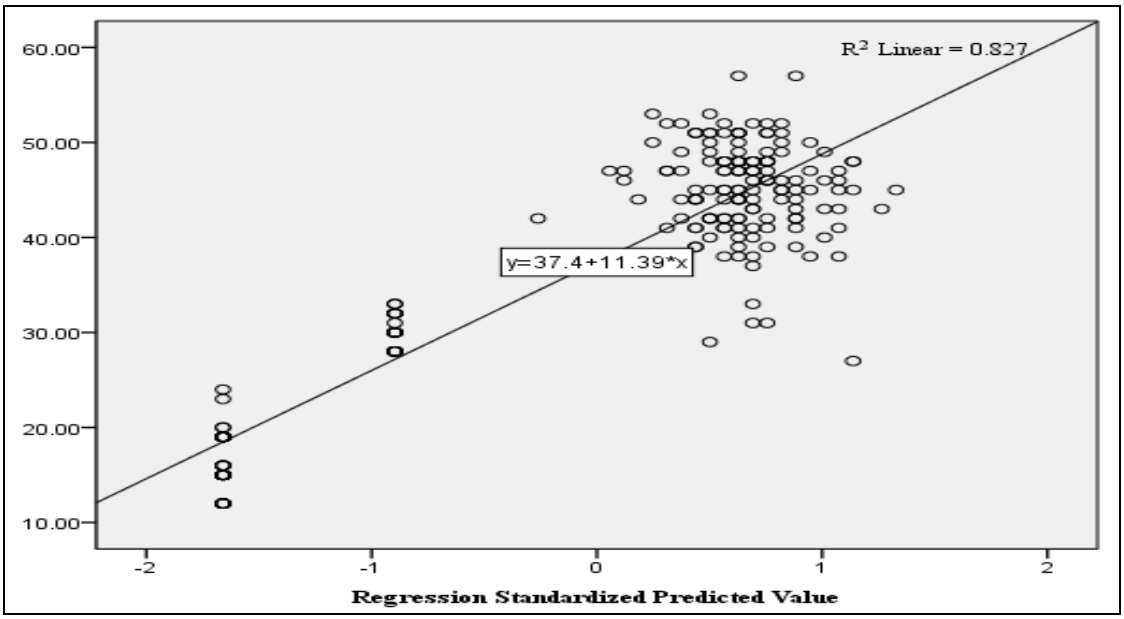

Figure 4.3: Scatter Plot on Competitive Aggressiveness and Enterprise Performance

The study findings agree with previous empirical works by Derfus, Maggitti, Grimm and Smith (2008) who noted that successful competitive pro-activeness lead to rapid and stronger competitive responses which in turn lead to a reduced performance gain for the attacker and those by Zhou, Brown, and Dev (2009) observed that by greater understanding its relative market position in which a company works, a competitive company can create a competitive economic advantage via continuous technology innovation or even mimic the brand of its competitors rather than developing innovative services and goods as a means of reducing the huge cost of product development. Baraza and Arasa (2017)'s study also highlighted those competitive strategies like cost leadership, differentiation and focus which highly contributes to performance of quite a number of organizations performance and influences decision making thus leading to performance improvement.

The findings in the present study however contradict those by Blackford (2010) who found out that the CEO aggressiveness had no influence on the aggressiveness of the organizations they lead nor on the organization's performance, directly or indirectly. The findings also contradicted (Bourbita, 2015b)'s who sought to establish the effect of highly competitive viciousness on Netherland's factor-global market rivals '

relative production capacity market position. The study found that in an attempt to promote even their own relative market position, managers usually focus mostly on strategic misdeeds and truly competitive assaults also in product markets.

The findings in the study seem to imply that in order to remain truly competitive, medium and small-sized enterprises (SMEs) should keep increasing their competitiveness by announcing new products or services as consumer demands and real competition from several other businesses.

4.8.2 Risk-Taking and Performance of Youth-led Micro and Small Enterprises

The second objective was to determine the influence of risk taking on performance of youth-led Micro and Small Enterprise in Nyanza region, Kenya. To test the hypothesis, linear regression was used to test the relationship between risk-taking and performance of youth-led Micro and Small Enterprise in Nyanza region, Kenya. Path coefficients were used to determine the direction and strength while T statistics provided information on the significance to the relationships. The regression analysis results for the second hypothesis of the study were as shown in Table 4.25.

Table 4.25: Model Summary on Risk Taking

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.881[a]	.777	.776	5.93373

The R^2 for the regression model between risk taking and performance of youth-led Micro and Small Enterprise in Nyanza region, Kenya was 0.777 meaning that risk taking explains 77.7 % variation in the performance of youth-led Micro and Small Enterprise in Nyanza region, Kenya while the remaining variation is explained by other external factors not included in the model. Since the difference between R^2 and adjusted R is minimal. This indicates that the model generalises well.

Table 4.26: ANOVA Results on Risk Taking

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	26820.143	1	26820.143	761.737	.000[b]
	Residual	7710.816	219	35.209		
	Total	34530.959	220			

Additional test on ANOVA shows that the regression model was a good fit as indicated by a significant F statistic ($F=761.737$, $p<0.05$) as shown in Table 4.26. This implied that risk taking can statistically predict the performance of youth-led enterprises in Nyanza region, Kenya.

Table 4.27: Regression Coefficients on Risk Taking

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	11.632	1.015		11.457	.000
	Risk Taking	.663	.024	.881	27.600	.000

a. Predictors: (Constant), Risk Taking
b. Dependent Variable: Enterprise Performance

Performance =11.632 +0.663 Risk taking +.024 (error)*

H_{02} *Risk taking has no significant influence on the performance of youth-led micro and small enterprises in Nyanza region, Kenya*

The unstandardized regression coefficient for risk taking was found to be 0.663. This indicated that a unit increase in the risk taking would result in 66.3% increase in the performance of youth-led enterprises in Nyanza region, Kenya. The t-statistic for the regression coefficient for risk taking was significant at 5% level of significance ($T=27.6$, $p<0.05$) as shown in Table 4.27, implying rejection of null hypothesis. On the basis of these statistics, the study concludes that there is significant positive relationship between risk taking and performance of youth-led Micro and Small

Enterprise in Nyanza region, Kenya, which resulted to a fitted model after the estimation as follows**:** performance= 11.632 + .663*risk-taking + .024 (error)

Further test on the Scatter Plot was conducted and the model is as shown in Figure 4.4. As the plot shows, there is a positive gradient in the values where the Y axis increases with the increase in the X-axis. This implies that a change in risk taking, positively influences an increase in youth-led enterprises thus there is a positive influence of risk taking on the performance of youth-led MSEs in Nyanza region, Kenya.

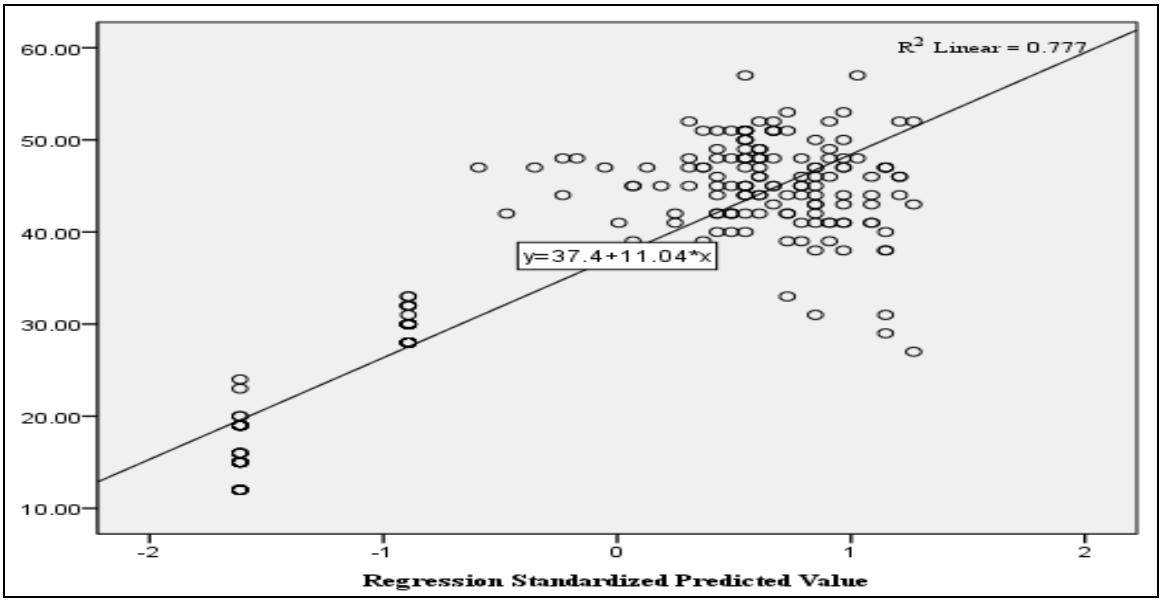

Figure 4.4: Scatter Plot for the Risk Taking and Enterprise Performance

Findings in the present study are in line with those by Kimeu (2017), Madembu, Namusonge and Sakwa (2015), Mburu, Gichira, and Kyalo (2017) and Kagwathi, Kamau, Njau, and Kamau (2014) all who found that entrepreneurial risk taking which involves making decisions to undertake uncertainty of outcomes when new products, services or processes are introduced, has a positive significant effect of performance of organizations. However, Madembu,, Namusonge, and Sakwa (2015)'s study noted that SMEs do not put attention to risk management seriously and this was attributed to lack of knowledge and skills. The study further revealed

that risk management practices affect the financial performance of SMEs and was recommended that SMEs should adopt appropriate risk management approaches to manage risks in their organizations.

This translates to risk taking necessitating an appreciation that misfortune and uncertainty can be overcome in the pursuit of better outcomes. Mburu, Gichira, & Kyalo (2017)'s study confirmed the existence of a positive significant relationship between risk taking and the performance of family-owned enterprises performance in Nairobi County, Kenya. The study identified motivation to earn attractive returns as the main drive behind most entrepreneurs engaging in risk taking behaviors that if executed as planned would result in high returns.

Findings from this study are however not in tandem with those by Nyakang'o and Kalio (2013) who established that there was no relationship between the research cash flow risks and performance in their study of risk management in hotels in Kenya. The study findings indicated that most hotels used credit services in business operations despite the fact that most businesses had difficulty accessing credit; the industry had increased credit card sales and had bad loans. The research also decried that while the net effect of the serious risk of huge profits on restaurant overall performance in the in the work area was typically high, the revenues were high realized over the period also increased. The results generally seem to suggest that risk-taking is an important component of performance of youth SMEs. Stakeholders in the youth SME industry should therefore help the youth to appreciate the importance of taking calculated risks.

4.8.3 Creativity and Performance of Youth-led Micro and Small Enterprises

The third objective was to assess the influence of creativity on performance of youth-led Micro and Small Enterprise in Nyanza region, Kenya. To test the hypothesis, linear regression was used to test the relationship between creativity and performance of youth-led Micro and Small Enterprise in Nyanza region, Kenya. The results are presented in Table 4.28.

Table 4.28: Model Summary on Creativity

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.903[a]	.815	.815	5.39458

The R^2 for the regression model between creativity and performance of youth-led Micro and Small Enterprise in Nyanza region, Kenya was 0.815 meaning that creativity explains 81.5% variation in the performance of youth-led Micro and Small Enterprise in Nyanza region, Kenya while the remaining variation is explained by the error term.

Table 4.29: ANOVA Results on Creativity

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	28157.742	1	28157.742	967.572	.000[b]
	Residual	6373.217	219	29.101		
	Total	34530.959	220			

Further test on ANOVA shows that the regression model was a good fit as indicated by a significant F-Statistic ($F=967.572$, $p<0.05$) as shown in Table 4.29. This implied that creativity can statistically predict the performance of youth-led enterprises in Nyanza region, Kenya.

Table 4.30: Regression Coefficients on Creativity

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	10.274	.944		10.878	.000
	Creativity	.682	.022	.903	31.106	.000

a. Dependent Variable: Enterprise Performance
b. Predictors: (Constant), Creativity

H_{03}: *Creativity has no significant influence on the performance of youth-led micro and small enterprises in Nyanza region, Kenya*

The unstandardized regression coefficient for creativity was .682. This indicated that a unit increase in the creativity would result in 68.2% increase in the performance of youth-led enterprises in Nyanza region, Kenya. The t-statistic for the regression coefficient for creativity was significant at 5% level of significance (T=31.106, $p<0.05$) as shown in Table 4.30, implying rejection of null hypothesis. On the basis of these statistics, the study concludes that there is significant positive relationship between creativity and performance of youth-led Micro and Small Enterprise in Nyanza region, Kenya.

A scatter plot was also used to further explain the relationship between creativity and the performance of youth enterprises. The findings are as shown in Figure 4.5. As the findings portray, there is a positive gradient of the plots where the Y-axis increase with the increase in the X-axis. This is an indication that creativity positively and significantly explains the performance of youth enterprises in Nyanza region, Kenya.

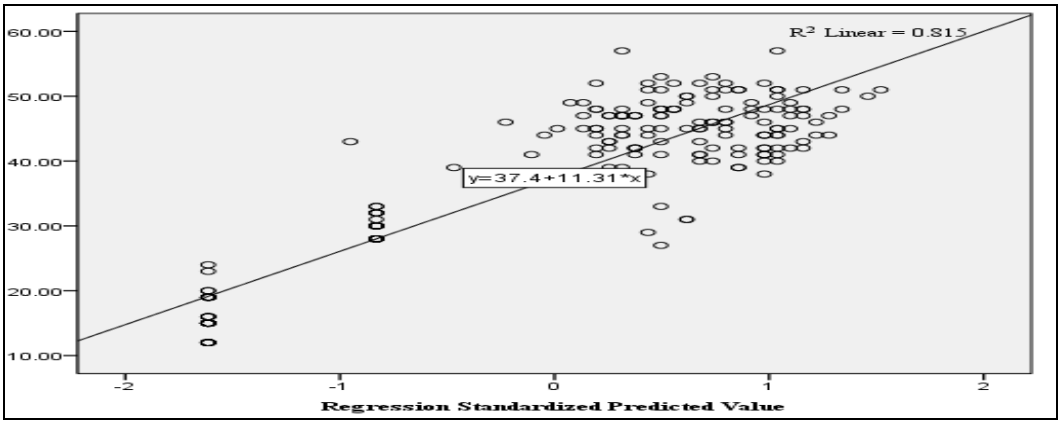

Figure 4.5: Scatter Plot on Creativeness and Enterprise Performance

The findings above are in tandem with those by Jaiswal and Dhar (2017), Kimuru (2018), Hassan, Malik,Hasnain, Faiz, and Abbas (2013) and Mwesigwa and Namiyingo (2014) who found out that creativity had a positive significant effect on performance of organizations. Kimuru (2018) established that many youth-led MSEs have lacked the ability to acquire new technologies, and are thus unable to innovate

their goods and services. The study found that growth component determinants (access to capital, legal and regulatory elements, consumer access, technological adoption and entrepreneurial characteristics) had a substantial positive effect on the growth of MSEs owned by young people. Hassan, Malik, Hasnain, Faiz and Abbas (2013) revealed that there was a direct relationship between the job technical complexity and administrative relationship with creative employees and organization innovation capability and firm performance. Hassan, Malik, Hasnain, Faiz and Abbas (2013)further established that creativity was a way for the modern businesses to steer their growth and performance through capturing the best interests of the customers. Mwesigwa and Namiyingo (2014) established that there was a significant relationship between creativity of employees, workplace resources and company performance in Uganda. On the other hand, the study findings contradict those by Lee and Tan (2012) found out that, when an organization offers psychological empowerment to its employees, it results in employee creativity and performance. However, the effect of creativity on employee performance was found to be insignificant.

4.8.4 Innovativeness and Performance of Youth-led Micro and Small Enterprises

The fourth objective was to assess the influence of innovativeness on performance of youth-led Micro and Small Enterprise in Nyanza region, Kenya. To test the hypothesis, linear regression was used to test the influence of innovativeness on performance of youth-led Micro and Small Enterprise in Nyanza region, Kenya. Path coefficients were used to determine the direction and strength while T statistics provided information on the significance to the relationships. The results are presented in Table 4.31.

Table 4.31: Model Summary Results on Innovativeness

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.904[a]	.817	.816	5.37124

The R^2 for the regression model between innovativeness and performance of youth-led Micro and Small Enterprise in Nyanza region, Kenya was 0.817 meaning that innovativeness explains 81.7 % variation in the performance of youth-led Micro and Small Enterprise in Nyanza region, Kenya while the remaining variation is explained by other external factors outside this model.

Table 4.32: ANOVA Results on Innovativeness

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	28212.767	1	28212.767	977.906	.000[b]
	Residual	6318.193	219	28.850		
	Total	34530.959	220			

Further test on ANOVA shows that the regression model was a good fit as indicated by a significant F-statistic ($F=977.906$, $p<0.05$) as shown in Table 4.32. This implied that innovativeness can statistically predict the performance of youth-led enterprises in Nyanza region, Kenya.

Table 4.33: Regression Coefficients on Innovativeness

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	9.720	.956		10.167	.000
	Innovativeness	.741	.024	.904	31.271	.000

a. Predictors: (Constant), Innovativeness
b. Dependent Variable: Enterprise Performance

Performance =9.720 +0. 741 Innovativeness +.024 (error)

> ***H_{04}:*** *Innovativeness has no significant influence on the performance of youth-led micro and small enterprises in Nyanza region, Kenya.*

The unstandardized regression coefficient for innovativeness was 0.741. This indicated that a unit increase in the creativity would result in .74.1% increase in the performance of youth-led enterprises in Nyanza region, Kenya. The t-statistic for the regression coefficient for innovativeness was significant at 5% level of significance (T=31.271, p<0.05) as shown in Table 4.33, implying rejection of null hypothesis. On the basis of these statistics, the study concludes that there is significant positive relationship between innovativeness and performance of youth-led Micro and Small Enterprise in Nyanza region, Kenya.

The Scatter Plot was also used to show the relationship between innovativeness and the performance of youth-led micro and small enterprises in Nyanza region, Kenya. The results as shown in Figure 4.6 revealed that there was a positive gradient in the variables where an increase in X-axis led to the increase in the Y-axis. This implies that there is a positive relationship between innovativeness and the performance of youth-led MSEs in Nyanza region, Kenya.

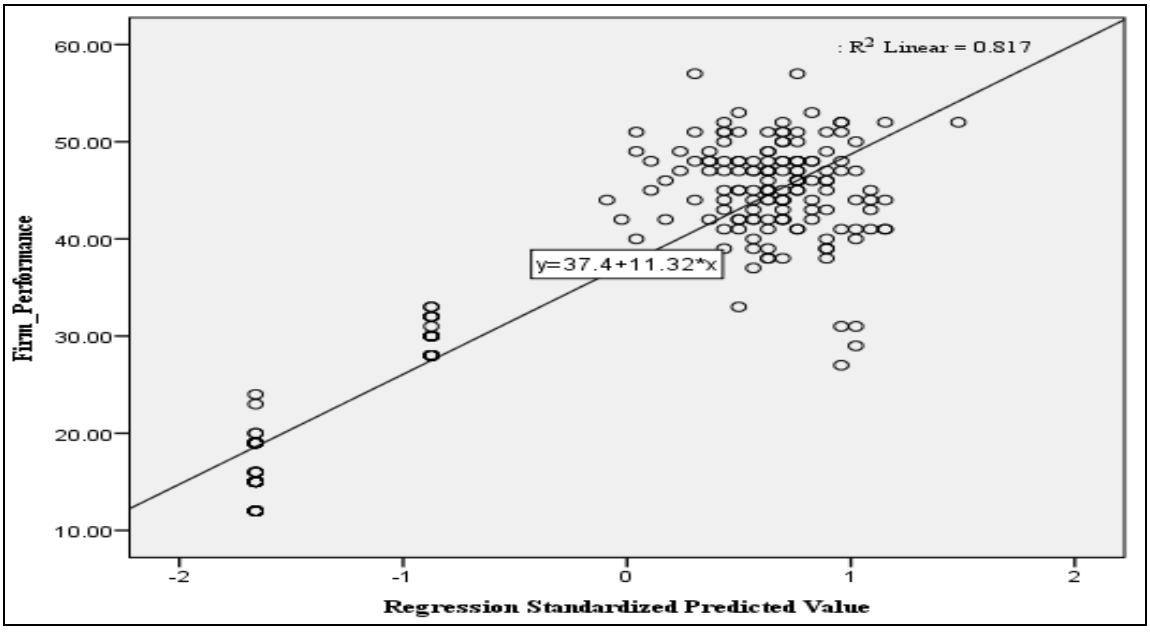

Figure 4.6: Scatter Plot on Innovativeness and Enterprise Performance

Results in the study agree with those by several previous studies. For instance, Mamum, Muhammad and Ismail (2017) found out that the instructiveness and

absorptive capacity of women micro-innovators had a significant positive impact on micro-innovation innovation and micro-enterprise performance. This study only looked at micro enterprises as a whole, yet in this fraternity of microenterprises are the youth-led micro enterprises whose challenges are distinct from those of other entrepreneurs. Claudino, dos Santos, de Aquino Cabral and Pessoa(2017) added to this field of study by analyzing the promoting and limiting innovation considerations in Brazil's micro and small businesses. The study also showed a positive significant effect of innovation on performance of organizations. Elsewhere, Haroon Hafeez, Mohd Shariff, & Mad Lazim (2012)attested to the fact that entrepreneurs could dramatically increase their company's innovative capacity by paying closer attention to studying orientation as well as quality-enhancing entrepreneurial orientation. Investing in learning-focused abilities and designing entrepreneurial instincts to exploit job opportunities plays a major role in maintaining innovation, according to the study.

The study findings also collaborate studies in Nigeria by Olughor (2015) Onwumere and Eleodinmuo (2015) found out that there existed a strong positive relationship between the attributes of innovation (product and process, Market and Administrative innovation) on business performance. The study based its study on SMEs as a whole, hence the reason why a study needs to be done to establish the link between innovation and performance with respect to youth-led SMEs. Onwumere and Eleodinmuo (2015) whose effort to determine the link between innovativeness and performance among small and medium scale leather enterprises in Abia State, Nigeria output level, competitors, enterprise size, credit availability for the business and level of education of the entrepreneurs as the main determinants of innovation. This study too realized that innovation results in improved performance of an organization.

In Kenya, Ngugi, Mcorege and Muiru (2013)argued that innovativeness had a strong significant effect on the growth of SMEs in Kenya. Of important revelation was the fact that, when the manager or owner of a business engages in and supporting Fresh ideas, new approaches, experiments and inventive mechanisms will lead to new

brands, services or new technological processes that have a major impact on the success of SMEs.

Oirere (2015)revealed that a combination of use of computers, implementation of online sales through the internet, training and development of employees, level of expertise employed, adoption of technology, introduction of new branches/business and introduction of new products/services contributed to financial performance as evident in increased profits, increased market share, increased savings for the firm and reduced operating cost of the small and medium manufacturing enterprises. This study tried to unearth the link between innovativeness and financial performance, but established a non-significant effect between innovativeness and financial performance.

4.8.5 Pro-activeness and Performance of Youth-led Micro and Small Enterprises

The fifth objective was to establish the influence of pro-activeness on performance of youth-led Micro and Small Enterprise in Nyanza region, Kenya. To test the hypothesis, linear regression was used to test the relationship between pro-activeness and performance of youth-led Micro and Small Enterprise in Nyanza region, Kenya. Path coefficients were used to determine the direction and strength while T statistics provided information on the significance to the relationships. The results are presented in Table 4.34.

Table 4.34: Model Summary on Pro-activeness

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.896[a]	.803	.803	5.56684

The R^2 for the regression model between pro-activeness and performance of youth-led Micro and Small Enterprise in Nyanza region, Kenya was 0.803 meaning that pro-activeness explains 80.3% variation in the performance of youth-led Micro and

Small Enterprise in Nyanza region, Kenya while the remaining variation is explained by other factors not included in the model.

Table 4.35: ANOVA Results on Pro-activeness

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	27744.221	1	27744.221	895.273	.000[b]
	Residual	6786.738	219	30.990		
	Total	34530.959	220			

Further test on ANOVA shows that the regression model was a good fit as indicated by a significant F-statistic (F=895.273, p<0.05). This implied that pro-activeness can statistically predict the performance of youth-led enterprises in Nyanza region, Kenya.

Table 4.36: Regression Coefficients on Pro-activeness

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	10.435	.976		10.694	.000
	Pro-activeness	.708	.0538	.896	13.159	.000

a. Predictors: (Constant), Pro-activeness
b. Dependent Variable: Enterprise Performance

Performance =10.435 +0. 708 Pro-activeness +.0538 (error)

> ***H_{05}*** *Pro*-activeness *has no significant influence on the performance of youth-led micro and small enterprises in Nyanza region, Kenya*

The unstandardized regression coefficient for pro-activeness was 0.708. This indicated that a unit increase in the pro-activeness would result in 70.8% increase in the performance of youth-led enterprises in Nyanza region, Kenya. The t-statistic for the regression coefficient for pro-activeness was significant at 5% level of significance (T=13.159, p<0.05) as shown in Table 4.36, implying rejection of null hypothesis. On the basis of these statistics, the study concludes that there is

significant positive relationship between pro-activeness and performance of youth-led Micro and Small Enterprise in Nyanza region, Kenya.

The Scatter Plot was also used to show the relationship between pro-activeness and the performance of youth-led MSEs. The findings as shown in Figure 4.7 revealed that there was a positive gradient in the plots. This indicates that increase in the X-axis led to increase in the Y-axis thus implying that pro-activeness had a positive influence on the performance of youth-led enterprises in Nyanza region, Kenya.

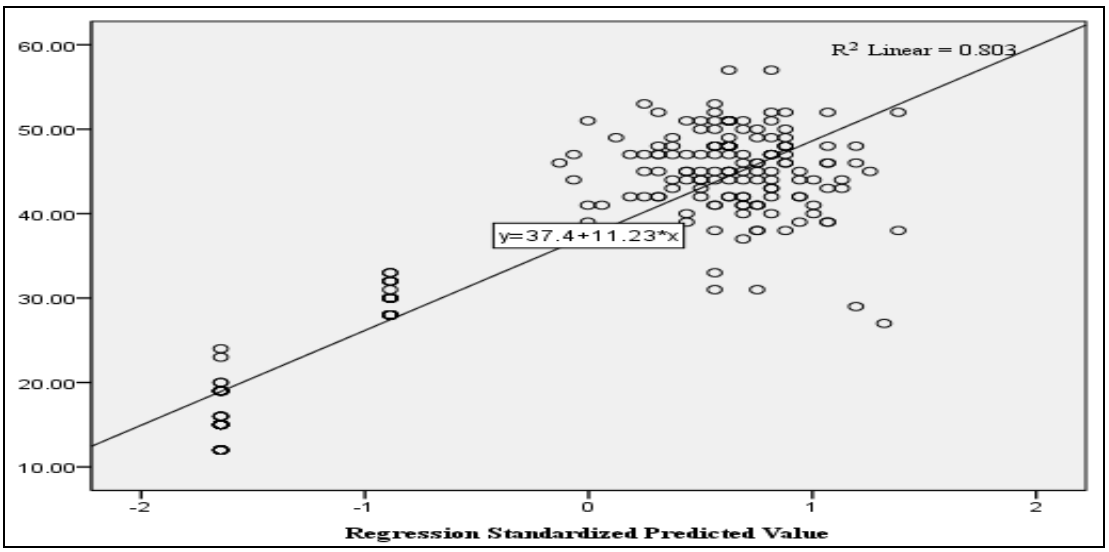

Figure 4.1: Scatter Plot on the Pro-activeness and Enterprise Performance

Results in the present study on the influence of pro-activeness on performance of youth-led Micro and Small Enterprise Pro-activeness agree with previous studies by Dai, Maksimov, Gilbert and Fernhaber (2014). The results show that proactivity may also apply to the launch of entirely new goods and brands ahead of rivals, and also to the removal of those practices that have become or are becoming unprofitable. Proactivity means the individuals' ability to create their environment stemming from an interactional perspective (Bandura, 1997, Schneider, 1983). Proactive behavior of the personnel has a direct relationship with organizational efficiencies, such as job performance, success, satisfaction, control sense, and role uncertainty (Crant, 2000). Proactive personalities identify opportunities and act on them. They show initiative,

take action and persevere until they bring about meaningful change. New opportunity detection and assessment; identification and tracking of industry developments, and new venture team formation are practices underpinning proactivity. As Schwartz, Teach, and Birch (2005) once pointed out, one of the main elements of the entrepreneurial method is opportunity perception.

4.9 Multiple Regression Analysis Results

The study carried out a multiple regression model analysis to establish the combined effect of the independent variables on the dependent variable. The overall regression model was carried out in two phases where the first phase included the unmoderated model, while the second phase included the moderated model (where the independent variables were interacted with the moderator before being regressed against the dependent variable). This helped to establish the combined influence of entrepreneurial orientation aspects (innovativeness, pro-activeness, risk taking, competitive aggressiveness and creativity) when moderated and when not moderated by the entrepreneurial finance ecosystem.

4.9.1 Overall Unmoderated Model

The overall unmoderated model was carried out where all the independent variables were analysed to assess their combined effect on the performance of youth-led enterprises. The findings are presented in model summary, ANOVA and the regression coefficients as well as the scatter plot.

Table 4.37: Model Summary for the Overall Unmoderated Model

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.927	.859	.855	4.76657

As the results portray, the R-square for the model was 0.859. This implies that 85.9% of the variation in performance of the youth-led enterprises is as a result of the combined effect of innovativeness, pro-activeness, risk taking, competitive aggressiveness and creativity.

Table 4.38: ANOVA Results for the Overall Unmoderated Model

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	29646.126	5	5929.225	260.968	.000[b]
	Residual	4884.833	215	22.720		
	Total	34530.959	220			

The ANOVA results as shown in Table 4.38 revealed that the F-statistics was 260.968 at a significance level of 0.000. This implies that the aspects of entrepreneurial orientation (innovativeness, risk taking, competitive aggressiveness, proactiveness, & creativity) influences the performance of youths led MSEs. The results further reveal that the model could statistically significantly predict the relationship between entrepreneurial orientation and the performance of youth led MSEs.

Table 4.39: Regression Coefficients for the Overall Unmoderated Model

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		p-value
1	(Constant)	8.679	.860		10.093	.000
	Competitive Aggressiveness	.294	.018	.369	2.486	.000
	Risk Taking	.302	.077	.302	.020	.000
	Creativity	.297	.052	.394	5.735	.000
	Innovativeness	.205	.095	.251	2.165	.001
	Pro-activeness	.253	.010	.268	.487	.000

a. Dependent Variable: Enterprise Performance
b. Predictors: (Constant), Creativity, Risk Taking, Pro-activeness, Innovativeness, Competitive Aggressiveness

The findings as shown in Table 4.39 revealed that competitive aggressiveness had a regression coefficient of 0.294 an indication that a unit change in competitive aggressiveness would influence performance of the youth owed MSEs by up to

29.4%. On risk taking, it was established that the Beta coefficient was 0.302 which implies that a unit change in risk taking would influence performance by up to 30.2%. creativity had a Beta coefficient of 0.297 which indicates that a unit change in creativity could influence up to 29.7% of performance of youth-led enterprises. Innovativeness on the other hand had a Beta coefficient of 0.205 which implies that a unit change in Innovativeness would influence performance of the youth MSEs by up to 20.5%. Pro-activeness had a beta coefficient of 0.253 an indication that a unit change in pro-activeness would influence performance of the youth MSE by up to 25.3%. The findings further revealed that all variables had P-values less than 0.05 an indication that they significantly influenced the performance of youth-led enterprises.

The Scatter Plot was also used to show the combined relationship between the aspects of entrepreneurial orientation and the performance of youth-led MSEs. The findings as shown in Figure 4.8 revealed that there was a positive gradient in the plots. This is an indication that increases in the X-axis led to increase in the Y-axis thus implying that creativity, risk taking, pro-activeness, innovativeness, competitive aggressiveness had a positive influence on the performance of youth-led enterprises in Nyanza region, Kenya.

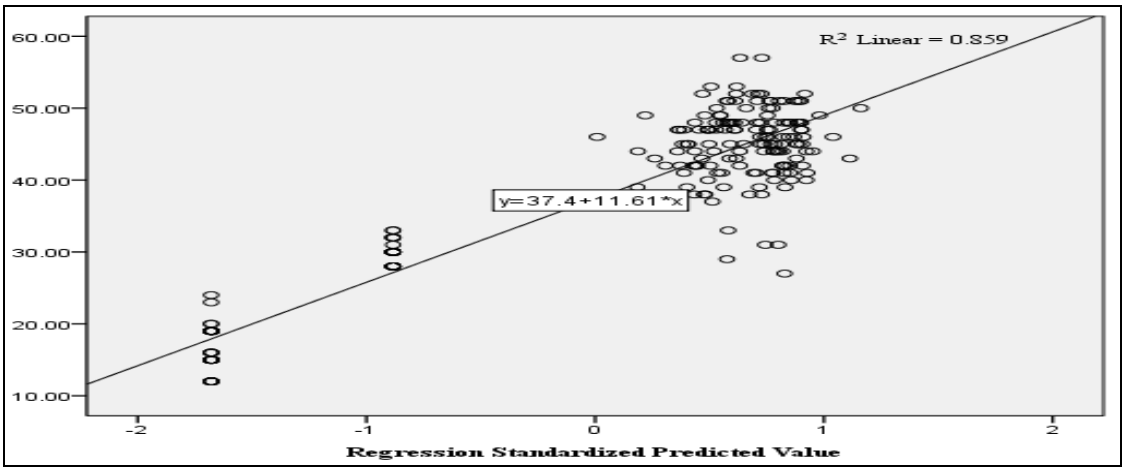

Figure 4.8: Scatter Plot for the Overall Model

4.9.2 Overall Moderating effect of Entrepreneurial Finance Ecosystem

An overall moderated model was carried out to establish the interaction effect of entrepreneurial finance ecosystem on the relationship between the entrepreneurial orientation (innovativeness, risk taking, competitive aggressiveness, pro-activeness, & creativity) and performance of youth-led micro and small enterprises. The findings are as shown in Table 4.40.

Table 4.40: Model Summary on the Overall Moderated Model

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.892[b]	.796	.785	.74838

The R^2 for model one was 0.651 implying that Available means of entrepreneurial finance ecosystem Risk Taking, Pro-activeness, Creativity Innovativeness, Competitiveness jointly explain 65.1% variation in performance of youth Micro and Small Enterprises in Nyanza region, Kenya. The results indicated that the inclusion of the interaction term resulted into an R^2 change of 0.796, showing presence of significant moderating effect. This implied that the moderating effect of availability of entrepreneurial finance ecosystem gained 79.6% variance in the performance of youth Micro and Small Enterprises in Nyanza region, Kenya, above and beyond the variance by entrepreneurial orientation.

Table 4.41: Regression Analysis Results on the Overall Moderated Model

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	455.804	12	37.984	67.819	.000[c]
	Residual	116.495	208	.560		
	Total	572.299	220			

The moderating effect is further confirmed by the ANOVA results in Table 4.41. As it is revealed in Table 4.40, this regression model is a good fit as indicated by the significant F-statistic (F-value=67.819, $p<0.05$) inferring that moderated model

where the interaction effect of Entrepreneurial finance ecosystem is introduced, the model is viable to predict the relationship between the variables. It is also an indication that at least one of the variables is significantly moderated by the entrepreneurial finance ecosystem.

Results of the moderated regression coefficients in Table 4.42 for showed that the interaction effect between the moderating variable (entrepreneurial finance ecosystem) and the independent variables had a significant effect on the performance of youth-led micro and small enterprises. From the findings, the interaction effect between competitive aggressiveness and entrepreneurial finance ecosystem had a Beta coefficient (β) of 0.031 at a significant level of 0.010<0.05 implying that entrepreneurial finance ecosystem has a significant moderating effect on the relationship between competitive aggressiveness and performance of youth-led MSEs in Kenya. Moreover, the findings revealed that the interaction effect between risk-taking and entrepreneurial finance ecosystem had a Beta coefficient (β) of 0.347 at a significant level of 0.000<0.05. This is an indication that entrepreneurial finance ecosystem significantly moderates the relationship between risk taking and performance of youth-led micro and small enterprises. The interaction effect between creativity and entrepreneurial finance ecosystem had a Beta coefficient (β) of (0.011), the interaction effec6 between innovativeness and entrepreneurial finance ecosystem had a coefficient of 0.085, while the interaction effect between pro-activeness and entrepreneurial finance ecosystem had a beta coefficient of 0.175. All the variables had an interaction effect with significant P-values. This is an implication that entrepreneurial finance ecosystem significantly moderates the relationship between the aspects of entrepreneurial orientation (innovativeness, competitive aggressiveness, risk-taking, pro-activeness and creativity) and performance of youth-led MSEs in Kenya.

Table 4.42: Regression Coefficients for the Overall Moderated Model

Variables	Unstandardized Coefficients		Standardized Coefficients		
	B	Std. Error	Beta	t	Sig.
Competitiveness * Entrepreneurial finance ecosystem	.031	.083	.027	.373	.010
Risk Taking * Entrepreneurial finance ecosystem	.347	.072	.325	4.822	.000
Creativity * Entrepreneurial finance ecosystem	.011	.086	.009	2.003	.002
Innovativeness * Entrepreneurial finance ecosystem	.085	.079	.074	2.076	.023
Pro-activeness * Entrepreneurial finance ecosystem	.175	.083	.161	2.107	.036

a. Dependent Variable: Performance

Findings that entrepreneurial finance ecosystem is a significant moderator of the relationship between entrepreneurial orientation are in line with previous studies (Agwa-Ejon & Mbohwa, 2015; Mpiti & Rambe, 2017) that have shown entrepreneurial finance ecosystem to be an important element in enhancing firm performance. The findings seem to imply that the presence of entrepreneurial finance ecosystem enhances the competitive aggressiveness, risk-taking, creativity, innovativeness and pro-activeness of the youth entrepreneurs. Mpiti (2017) argue that, the inability to access funding for MSE's makes them perform poorly, as financing effects the performance of an enterprise. Youth SME performance is regarded as a straight up growth and researchers agree that many SMEs do not usually perform as would be anticipated.

The present study also found that majority of the respondents were unaware of the available sources of financing for youth enterprises, that they got inadequate financing in running their enterprises, and that majority had not applied for the

Government Enterprise funding through the available channels. The findings imply that entrepreneurial finance ecosystem has not been well upheld among the youth entrepreneurs in Nyanza region and this could have affected the success of their enterprises. Agwa-Ejon and Mbohwa (2015) in their study on SME access to bank credit, observed that most of the MSEs financial assistance mainly came from their personal savings, advances or loans from friends and families for their business start-up.

The summary of the hypothesis testing is shown in Table 4.43.

Table 4.43: Summary of Hypotheses Testing

Hypothesis		p-Value	Comment
H_{01}: Competitive aggressiveness has no significant influence on the performance of youth-led micro and small enterprises in Kenya	$Y = 9.795 + 0.724X_1$.	P=0.000<0.05	Reject null hypothesis
H_{02}: Risk taking has no significant influence on the performance of youth-led MSEs in Kenya	$Y = 11.632 + 0.663X_2$.	P=0.000<0.05	Reject null hypothesis
H_{03}: Creativity has no significant influence on the performance of youth-led MSEs in Kenya	$Y = 10.274 + 0.682X_3$	P=0.000<0.05	Reject null hypothesis
H_{04}: Innovativeness has no significant influence on the performance of youth-led MSEs in Kenya	$Y = 9.720 + 0.741X_4$.	P=0.000<0.05	Reject null hypothesis
H_{05}: Proactiveness has no significant influence on performance of youth-led MSEs in Kenya	$Y = 10.435 + 0.708X_1$	P=0.000<0.05	Reject null hypothesis
H_{06}: Entrepreneurial finance ecosystem has no significant moderating effect on the relationship between entrepreneurial orientation and the performance of youth-led MSEs in Kenya.	$Y=-0.031+0.347X_1*Z+0.011X_2*Z+0.085X_3*Z+0.175X_4*Z$	P=0.000<0.05	Reject the null hypothesis

4.10 Revised Conceptual Framework

The revised conceptual is as shown in Figure 4.9. This has been informed by the optimal model (the overall moderated model). The conceptual framework shows that the flow of variables will change from the initial flow on the former conceptual framework (fig. 2.1) where competitive aggressiveness, risk-taking, creativity, innovativeness and pro-activeness was the flow. Now based on the optimal model which shows the level of significance for the variables, the flow has changed as per the Beta coefficients for the moderated model. The flow now starts with risk-taking ($\beta = 0.347$), pro-activeness ($\beta = 0.175$), innovativeness ($\beta = 0.085$), competitive aggressiveness ($\beta = 0.031$) and lastly creativity ($\beta = 0.011$). Moderating variable (entrepreneurial finance ecosystem) has been retained since it was found to have a significant moderating effect on the relationship between entrepreneurial orientation and performance of youth-led micro and small enterprises.

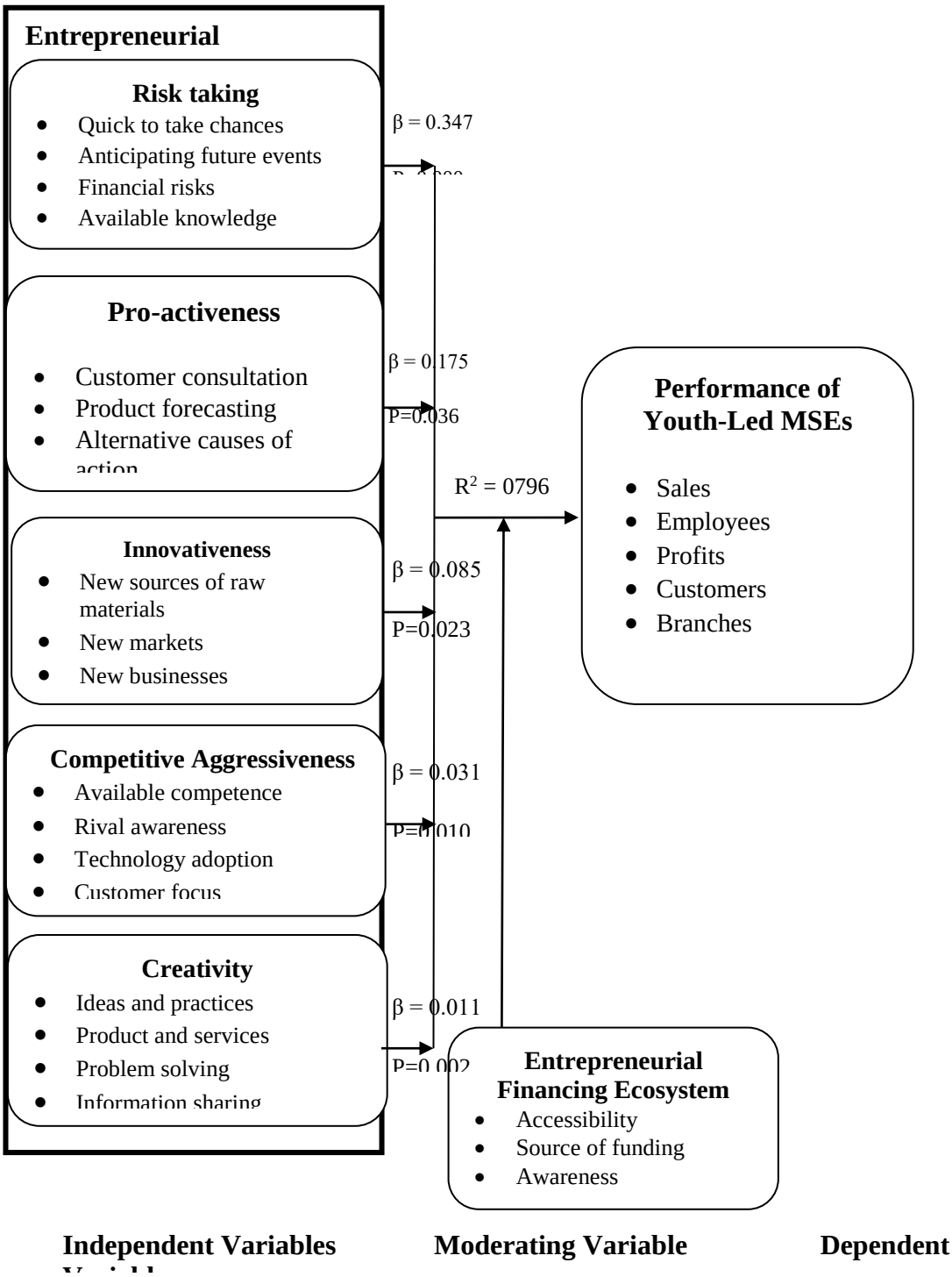

Figure 4.9: Revised Conceptual Framework

CHAPTER FIVE

SUMMARY, CONCLUSIONS, AND RECOMMENDATIONS

5.1 Introduction

This chapter provides a summary of the findings from the analysis, the conclusions and the recommendations. The study aimed at assessing the relationship between entrepreneurial orientation and performance of youth-led micro and small enterprises in Kenya. The chapter covers the summary of findings based on the specific objectives of the study which were to assess he relationship between competitive aggressiveness, risk-taking, creativity, innovativeness and pro-activeness on the performance of youth-led micro and small enterprises in Kenya. The chapter also presents the suggestions of areas for further studies.

5.2 Summary of Findings

The general objective of this study was to determine the influence of entrepreneurial orientation on youth-led Micro and small enterprises performance in Kenya's Nyanza region. The study was guided by the following specific objectives: to examine the influence of competitive aggressiveness on the performance of youth-led Micro and Small Enterprise in Nyanza region, Kenya; to determine the influence of risk-taking on the performance of youth-led micro and small enterprises in Nyanza region, Kenya: to assess the influence of creativity on the performance of youth-led micro and small enterprises in Nyanza region, Kenya; to assess the influence of innovativeness on the performance of youth-led Micro and Small enterprises in Nyanza region, Kenya; to establish the influence of pro-activeness on the performance of youth-led Micro and Small Enterprises in Nyanza region, Kenya and to analyze the moderating effect of entrepreneurial finance ecosystem on the relationship between entrepreneurial orientation and performance of youth-led micro and small enterprises in Kenya. The summary of results, conclusions, recommendations and suggestions for further research are presented below.

5.2.1 Competitive Aggressiveness and Performance of Youth-Led Micro and Small Enterprises

The first objective was to examine the influence of competitive aggressiveness on performance of youth-led Micro and Small Enterprise in Nyanza region, Kenya. From the survey results, the standardized regression coefficient for competitive aggressiveness indicated that a unit increase in the competitive aggressiveness would result in a positive increase in the performance of youth-led enterprises in Nyanza region, Kenya. The t-statistic for the regression coefficient for competitive aggressiveness was significant implying rejection of null hypothesis of competitive aggressiveness having no significant influence on performance of youth-led Micro and Small Enterprises in Nyanza region, Kenya.

5.2.2 Risk Taking and Performance of Youth-Led Micro and Small Enterprises

The second objective was to determine the influence of risk taking on performance of youth-led Micro and Small Enterprise in Nyanza region, Kenya. Survey results from the field data showed the standardized regression coefficient for the variable portrayed that a unit increase in the risk taking would result in positive increase in the performance of youth-led enterprises in Nyanza region, Kenya. The t-statistic for the regression coefficient for competitive aggressiveness was significant. The null hypothesis which stated that risk taking had no significant influence on performance of youth-led Micro and Small Enterprise in Nyanza region, Kenya, was therefore rejected.

5.2.3 Creativity and Performance of Youth-Led Micro and Small Enterprises

The third objective was to assess the influence of creativity on performance of youth-led Micro and Small Enterprise in Nyanza region, Kenya. The standardized regression coefficient for creativity was found to be positive indicating that a unit increase in the creativity would result in 90.3% increase in the performance of youth-led enterprises in Nyanza region, Kenya. The t-statistic for the regression coefficient for creativity was significant, implying rejection of null hypothesis that there is no

significant influence of performance on performance of youth-led Micro and Small Enterprise in Nyanza region, Kenya.

5.2.4 Innovativeness and Performance of Youth-Led Micro and Small Enterprises

The fourth objective was to assess the influence of innovativeness on performance of youth-led Micro and Small Enterprise in Nyanza region, Kenya. The standardized regression coefficient for innovativeness was positive. This indicated that a unit increase in the innovativeness would result in an increase in the performance of youth-led enterprises in Nyanza region, Kenya. The t-statistic for the regression coefficient for creativity was significant. The null hypothesis set as innovativeness has no significant influence on the performance of youth-led micro and small enterprise in Nyanza region was therefore rejected.

5.2.5 Pro-activeness and Performance of Youth-Led Micro and Small Enterprises

The fifth objective was to establish the influence of pro-activeness on performance of youth-led Micro and Small Enterprise in Nyanza region, Kenya. The standardized regression coefficient for pro-activeness was found to be positive. This indicated that a unit increase in the pro-activeness would results in an increase in the performance of youth-led enterprises in Nyanza region, Kenya. The t-statistic for the regression coefficient for pro-activeness was significant, implying rejection of null hypothesis of pro-activeness having no significant influence on performance of youth-led Micro and Small Enterprise in Nyanza region, Kenya.

5.2.6 Moderating Effect of Entrepreneurial Finance Ecosystem

The sixth objective of the study was to evaluate the Moderating effect of entrepreneurial finance ecosystem on the relationship between Entrepreneurial Orientation and the Performance of Youth Micro and Small Enterprises in Nyanza region, Kenya. Results from the study indicated that the inclusion of the moderating term resulted into a significant change in the R-square, showing presence of

significant moderating effect. This implied that the moderating effect of entrepreneurial finance ecosystem gained a positive variance in the performance of youth led Micro and Small Enterprises in Nyanza region, Kenya, above and beyond the variance by entrepreneurial orientation. Thus, the study rejects the null hypothesis.

5.3 Conclusions

5.3.1 Competitive Aggressiveness and Performance of Youth-Led Micro and Small Enterprises

Based on the competitive aggressiveness objective for which the study found that a unit increase in the competitive aggressiveness would result in a positive increase in the performance of youth-led enterprises in Nyanza region, it is concluded that competitive aggressiveness is a significant positive predictor of performance of youth-led enterprises in Nyanza region of Kenya.

It is concluded that the theory of competitive advantage can be applied to the improvement of enterprises and can help the youth respond aggressively to competition. The theory proposes that every enterprise in the market needs a competitive strategy that will help an enterprise adopt to a rapidly changing business environment in order to increase profits and customer loyalty. The theory is based on marginal individuals who can adopt into setting free off imposed restrictions by society and are therefore able to develop unconventional patterns of behaviour which increases their tendency to become successful entrepreneurs. Consequently, entrepreneurs are constantly looking for new opportunities and ways to make their operations more competitive. Persistent use of the competitive advantages, execute stretch tasks or operations interactively and the organization becomes better for understanding the competitive advantage of their rivals.

5.3.2 Risk Taking and Performance of Youth-Led Micro and Small Enterprises

Results based on the second objective which set out to determine the influence of risk taking on performance of youth-led Micro and Small Enterprise in Nyanza

region, Kenya, and for which results showed a positive significant effect on performance of youth-led Micro and Small Enterprise. However, business owners who take risks recklessly may lose the trust of their employees and customers. They may also overestimate their businesses' potential for success, resulting in severe disappointment and serious financial losses.

However, the study's findings confirmed that Risk-Taking Theory of Entrepreneurship which is a risk-based decision-making theory, is a significant positive contributor to performance of the Micro and Small Enterprises, where certain policies are based on assumptions that determine the external reality of the environment. It is concluded that the youth should, in trying to improve their enterprises performance, take calculated risks on failed opportunities in anticipation of future events, and also take up relevant insurance cover to improve resilience and continuity of their business operations as well as contribute to their sustainability.

5.3.3 Creativity and Performance of Youth-Led Micro and Small Enterprises

Based on results from the third objective which sought to assess the influence of creativity on performance of youth-led Micro and Small Enterprises in Nyanza region, Kenya, and for which the study found a significant positive influence on performance of the youth-led Micro and Small Enterprise, the study concludes that creativity is a significant positive predictor of performance of youth-led Micro and Small Enterprise in Nyanza region, Kenya.

The study confirmed the Componential Theory of Creativity which advocates for creativity by use of skills, processes and motivation among entrepreneurs if performance has to be improved. The promoters of the theory argued that being creative is about embracing the practices that are in line with the expectations of the customers and ensuring the relationship between the customers and the firm is enhanced. Consequently, the youth entrepreneurs ought to be increasingly interrelating by cooperating with employees through nurturing interpersonal abilities on ideas and practices, products and services, problem solving and information sharing and give an improved perspective on work difficulties and work opportunities.

5.3.4 Innovativeness and Performance of Youth-Led Micro and Small Enterprises

The fourth objective was to assess the influence of innovativeness on performance of youth-led Micro and Small Enterprise in Nyanza region, Kenya. The study found that there is a positive significant influence of innovativeness on performance of youth-led Micro and Small Enterprise in Nyanza region, Kenya. Based on this finding, the study concludes that innovativeness is a significant positive predictor of performance of youth-led Micro and Small Enterprise in Nyanza region, Kenya.

It is also concluded from the findings that Schumpeter's Theory of Innovation was confirmed by the study's findings. This theory is based on the assumption that innovation happens when the entrepreneur disrupts the system by developing new products or a new production system, identifies new sources of raw materials, and identifies new market and introduces a given organization to a new industry. The theory also upholds the need for improving the existing products where the entrepreneurs focus on best ways to have newer and better designs of the existing products to stay apt with the market trends.

5.3.5 Pro-activeness and Performance of Youth-Led Micro and Small Enterprises

The fifth objective was to establish the influence of pro-activeness on performance of youth-led Micro and Small Enterprise in Nyanza region, Kenya. The study revealed a significant positive influence of pro-activeness on performance of youth-led Micro and Small Enterprise in Nyanza region, Kenya. It is therefore concluded that pro-activeness is a positive contributor to performance of youth-led Micro and Small Enterprise in Nyanza region, Kenya.

The Learning Theory of Persuasion is confirmed in the study. The theory helps to explain how youth entrepreneurs need to learn quicker than their competitors and handle turbulent business situations and use these experiences for their success. The theory can help to discover how youth business entrepreneurs can deal and respond

to unpredictable business circumstances proactively for their prosperity and how their pro-activeness can propel their ventures to profits and survival.

5.3.6 Moderating Effect Entrepreneurial Finance Ecosystem

The sixth objective of the study was to evaluate the moderating effect of entrepreneurial finance ecosystem on the relationship between entrepreneurial orientation and the performance of youth-led micro and small enterprises in Nyanza region, Kenya. Results from the study indicated that entrepreneurial finance ecosystem had a significant positive moderating effect on the relationship between entrepreneurial orientation and performance of youth-led micro and small enterprises in Nyanza region. It is therefore concluded that entrepreneurial finance ecosystem is a significant positive moderator of the relationship between entrepreneurial orientation and performance of youth-led micro and small enterprises in Nyanza region.

The Resource Based Theory of Entrepreneurship was therefore confirmed in the study. RBT notes that organizations 'competitive advantage is derived from the ability of businesses to aggrandize and use an acceptable mix of capital. As this resource potential increases, the productivity of a company increases as well. According to the resource-based view, the persistent competitive advantage is created by the inimitable resource package as the firm's fundamental base. Compared to other businesses in the same industry, this theory explores how higher performance can be obtained and notes that higher performance is the product of achieving and taking advantage of the company's specific resources.

The theory generally captures the need for continued entrepreneurial orientation where as a result of entrepreneur’s financial resources, they are able to be competitive, take calculated risks, become creative and innovative, be pro-active and embraces competitiveness. In other words, the theory shows how entrepreneurial orientation is an essential aspect to an entrepreneur in relation to the resources available in the urge for business continuity and growth.

5.4 Recommendations

5.4.1 Entrepreneurial Recommendations

Based on the study findings and conclusions, the following recommendations can be made based on each objective.

The first objective of the study examined the influence of competitive aggressiveness on performance of youth-led Micro and Small Enterprise in Nyanza region, Kenya for which the study found a positive significant influence on the performance of youth-led enterprises in Nyanza region. It was concluded that competitive aggressiveness is a significant positive predictor of performance of youth-led enterprises in Nyanza region of Kenya. Based on this, the study recommends that youth-led micro and small enterprises managers should outsource their workforce from competitors so as to gain skills. This is a key strategy towards gaining competitiveness and enhancing performance. Additionally, the study recommends that youth-led micro and small enterprises seek for information from competitors by conducting due diligence. This information will assist them to identify customers' needs and make strategies to meet such need in order to win the customers in future. Further, the study recommends to youth-led micro and small enterprises enhance competitive strategies by seeking out new competing avenues get access to training in the use of new technologies which in effect can reduce the cost of production while meeting customer demands and differentiation.

The second objective sought to determine the influence of risk taking on performance of youth-led Micro and Small Enterprise in Nyanza region, Kenya. Results showed a positive significant effect on performance of youth-led Micro and Small Enterprise, and it is concluded that risk taking is a significant positive contributor to performance of the Micro and Small Enterprises. Based on this conclusion, it is recommended that the youth-led micro and small enterprise managers are sensitised on the need to increase their risk taking in order to improve the performance of their enterprises. This could be by undertaking frequent surveys to take note on any upcoming opportunity within their enterprise range, keenly analysing risks to ensure they conform to the anticipated future and taking insurance

for their businesses as a way of getting ready for any uncertainty in future. Moreover, it is recommended that they improve their risk appetite by educating themselves on other available business opportunities other than the failed business opportunities. They should also be encouraged to take up insurance plans and training offered for small enterprises offered by various insurance organizations to cushion them in case of any possible outcomes after being exposed to risk.

Based on results from the third objective which sought to assess the influence of creativity on performance of youth-led Micro and Small Enterprises in Nyanza region, Kenya, and for which the study found a significant positive influence on performance of the youth-led Micro and Small Enterprise, the study concluded that creativity is a significant positive predictor of performance of youth-led Micro and Small Enterprise in Nyanza region, Kenya. Based on this, the study recommends that the entrepreneurs of the MSEs increase their creativity in order to enhance performance of their enterprises. This they could do by continuously encouraging new ideas in their business operations to ensure customer satisfaction, embracing new and better ways of problem-solving to ensure smooth running of the enterprises and encouraging information sharing and networking in order to come up with new and better ways of solving business problems. The study also recommends that they increase their efforts in recognising the creative employees in their businesses and help them come up with creative ways of improving the products and services within their MSE, integrate development of new ideas about products or services that are novel and potentially useful to their business and develop new and better media platforms with their customers for sharing the necessary information regarding their products and services.

The fourth objective was to assess the influence of innovativeness on performance of youth-led Micro and Small Enterprise in Nyanza region, Kenya. The study found that there is a positive significant influence of innovativeness on performance of youth-led Micro and Small Enterprise in Nyanza region, Kenya and concluded that innovativeness is a significant positive predictor of performance of youth-led Micro and Small Enterprise in Nyanza region, Kenya. The study, based on the foresaid conclusion, makes the following managerial recommendations in their effort to

improve the performance of their MSEs. Firstly, that they make their marketing strategies unique to ensure they capture a larger part of the existing market. Secondly, that they embrace innovative technology-based methods of producing their products in order to capture prospective customers. Thirdly, its apparent that most youth struggle with the value addition concept and so they must frequently source for new markets for their products by enhancing new production units and new production methods to meet new customer demands. Fourthly, that they ensure that the available raw materials are cheap and of the right quality to meet the clients' needs and frequently look for new sources of working materials for the enterprises.

The fifth objective was to establish the influence of pro-activeness on performance of youth-led Micro and Small Enterprise in Nyanza region, Kenya. The study revealed a significant positive influence of pro-activeness on performance of youth-led Micro and Small Enterprise in Nyanza region, Kenya. It was therefore concluded that pro-activeness is a positive contributor to performance of youth-led Micro and Small Enterprise in Nyanza region, Kenya. To enhance the performance of the MSEs, the study makes the following recommendation based on the conclusion. Firstly, that entrepreneurs be highly proactive by focusing on customer consultation. This can be enhanced by constant consultation with the consumers to know their tastes and preferences in anticipation for their future demands, and keenly noting of the customer feedbacks to improve on quality of products and customer service. Secondly, that they pay attention to product forecasting by frequently conducting forecasts on the products that customers would require in terms of quality and designs. Thirdly, that they are consistently keen on sporting new changes earlier than their competitors as this would give them a competitive advantage over their competitors for alternative course of action by always searching for alternatives when one course of action has an unexpected outcome and to always think of the implications of any action that they plan to undertake in order to anticipate the risks. Lastly, that they have early implementation of programmes by carrying out continuous market research to enhance early recognition of new opportunities in the market, and keenly observing new changes among their competitors and taking advantage to implement any of the positive changes.

The sixth objective of the study was to evaluate the moderating effect of entrepreneurial finance ecosystem on the relationship between entrepreneurial orientation and the performance of youth-led micro and small enterprises in Nyanza region, Kenya. Results indicated that entrepreneurial finance ecosystem had a significant positive moderating effect on the relationship between entrepreneurial orientation and performance of youth-led micro and small enterprises in Nyanza region for which it was concluded that entrepreneurial finance ecosystem is a significant positive moderator of the relationship between entrepreneurial orientation and performance of youth-led micro and small enterprises in Nyanza region. Based on this conclusion, the study makes the following recommendations. That to enhance their performance, the entrepreneurs of the MSEs should embrace the entrepreneurial finance ecosystem opportunities that are in existence. Given the instrumental role that youth led entrepreneurs play in solving the unemployment problem and stimulating economic growth, policy makers should explore a range of entrepreneurial finance ecosystem strategies that would provide capital to entrepreneurs to help them improve the capacity of their enterprises as these would lead to better sustainability and performance. Smart Governments need to create a range of mechanisms to extend to youth entrepreneurs enticing financing options that meet their changing requirements.

5.4.2 Policy Recommendations

From the study it was established that competitive aggressiveness, risk taking, creativity, innovativeness and pro-activeness positively influence the performance of youth-led Micro and Small Enterprise, the youth should not be more concerned with the day to day running of their businesses but rather with the long-term issues that can bring about lasting gains. They also need to be more strategic than opportunists in their endeavours for survival of their enterprises and improve their performance. The study also noted that entrepreneurial finance ecosystem (Government funds) sources do not entice youth-led Micro and Small Enterprises. This may be as a result of stringent rules or procedures lay down or that these policies do not address the needs of both the business and its management which in effect reduces the possibility of youth entrepreneurs accessing these financial services. Therefore, the study

recommends to the policy makers to make Government financing sources enticing, create a well-structured financial delivery platform with multiple financial solutions, improve financial information structures for financial accessibility to YMSEs and also develop policies that address the needs of both the business and its management team in order to attract youth-led Micro and Small Enterprise owners. The government should also have special attention to help in expansion, export to new regional or continental markets to enable the youth generate more profits and evolve these youth entrepreneurs while shaping and drawing policies and financial programs so as to encourage growth across all entrepreneurial sectors.

5.5 Contribution of the Study to the Existing Knowledge

A number of scholars recognize entrepreneurial orientation as having three dimensions namely; innovativeness, pro-activeness and risk-taking. Another point of controversy is whether the dimensions of entrepreneurial orientation co-vary or vary independently. This has resulted to some researchers treating entrepreneurial orientation as a one-dimensional construct while others treat it as multi-dimensional. However, many studies have been able to show that the dimensions vary independently and also relate differently to performance based on firms' stage of growth and environment, and should be studied as a multi-dimensional construct.

The available literature on entrepreneurial orientation has been mainly tied to the five major aspects of entrepreneurial orientation which is: risk taking, competitive aggressiveness, innovativeness, pro-activeness and autonomy. The findings from this study have however, established that creativity is also another aspect of entrepreneurial orientation that has been ignored in previous studies as an independent variable. The study has empirically and critically defined creativity as an aspect of entrepreneurial orientation that determines the ability of an entrepreneur to focus on ideas and problem-solving capabilities that make them stand out from their peers. While creativity has been previously squeezed into innovation, this study exemplarily differentiates creativity from innovation. Innovation is basically the process of developing new or improving the existing products, markets or processes. Creativity on the other hand involves bringing in additional practices that may not

necessarily be new but highly ignored by other entrepreneurs with the main aim of satisfying the customer. The study has clearly demonstrated that an entrepreneur can be creative and fail to be innovative or vise-versa.

The study also concludes that an increase in accessibility to better cheap affordable funding can enhance the entrepreneurial orientations and effect positive performance. The study contributes to the knowledge gap by pointing out on the entrepreneurial orientation aspects (innovation, risk taking, pro-activeness, competitive aggressiveness and creativity) and how they influence the performance of youth led MSEs in Nyanza Region. Previous studies have assumed the homogeneity among the MSEs and covered them as a whole. This study bridges this gap by only focusing on the artisan youth MSEs. The available studies also covered other regions such as Nairobi but scant evidence existed on MSEs in the Nyanza region. This implies that the study has bridged the geographical gap by focusing on MSEs in the six counties.

5.6 Areas for Further Research

The study targeted population was drawn from youth-led Micro and Small Enterprise and only targeted those that are involved in artisan work. Future studies should be done to examine the validity of the findings in other segments of business that the youth are involved in. Additionally, care should be taken in the generalization of the study findings. This is because the data collected in the youth-led micro and small enterprise in Nyanza region, Kenya. Therefore, care should be taken to generalize the result of the study to other regions and across the industry.

Since the study was descriptive in design, it does not capture the dynamic nature of factors that determine the relationships between variables. This means that even if relationships are significant, other factors not included in the current study may also play an important role. Thus, future study should be conducted which a different research designs that may encourage consistent observations over a period of time. An assessment of the reasons for the low uptake of available sources of entrepreneurial finance ecosystem towards enhancing performance of youth led micro and small enterprises should also be conducted.

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APPENDICES

Appendix I: Introduction Letter

Evelyn Bonareri Bosire

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City Square, Nairobi

Kenya.

RE: OWNERS OF YOUTH SMEs

I am a doctorate (PhD) student at Jomo Kenyatta University of Agriculture and Technology. I'm carrying out an academic research study on entrepreneurial orientation on the performance of youth-led micro and small enterprises in the Nyanza region. I'm requesting foryour support in responding to the questions in this questionnaire. The information you will give will be treated with confidentiality and will be entirely used for the purposes of this study only.

Thank you.

Appendix II: Questionnaire

The statements here refer to the influence entrepreneurial orientation has had on the performance of Youth-led Micro and Small Enterprises in Nyanza region. By way of response to the question please tick a number that best describe your reaction.

SECTION A: GENERAL INFORMATION

Please put a mark the appropriate answer to the following questions

1. What is your Gender?

Male [ ] Female [ ]

2. Please indicate your age bracket?

Below 20 Years [ ] 20-25 Years [ ]

26-30 Years [ ] 30-35 Years [ ]

3. What is your highest level of education?

Primary or Secondary School Level [] Certificate [ ]

Diploma [ ] Tertiary [ ] Degree [ ]

4. How long have you worked as a trader in Nyanza region?

Less than 3 years [ ]3-7 years [ ] 8-11 years [ ]

12-15 years [ ] More than 16 years [ ]

5. What skills are you good at?

Mechanics [ ] Electrical [ ] Catering [ ]
Plumbing [ ] Tailoring [ ] Carpentry [ ]
Any Other (Specify) _____

SECTION B: COMPETITIVENESS AGGRESSIVENESS

7. To what extent do you agree to the following statements on competitiveness to enhance business performance?

Competitiveness	1	2	3	4	5
Available competence					
The competence I have helps me save on operational costs					
I use available competence on production to ensure cheaper costs of my products					
The competence I have helps me bargain for better prices of input materials to ensure lower costs of production					
Rival awareness					
I always seek to recognise any emerging competitive opportunity					
I outsource information concerning my rivals' actions, intentions and capabilities					
I keep monitoring rivals' competitive actions while anticipating future rivals moves					
Customer Needs					
I have always embraced the 'customer-first' approach to ensure I offer their demands satisfactorily					
I always seek information from the competitor's customers to identify their needs and struggle to meet them					
I offer after-sale services to my customers to ensure their needs are exceeded.					
Technology Adoption					

I have embraced new technology in my operations over the recent past					
I have learned new IT skills related to my business ever since I started the enterprise					
I prefer bringing in new technologies to counter competition from other enterprises					

SECTION C: RISK TAKING

7.To what extent do you agree with the following statements on risk taking on Youth-led small and micro enterprises performance?

Risk Taking	**1**	**2**	**3**	**4**	**5**
Taking Advantage of Opportunities					
I always take advantage of failed businesses as opportunities					
I undertake frequent surveys to take note on any upcoming opportunity within my enterprise range					
I do not hesitate in implementing observed ideas to make them practical					
Anticipating Future Events					
I keenly analyse risks to ensure they conform to the anticipated future					
I invest in dimensions whose benefits are likely to come in the coming future					
I have insured my firm as a way of getting ready for any uncertainty in future					
Financial Risks					
I am ready and willing to seek funding from the available sources of loans to finance my business					
I am aware of the risks that are connected to business financing through external means					

I frequently take precautions before opening a new branch or business					
Available Knowledge					
I am aware of available insurance plans for small enterprises offered by various insurance organizations					
I have bought insurance for by enterprise for unprecedented risks such as fire and theft					
I know how to identify risks and analyse the possible outcomes before embarking on them					

SECTION D: CREATIVITY

8. By placing a tick in the appropriate box, please indicate the extent to which you agree with the following statements concerning creativity of your enterprise

Creativity	1	2	3	4	5
Ideas and Practices					
I always encourage new ideas in my business operations to ensure customer satisfaction					
The mode of speaking and addressing our customers is directed towards making the customer happy					
I ensure that my practices and those of my employees are streamlined towards meeting market demands					
Problem Solving					
I embrace new and better ways of problem solving to ensure smooth running of my enterprise					
A times problems in my enterprise are solved by use of new and original ideas from employees					
I encourage information sharing and networking to come up with new and better ways of solving business problems					
Products and Services					
Creativity helps me come up with attractive designs for my SME products					
We tap on employee talents in introduce new ideas about best practices in their work					
I recognise the creative employees and help them come up with creative ways of improving the products and services in the SME					
we integrate development of new ideas about products or services that are novel and potentially useful to our					

business					
Information Sharing					
I encourage regular two-way information sharing with employees and customers to boost sales					
I have media platforms with my customer for sharing the necessary information regarding my products and services					
creative ways of relaying information attract most customers to our products over others					

SECTION E: INNOVATIVENESS

9. By way of tick please indicate the extent to which you agree with the following statements concerning innovativeness of your enterprise. Tick the appropriate box. 5=strongly agree. 4=Agree, 3= Neutral, 2=Disagree, 1= strongly disagree. Do not tick more than one box

Innovativeness	**1**	**2**	**3**	**4**	**5**
New Sources of raw materials					
I frequently look for new sources of working materials for my enterprise					
I always ensure that the available raw materials are cheap and of the right quality to meet my clients' needs					
I frequently carry out research on where and how to obtain better raw materials for my productions					
New Markets					
I have embraced technology-based marketing in order to capture prospective customers					
I frequently source for new markets for my SME products					
My marketing strategies are unique to ensure I capture better					

part of the existing market					
New Businesses					
I have started new businesses in the recent past					
I have introduced new products lines to expand my business operation					
I have enhanced new production units for my products to meet customer demands					
New Production Systems					
I have embraced new production methods for my products in the recent past					
The method I'm using in coming up with the products is different from what I started with					
My products quality is more appealing and attracting than what I started with					

SECTION F: PRO-ACTIVENESS

10. To what extent do you agree to the following statements on Pro-activeness to enhance business performance?

Pro-activeness	**1**	**2**	**3**	**4**	**5**
Customer Consultation					
I regularly consult with the consumers to know their tastes and preferences in anticipation for their future demands					
I take note of the customer feedbacks to improve on quality of products and customer service					
Most of my customers are loyal which could be attributed to the quality of services rendered					
Product Forecasting					
I frequently forecast on the products that customers					

would require in terms of quality and designs					
Through product predicting I have been able to make prior changes to products to suit the market					
I always ensure that my products are of higher quality and designs as compared to those of my competitors					
Alternative Cause of Action					
I always look for alternatives when one decision/action has an unexpected outcome					
I plan for other ways of having my strategies implemented if the main one does not work before I start					
I always think of the implications of any action that I plan to undertake in my enterprise					
Early Implementation					
I always carry out continuous market research to enhance early recognition of new opportunities in the market.					
I always rush but keenly to implement new opportunities earlier than the competitors I am keen to observe new changes among my competitors and take advantage to implement any changes					

SECTION G: ENTREPRENEURIAL FINANCE ECOSYSTEM

11. Which of the following forms of funding have you ever embraced in your firms

Source of Funds	**Yes**	**No**
Uwezo Fund		
Youth Enterprise Fund		
Women Fund		
Bank /SACCO Loans		
Family/Friends		
Own funding (Personal Saving)		

12. What is your level of agreement with the following statements regarding entrepreneurial finance ecosystem and the performance of your firm? Use a Likert's scale of 1-5 where 1=Strongly disagree, 2=Disagree, 3=Neutral, 4= Agree and 5= Strongly Agree

Statement	**1**	**2**	**3**	**4**	**5**
I'm aware of the available sources of funding for youth enterprises					
The funding I get for my enterprise is adequate for running the firm effectively					
I have frequently applied for government funding channels to support my enterprise					
The current source of funding for the enterprise is reliable and effective in pushing the firm into success					
I find some modes of funding lesser accessible than others					
I believe the funding I have received has pushed my enterprise into its current state					

SECTION H: YMSE PERFORMANCE

13. By placing a tick in the appropriate box, please indicate to what extent you agree to the following business performances measurements?

Performance	**1**	**2**	**3**	**4**	**5**
The level of sales volume in my enterprise has been on the increase since the inception of the business					
I have employed additional employees to meet the growing demand of my products and services					
The profits recorded from the business are higher from what I started with					
I have embraced better strategies of minimizing costs and maximizing the profits in my enterprise					
The number of customers in my enterprise have increased significantly since I started the enterprise					
I have opened other branches so as to meet the demand and as a way of reinvesting profits					

The end!! Thank You for your Participation.

Appendix III: Counties in Former Nyanza Province

1 Kisumu County

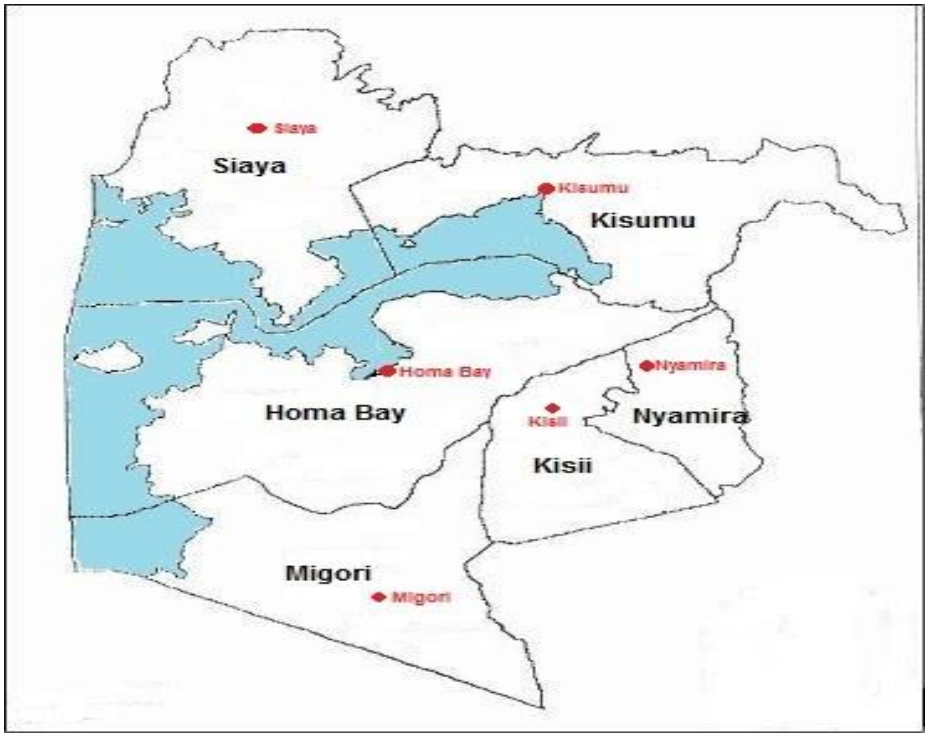
2 Nyamira County

3 Siaya County

4 Migori County

5 Homa Bay County

6 Kisii County



Appendix IV: Instrument Reliability

		Item-Total Statistics					Reliability Statistics		
Variable	**Items**	**Scale mean if Item Deleted**	**Scale variance if Item Deleted**	**Corrected Item-Total (R)**	**Squared Multiple Correlation**	**Cronbach's Alpha if Item Deleted**	**Cronbach's Alpha**	**Standardized Items Alpha**	**No. of Items**
Competitive Aggressiveness	CA1	23.5688	23.5671	.6324	.5672	.7122	.7108	.7147	10
	CA2	23.8971	22.1240	.6597	.4867	.7012			
	CA3	24.3269	22.4173	.6997	.5669	.7093			
	CA5	24.4578	23.4574	.4873	.4587	.6687			
	CA7	23.9889	22.1437	.7336	.5912	.7079			
	CA8	23.6248	23.1594	.7265	.5621	.6911			
	CA9	25.5889	21.6595	.4879	.5703	.7021			
	CA10	26.0222	23.8977	.5978	.5469	.7059			
	CA11	23.1284	22.1550	.8675	.4536	.7089			
	CA12	22.7265	22.0691	.6879	.4600	.6951			
Risk-Taking	RT1	23.2358	23.0048	.5652	.4569	.7619	.8341	.8516	11
	RT2	24.1964	21.0537	.6457	.4227	.7021			
	RT3	23.2498	22.1092	.4796	.4678	.7399			
	RT4	25.2387	24.4593	.6607	.4557	.8136			
	RT5	24.1278	24.2097	.6705	.4698	.8979			
	RT6	25.6497	23.4447	.7326	.5998	.7601			
	RT7	22.4579	26.3365	.7665	.5622	.7921			
	RT8	24.4578	24.1736	.4869	.4597	.7059			
	RT9	26.6145	24.4481	.5678	.3397	.7689			
	RT11	22.7890	22.5670	.8921	.5401	.7815			
	RT12	24.0178	24.0284	.7812	.5584	.7725			
Creativity	CT1	24.3578	25.1447	.7065	.4678	.7795	.7902	.8267	10
	CT2	22.3268	25.1594	.5679	.4557	.6092			
	CT3	23.2234	24.6595	.5784	.4698	.7408			

	CT4	23.6548	25.8977	.7784	.4587	.7921			
	CT5	24.3584	23.1550	.6698	.5912	.7059			
	CT6	23.2668	24.9611	.7998	.5621	.7689			
	CT9	25.2387	24.1542	.6622	.5703	.7815			
	CT11	25.6497	25.7845	.6597	.4587	.7512			
	CT12	22.4579	26.1451	.5698	.5622	.7893			
	CT13	23.7667	24.2658	.7998	.4597	.7087			
Innovativeness	IN1	26.6658	22.9699	.7665	.5621	.8036	.8128	.8352	9
	IN2	26.1964	23.1254	.4869	.5703	.8014			
	IN3	25.2408	23.4593	.5678	.5469	.7689			
	IN4	26.2307	24.2797	.8921	.4536	.8051			
	IN5	25.1208	25.4447	.7665	.4600	.7619			
	IN7	25.6497	26.3365	.6698	.4569	.7021			
	IN8	23.2358	24.4593	.7998	.4227	.7399			
	IN11	23.6548	27.0321	.6622	.5921	.8036			
	IN12	24.3584	22.0144	.6597	.5603	.7979			
Proactiveness	PR1	26.6191	22.1437	.4869	.4536	.7299	.7342	.7698	9
	PR2	26.9333	23.1594	.5678	.4600	.7136			
	PR3	25.7633	21.6595	.8921	.4569	.6979			
	PR4	26.6289	23.8977	.7665	.4227	.6601			
	PR7	27.5660	22.1550	.6698	.4678	.6921			
	PR8	26.3778	24.1437	.7998	.4557	.7059			
	PR10	25.2408	24.2797	.6622	.4536	.7189			
	PR11	26.2307	25.4447	.6597	.4600	.7215			
	PR12	25.1208	24.2797	.5698	.4569	.7625			
Entrepreneurial Finance	EF1	27.6497	25.561	.7665	.4678	.7689	.8991	.9213	10
	EF2	27.4579	24.1004	.4869	.4557	.7815			
	EF3	27.4578	25.8977	.5678	.4698	.7725			

	EF4	26.6145	23.1550	.8921	.5998	.7795			
	EF5	27.7890	24.9611	.7665	.5622	.6092			
	EF6	26.0178	24.1542	.6698	.4597	.7408			
	EF10	24.3578	25.7845	.7998	.3397	.7689			
	EF11	22.3268	26.1451	.6622	.5401	.7815			
	EF12	25.6497	24.2658	.7665	.4678	.7725			
SME Performance	PE1	22.2387	23.1254	.7665	.4536	.8036	.9091	.9322	9
	PE2	22.6497	23.4593	.6698	.4600	.8014			
	PE3	23.957	24.2797	.7998	.4569	.7689			
	PE4	23.766	25.4447	.6622	.4227	.8051			
	PE6	22.665	26.3365	.6597	.5921	.8036			
	PE7	21.196	24.4593	.4869	.5603	.8136			
	PE9	23.240	27.0321	.5678	.4536	.8979			
	PE11	21.230	22.0144	.8921	.4600	.8036			
	PE12	22.120	23.9954	.7665	.4536	.7979			

Appendix V: Research License

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