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Influence of Youth Enterprise Development Fund Sponsored Entrepreneurship Skills Training on the Growth of Entrepreneurial Youth Group Based Enterprises in Nairobi County, Kenya

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Abstract

The Government of Kenya initiated a youth enterprise fund named Youth Enterprise Development Fund in the year 2006 with one of the objectives as training the youth in entrepreneurship skills. The youths were required to form youth groups and operate youth group based enterprises. In fulfillment of its mandate, the YEDF has trained over 180,000 in business development and management skills, 62,000 were trained on business development and entrepreneurship skills. The training focuses on self-belief, self -motivation, entrepreneurship, and leadership. 2,500 youth have been trained on public procurement in Kenya. In spite of massive investment by the government on training youth enterprises the influence of YEDF, sponsored entrepreneurship skills training on the growth of entrepreneurial youth group based enterprises (YGBE) and the moderating role played by group dynamics in the relationship between YEDF- sponsored training and growth of Youth Group Based Enterprises is unknown. This study therefore aimed at investigating the influence of Entrepreneurship skills training on the growth, and the moderating

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role of groups' dynamics, on the relationship between the entrepreneurship skills training and growth of entrepreneurial youth based enterprises. A cross sectional survey design was adopted on a sample of 156 from a population of 255 entrepreneurial youth group based enterprises that have benefited from YEDF training in Nairobi County, Kenya. Questionnaires and interview guides were used to collect data from group leaders. Cronbach Alpha coefficients of 0.7 for all variables was attained from the pilot study. Statistical Package for Social Sciences (SPSS) version 21 was used to analyze data. Correlation and regression techniques, analysis of variance (ANOVA) were used to test the study hypotheses. A multiple linear regression model was also used to derive inferential statistical indicators like the correlation, coefficient of determination, F-statistics, t-test statistic and the p-value. The key finding based on the tests conducted in the study was that entrepreneurship skills training had a significant effect on the response variable. The study also found group dynamics to have a significant moderating effect on the relationship between training and growth of entrepreneurial youth group based enterprises in Nairobi County. The study also established that group dynamics had predicative effect on the growth of entrepreneurial youth group based enterprises. The study recommended conducting of Training Need Analysis and establishment of group formation criteria guidelines.

Key terms: *Entrepreneurship skills training, growth, entrepreneurial youth group based enterprises*

1.1 Introduction

Entrepreneurial skills refer to entrepreneurship knowledge when put in action, these are skills necessary for an entrepreneur to venture into an enterprise, organize and manage an enterprise ably and competently, assemble the necessary resources and realize the goal for which the enterprise was established (Nteere, 2013). Entrepreneurship skills training has been found to serve a preparatory function in new venture creation and growth since, increase their ability to adapt enterprises to the dynamic business environment, increase productivity, number of employees, increase in the net value of the business, increase profitability and speedy completion of the market -related transactions as well as create new opportunities and possibilities and the desire to perform entrepreneurial tasks differently, somewhat instruct, drill and discipline the enterprise owners (Ogundele, 2012; Ojala & Heikkilä, 2011; Nicolaides, 2011; Mandengenda, 2017; De Mel *et al* ,2014; Karlan &Valdivia, 2010).

Entrepreneurship skills training is important in shaping people's mind in becoming an entrepreneur or not, in taking risks or not, in acquisition of knowledge, attitude and skills relevant to enterprise growth and its related activities. Some training inculcates in learners the traits of risk-taking, innovation, creativity and co-ordination of factors of production for the purpose of creating and growing enterprises. Entrepreneurship skills are acquired both formally and informally and should focus on inculcating entrepreneurial skills, practices, business plan to cause the individual interact with these components and should be imported and adopted into an enterprise successfully the consequence of which is improved competencies and enterprise growth (Sánchez, 2011; Torikka, 2013). The success of this training is however dependent on observation of the four (4) criteria namely appropriate content and style; appropriate identification and selection of trainees; strict follow up; and appropriately qualified trainers (Ladzani & van,Vuuren, 2002; Luca & Cazan, 2011).

1.2 Statement of the problem

Scholars have pointed out that training make youth more creative and innovative, increases the ability of the youth to identify profitable opportunities, understand the market, entrepreneurial process. Training further enables the youth perform entrepreneurial activities such as funding, enables individuals to recognize commercial opportunities giving them knowledge, skills and attitude to act on them, increases optimism, fosters risk taking (Njoroge *et al*, 2013; Parker, 2018; Naudé, 2007: Ndubisi *et al*: 2013 Kanothi, 2009; Peterman 2012: Charney & Libecap 2014)., Mano, *et al* (2012) found out that there is a 9 % increase in the likelihood of survival and growth of an enterprise twelve months after training. Irungu and Kamau (2015) work found that there was a 6 % increase in the likelihood of survival and growth of enterprises for a period of 18- 22 and Valdivia (2012) found that entrepreneurship training leads to a significant increase in the likelihood of survival and growth among the female owners.

Since its inception in 2006, the government through YEDF has trained over 180,000 together with YEDF partners such as financial intermediaries. It has developed a pool of business development consultants who have been conducting training for youth, in business development and business management skills. YEDF has trained in excess of 180,000 youth groups, 62,000 were trained on business development and entrepreneurship skills. The Fund is also working on a new initiative known as iTempo, identify train and empower 2.7 million youth within a period of three years, by training trainers in every county who have cascaded this to constituency level. The training focuses on self-belief, self -motivation, entrepreneurship, and leadership. In spite of the massive investment in training by the government in Kenya through YEDF not much is known of the influence of entrepreneurship skills training as currently offered by YEDF on the growth of entrepreneurial youth group based enterprises. Additionally, some scholars have however been critical of the manner in which the YEDF disburses its loans and conducts their training, Bwisa as quoted by Waruguru (2018) in an article of the Star newspaper dated 20th March 2014, argued that group approach to funding and training is limiting. The article points out that the groups break up soon after receiving the loans as entrepreneurship flourishes more on individual than on group basis. As a result of the conflicting views on the role of groups on the influence of YEDF on the growth of entrepreneurial Youth Group Based Enterprises the study has attempted to establish the moderating influence that group dynamics on the relationship between the YEDF- sponsored training and growth of entrepreneurial youth group based enterprises.

Though several studies have been conducted on the influence of entrepreneurship skills training on the growth youth group based enterprises (Tabwe, 2015; Mungai, 2012; Preisendorfer et al, 2012; Khaoya & Moronge, 2016; Irungu & Kamau, 2015) none of the studies have clearly quantified the influence of YEDF entrepreneurship skill training on growth of entrepreneurial youth group based MSMEs in Kenya. There is no study showing how and the extent to which YEDF training influences capital, stock, customers and business assets of entrepreneurial youth group based SMEs in Kenya. These stated studies do not provide information on the influence of group dynamics on the relationship between YEDF- sponsored training and the growth of youth based MSMEs. This study aimed to fill this knowledge gap.

1.3 Objectives of the Study

1. To assess the influence of YEDF sponsored entrepreneurship skills training on the growth of entrepreneurial youth group based enterprises in Nairobi County, Kenya.
2. To assess the moderating effect of group dynamics on the relationship between YEDF Sponsored entrepreneurship skills training and the growth of entrepreneurial youth group based enterprises.

1.4 Research Hypotheses

Ho1: YEDF sponsored Entrepreneurship skills training has no significant influence on the growth of entrepreneurial Youth group based enterprises in Nairobi County, Kenya.

Ho2: Group dynamics has no significant moderating effect on the relationship between entrepreneurship skills training as provided by YEDF and the growth of entrepreneurial Youth group based enterprises in Nairobi County

2.1 Theoretical Background and conceptual framework

Human Capital Entrepreneurship Theory (HCET)

This theory was proposed by Schultz (1961) and Becker (1964) whose emphasis is knowledge and skills (Schultz, 1961) and education and experience (Becker, 1964). It is founded on the premise that education, skills and prior experience are very important components of an entrepreneur's human capital, as demonstrated by entrepreneurs' managerial capability and know-how. Scholars propose that more skills, higher education and experience ensures that entrepreneurial efforts are properly directed hence growth as it increases entrepreneurs cognitive to higher productivity (Rengiah, 2016; Mulyungi, 2016 Simpeh, 2011). The theory further views entrepreneurs with domain-relevant training and experience as being less likely to spend time seeking, gathering, or analyzing information as they are already having industry and institutional infrastructure know-how as well as (Forbes, 2005). Proponents of this theory believe that the degree of development of human capital, and managerial competencies is positively associated with an enterprise growth. In deed they rank managerial skills as the most important factor contributing to growth of firms (Bartlett & Rangelova, 1997) and that higher levels of general and specific human capital prepares entrepreneurs for change of behavior in anticipating external environmental changes and responding to these changes appropriately and promptly (Welter & Smallbone, 2011).

According to Ramoni (2016) skills, education and experience gained from training represents a resource that is heterogeneously distributed across individuals and this knowledge has been found to be critical in understanding differences that exist among people in opportunity identification and exploitation. Entrepreneurship skills training and education is thought to play a role in opportunity identification and exploitation, risk taking ability, uptake and appropriate use of funds. Drawing from the arguments developed by Simpeh, (2011), Njeru (2013) Mulyungi, (2016) and Ramoni (2016), this theory has therefore be used in this study to explain the variable entrepreneurship skills training as it seeks to prove the presence or absence of a relationship between YEDF training (entrepreneurship skills, marketing, budgeting and saving, record keeping and group dynamics) and YGBE growth.

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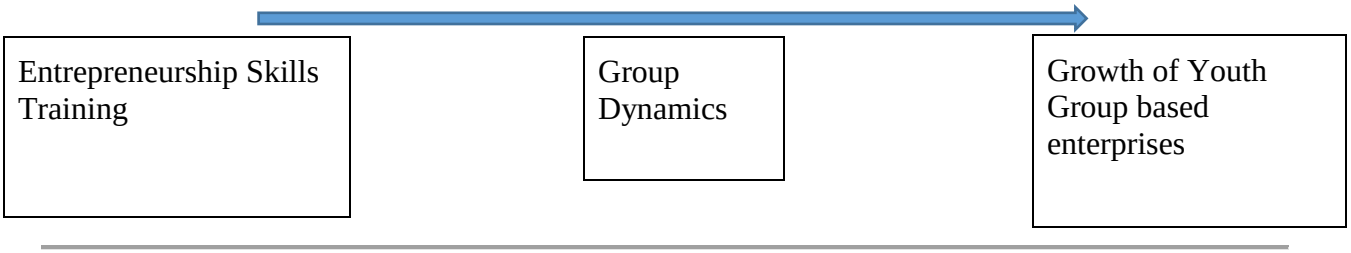
Positive Youth Development (PYD) Model

This model is associated with psychologist and Biologist Gottliab (1997) and Novikoff (1945) and considers involvement of the youth in organization, decision making and program design as important and it considers that group membership to be an asset to the youth in that it brings about relationships, opportunities, sharing and passing on of personal qualities (skills, competencies) and sharing of behaviors that young people need to keep away from. According to Kirbly and Bryson (2002) engaging the youth make them feel as valued partners and improves self-worth and their entrepreneurial abilities. In deed as youth group members interact actively in decision making, they acquire transferable skills from such experiences which they use in running their enterprises, (Kirby & Bryson, 2002; Roth & Brooks-Gunn, 2003). The model provides insights on how groups supports the growth of Youth group based enterprises in by providing opportunities to access credit and sharing of business experience, training and participation in funded groups. Group members are assets by acting as collateral for credit. The study therefore used this model to explore the influence of group dynamics on the relationship between entrepreneurship skills training and growth of youth group based enterprises in Nairobi County, Kenya.



2.2 Empirical studies and hypothesis development

In a study carried out in Tanzania by Tambwe (2015) on "The Impact of Entrepreneurship Training on Micro and Small Enterprises' (MSES) Performance in Tanzania: A Case of Food Vendors in Ilala District Dar es Salaam". It found out that lack of entrepreneurship training was as described by 72% of the respondents as the main factor that hinders enterprises growth. After training the situation was said to have changed as there were improvements in record keeping as 80 % could keep records on business transactions such as purchases, sales, and creditors and debtors and 96 % reported improved customer care and service. The consequence of training was reported as being responsible for increased volume of customers and in turn increased income. After training, 78 % of the respondents reported ability to budget for their businesses thus proper planning of their income and cash flows. 82 % of the respondents could do costing for the services and goods which helped them in pricing their services and goods profitably. 96 % of the respondents reported improved ability to look for markets of their goods and compete favorably. This has not only resulted to sustained growth but also sustained businesses. This study statistically reported a significant relationship between entrepreneurship training of MSEs and growth.

Mungai (2012) did a study on "The Relationship Between Business Management Training and Small and Medium-Sized Enterprises' Growth in Kenya" The study found out that among the business management skills acquired after the business growth training program, Cash flow and Human resource management contributes most to growth of enterprises which was in form of

increased sales of MSEs. It was found that 21.7% increased the number of products/services,20% enhanced their business management skills, 16.7 % acquired strategic business location after training, 15 % were better able to manage competition, while 11.7 percent acquired advertising/marketing skills,. The study also reported that 11.7 percent were able to provide better customer care services and 3.3 percent were able to reduce bad debts. 65% reported increase of 21 employees from 11 after the training.

Khaoya and Moronge (2016) carried out their study on the Influence of Youth Enterprise Development Fund sponsored training on Youth Empowerment in Kanduyi Constituency and found a negative relationship between youth empowerment (to read youth enterprises growth) and entrepreneurship training with a coefficient of -0.293 *while* 61% agreed that Entrepreneurship training from YEDF had assisted the youth to improve management and operation of their business as it equipped them with skills for running their enterprises. Preisendörfer *et al*, (2012) on perceived needs of the business training found that the most desired skill by youth entrepreneurs was how to keep financial records of the businesses and how to market the products of the businesses, with Communication skills found as a critical area for training amongst the youth entrepreneurs. Irungu and Kamau (2015) study on the Effect of Youth Enterprise Development Fund on Growth of New Enterprises in Kenya found out, of those surveyed 66% felt that training highly affected growth of their business due to the skills acquired with only 4% indicating training had no effects on the growth of their enterprises entrepreneurship skills and concluded that entrepreneurship skills training was statistically insignificant in causing growth.

Group Dynamics

Scholars have reported a positive relationship between groups and growth of the enterprises especially from network and entrepreneurial experiences acquired from group members. Groups influence individual business attitudes and perceptions and especially towards utilization of funds acquired through the groups. It enables those without property to access credit by acting as collateral and act as means of economies of scale, sources of support, information and knowledge, adds social support and positive connections which acts as a strong predicator of various aspects of business performance (Wallerstein, 2006; Catalano & Colleague 2004; Siegel 2013; Peprah 2013; Mugambi, 2010; Mayoux, 2001 Blum 2003; Hirsch & Dubois, 1992; Witherspoh, Scotland, Way & Hughes, 2009). This implies therefore that as members join or form a group they need to assess the level of entrepreneurial experience that each member is to bring to the group as the group social support and resilience results to high self-esteem which is important to enterprise growth (Dumont & Provost, 1999; Hoffman *et al*, 1988).

Plan International study entitled Youth saving groups, entrepreneurship and employment (2014) found out that groups advance of enterprise growth, by group members becoming consumers of products and services of their fellow youth enterprise products and services. The groups also engage in saving activities that expand purchasing power of individuals for example in Zimbabwe VSLA groups are consumers of CARE's agricultural inputs. Some act as suppliers of services and products needed by individual or group enterprises, this is so because groups expand capacity of individuals and groups to produce products and services for example In CRS' SILC program in Tanzania groups are federated into marketing associations. In Plan Tanzania's Banking groups form apex organizations known as IMAs that intermediate funds while making social and entrepreneurial investments within local communities.

In Rural Zimbabwe, groups have used their group and personal savings dividends and loans to purchase business assets such as poultry and other livestock, and the materials to build poultry enclosures, and fertilizer, seed and other inputs for crop production. Other studies have shown that groups members mentor each other, train each other on life skills and financial literacy share of ideas and skills, build social capital, partnerships, provide referrals, create efficient networks, access resources, firm credibility, expand customer base, serve as marketing and distribution channel as well as acting as pedagogical instruments through which groups instill entrepreneurial knowledge, skills and attitudes (Mwaura, *et al* 2016; Buvinic *et al*., 2013;Harris *et al*, 2012; Neergaard *et al* 2005) However, Misner (2008) posits that there is a tendency of having groups where members have similar experiences or perspectives making it rather difficult to obtain new business connections.

The value that group membership adds to individual or group enterprises is a function of degree of group cohesiveness which is a determinant of productivity. The relationship between cohesive and productivity is said to depend on the norms established by the group. Groups are thus required to set minimum expectations for each member in a group in relation to output, quality and the level of cooperation, the less the cohesiveness the less the productivity (Robbins at el, 2010). Although the role of groups has received applaud by business researchers, other more recent scholars have pointed out that the danger of groupthink in groups, which often kill creativity. Groupthink occurs when group members are subjected to pressure to conform; this deters individual members of a group from criticizing the views and opinions of others. Groupthink is said to promote mediocrity, failure to conduct reality check, which in turn affects decision making process and eventually affecting enterprises' performance negatively (Mullins, 2010, Drummond, 2009).

Research findings suggest that group cohesiveness as evidenced by holding more regular meetings are more likely to experience growth and that there was higher growth potential for registered groups compared to non-registered groups, knowledge of group members prior to group formation or living in the same geographical neighborhood leads to lower default rate and higher enterprise growth, socially cohesive groups have higher repayment rates and that repayment performance of groups improves when groups have rules that regulate how members of the group behave, that having a constitution, a savings account, holding regular meetings and elections as well as registration of groups were significant in predicting changes on growth of groups' enterprises (Werner 1995; Wydick 1999; Steven, 2016). The study proved that jointly liability borrowers are careful when choosing trustworthy partners which discourages default and also provide a business support network which in turn offer advisory services in financial management, business investments and potential markets. These findings are therefore suggestive that there should be screening, monitoring and enforcement activities that take place in groups if enterprises founded by groups are to thrive.

3.1 Research and Methodology

Positivist research philosophy was used in the study whose aim is collecting and analyzing of the research data accurately consequently attaining factual knowledge which is only attained through observation and by use of trustworthy measurement. The study applied survey cross sectional research design which enabled the researcher to collect both quantitative and qualitative information in order to test the influence of entrepreneurship skills training on growth of Youth Group based enterprises as well as the influence of group dynamics on the relationship between

entrepreneurship skill training and growth of entrepreneurial youth group-based enterprises in Nairobi County.

All entrepreneurial youth group-based enterprises in Nairobi County that were funded by YEDF 2007- 2017 formed the study population for this study. There were 255 youth group-based enterprises that benefited from YEDF programs in terms of entrepreneurship skills training (YEDF status report ,2018). Using Slovian formula a sample of 156 group leaders was arrived at {255 / (1+255 *0.05^2)}. A margin of error of 0.05 was selected. The current study adopted two stage sampling first a purposeful sampling on the youth group-based enterprises in Nairobi with more than one loan then stratified sampling was on strata in accordance with Nairobi County constituencies as provided for by YEDF.

For the purpose of measuring entrepreneurship skills training, the study used the forms of training ; marketing skill, business planning skills, group dynamics, YEDF products, business management skills while for group dynamics was operationalized as considerations made before joining the group such as demographic, entrepreneurial, and geographical and Group leader personal characteristics such as age, business experience, level of education and gender of the group leaders. Growth was operationalized as change in variety of products and services, change in number of customers, change in market share, change in assets, change in business returns using a range in percentage growth as recommended by Arasa *et al (*2012).

Hypothesis Testing

Table 1: Objective and Hypothesis

SN	Objective	Hypothesis	Type of analysis	Interpretation
1	To determine the influence entrepreneurship skills training on the growth Entrepreneurial Youth group based enterprises in Nairobi, Kenya County	Entrepreneurship skills training has no significant influence growth of Entrepreneurial Youth group based enterprises in Nairobi County, Kenya	Pearson correlation Linear regression	If p-value is <0.05 reject the null hypothesis
2	To Assess the moderating influence of Group dynamics on the relationship between Entrepreneurship skills training and the growth Entrepreneurial Youth group-based enterprises in Nairobi, Kenya County.	Group dynamics has no significant moderating influence on the relationship between access credit and the growth of Youth group-based enterprises in Nairobi County, Kenya.	Pearson correlation multiple regression	If p-value is <0.05 reject the null hypothesis

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Linear regression and multiple regressions models were done on the variables.

Model 1 was on the influence of the X_i on the Y
$Y= \beta_{0+} \beta_i X_i + e$ (i=1,)
Model 2 was moderating influence of M on the relationship between X_i on the Y
$Y= \beta 0+ \beta iX i + \beta mX m + \beta_1 MX_1 + e$
Y= Entrepreneurial Youth group-based enterprises growth
$X_{1=}$ Entrepreneurship skills training
M= Group dynamics

4.1 Results and Discussion

The study found the male respondents to be 66.9% male and, 33.1% female which is a clear indication of gender biasness against female in the choice of the group leaders and probably access to entrepreneurship skills training. Majority of the respondents had attained College level of education at 39.7% while the second highest levels were secondary school and university level education at 26.4 % each and the least was primary level of education at 7.4%. In relation to age 30-35 age bracket was the highest with 52.9%, 25-29 age bracket were the second most majority at 25.4%, while 19-24 age bracket were at 11.6 % and least most popular age bracket comprised those aged below 18 years which was at 9 %.

The study found out YEDF concentrated mainly on training on YEDF products and group dynamics at 90.8% and 81.8% respectfully. Majority of the entrepreneurial youth group based enterprises did not receive training in many of the enterprise growth determinant skills such as marketing skills, entrepreneurship skills, record keeping, budgeting and saving skills and business planning with more than 70% respondents missing training and only less than 30% receiving training in these areas. Majority of the respondents felt that the training added very little value to the entrepreneurial youth group based enterprises with an exception of YEDF products, group dynamics and business planning with over 38% saying these three areas of training added value with the rest of the training areas being said to add little or no value. The study found out that 61.1% felt that training on entrepreneurship skills was adequate while 39.9% felt that it was not adequate. 81.1% of the respondents felt that training in group dynamics was adequate and only 18.9% found the training inadequate while 37.3% of the respondent said they attended training on marketing regularly and 62.8% did not attend training on marketing severally. The entrepreneurial youth group based enterprises were also asked if the found the training on YEDF products as beneficial and they said that 86% said they benefitted from it while 14% claimed they did not find the training beneficial. When asked if training in record keeping was adequately done, only 28.1% said training was adequate and 71.9% found it inadequate. The study also sought to find out if training in budgeting and saving was adequately done and found out that 37.3% felt it was adequate and 62.8% found it inadequate. They were also asked if they attended training on business planning and 60.3% said they were not trained in business planning and only 39.7% said they were trained.

The groups with 5-10 members were 45.5% those with 11-15 members were 23.14% while those groups with 16-20 members were 19.01% and only 12.4%% of the groups had members who were above 20 in number. Groups aged between 1-5 years were 53.3%% while those between 6-10 years are 33.88 % and those over 10years old were 10.74 %. It is clear that majority of the groups were

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10 years old since their formation. 19.83% of the groups had weekly meetings 5.79% met fortnightly, 58.68% met once per month and 15.7% met as the need to meet arose.

Correlation Analysis for the Linear Relationship between the Study Variables

Using Pearson Product Moment Correlation co-efficient the study found there existed a linear relationship between entrepreneurship skills training and growth of YGBE. The study used correlation analysis, the (r) and (r^2) to indicate the coefficient of determination that is the goodness - of – fit. Entrepreneurship skills showed a weak positive correlation with growth of entrepreneurial youth group based enterprises, (r = 0.189, p-value <0.038). With the introduction of group dynamics as predictor, the r improved to 0.396 and when the interaction term was introduced the r improved further to 0.445.

Regression Analysis of the Independent Variables and Dependent Variable

The study used multiple regression analysis in order to determine the presence or absence of linear statistical relationship between the independent and dependent variables. The two-null hypothesis of the study were tested using linear regression models. To do this this F- test was used to test the validity of the model, and the (r2) was used to measure the goodness of fit of the outcome model. In order to be able to describe the results of the analysis as well as to clearly show the direction and depth of the relationships between and among the variables of the study regression coefficient was used.

Hypothesis one: Entrepreneurship skills training does not significantly influence the growth of entrepreneurial youth group-based enterprises

The regression model of Y (Growth of entrepreneurial youth group based enterprises) and X_1(Entrepreneurship skills training) was significant (F (1,119) = 4.399, p=0.038). Entrepreneurship skills training explains 3.6% of the variability in growth (R squared=0.036).The study null hypothesis that Ho1: There is no significant relationship between Entrepreneurship skills training and growth of the entrepreneurial youth group based enterprises in Kenya was rejected (β1=.186 t=2.097, p=0.038). The study concludes that Entrepreneurship skills' training is statistically significant in explaining growth of the entrepreneurial youth group based enterprises in Nairobi County. To test the relationship, the Regression Model fitted was $\mathbf{Y= \beta 0 + \beta 1 X_1 + e}$

The fitted model is $Y = 2.247 + 0.189X1$

X_1= Entrepreneurship skills training

Y= Growth of entrepreneurial youth group based enterprises

The study found out that Entrepreneurship skills training is statistically significant in explaining growth of the entrepreneurial youth group based enterprises in Nairobi County. The model is statistically significant meaning that entrepreneurship skills training does contribute to growth of youth based enterprises in Nairobi. Basing on the R squared results, Entrepreneurship Skills training explains R squared 3.6% of the variability of growth about its mean. A unit change in Entrepreneurship skills training will lead to 0.189 changes in growth. The Adjusted R squared is positive (.028) meaning that Entrepreneurship skills training can be used to predict growth of an enterprise. R of 0.189 shows moderately weak positive correlation between entrepreneurship skills training and growth of entrepreneurial youth group based enterprises. The standard error of 0.881 shows the deviation from the best line of fit. See Table 2

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The null hypothesis (Ho1): Entrepreneurship Skill training does not significantly affect the growth of entrepreneurial youth group based enterprises in Kenya or (Ho1: $\beta 1 = 0$) is therefore rejected $\beta 3$=.186, t= 2.097 p =0.038). The study concludes that Entrepreneurship Skill training (X_1) significantly influences the growth of entrepreneurial youth group based enterprises (Y).

Table 2: The relationship between entrepreneurship skills training and Growth of entrepreneurial youth group based enterprises Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics R Square Change	F Change	df1	df2	Sig. F Change
1	.189[a]	.036	.028	.88110	.036	4.399	1	119	.038

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	3.415	1	3.415	4.399	.038[b]
	Residual	92.384	119	.776		
	Total	95.799	120			

a. Dependent Variable: Growth
b. Predictors: (Constant), training

Coefficients[a]

Model		Unstandardized Coefficients B	Unstandardized Coefficients Std. Error	Standardized Coefficients Beta	t	Sig.
1	(Constant)	2.247	.347		6.476	.000
	Training	.186	.089	.189	2.097	.038

a. Dependent Variable: Growth

X_3= Entrepreneurship Skills Training; Y= Growth of entrepreneurial youth group based enterprises

4.2 Discussion of the findings on the Relationship between Entrepreneurship Skills Training and Growth of entrepreneurial youth group based enterprises

Using the Pearson's Correlation Coefficient for Entrepreneurship Skills training and growth of entrepreneurial youth group based enterprises was significant (r=0.189, p =0.038). The Regression analysis results showed that entrepreneurship skills training had positive influence on growth of entrepreneurial youth group based enterprises in Kenya. For every unit increase in the extent to which there was entrepreneurship skills training the corresponding increase in growth of entrepreneurial youth group based enterprises by 0.186. The mandate of Entrepreneurship Skills Training of YEDF does influence the Growth of entrepreneurial youth group based enterprises among The YEDF- funded group enterprises in Kenya.

The findings that there is a positive relationship between Entrepreneurship Skill training and growth of entrepreneurial youth group based enterprises are supported by Human Capital Theory by Schultz(1961) and Becker(1964) whose key constructs are knowledge and skills (Schultz, 1961) and education and experience (Becker, 1964). This theory emphasizes on education, skills and

prior experience as critical components of an entrepreneur's human capital, which is reflected in their managerial capability and know-how. The theory ideally suggests that the more the skills, the higher the education and the longer the experience the more focused the effort towards entrepreneurial activities is leading to growth (Rengiah, 2016). The findings are also in agreement with Kithinji (2017) study which found out that there is a moderate and positive relationship (0.59) between training and capacity building and Performance of Women group enterprises meaning that the more trainings the groups got the higher the likelihood that their group enterprises would improve in their performance. Akwalu (2014) study also supports the conclusion that entrepreneurship skills training significantly explains growth. This study used Spearman rank correlation which established that entrepreneurship skills training had a positive correlation with performance of entrepreneurial youth group based enterprises with $r^2 = 0.52$ meaning that the attendance of entrepreneurship training explained higher average profit per month for youth group based enterprises. The findings of the study also agree with Nyamu's (2012) study that found out that entrepreneurship skills training influence on growth to be positive but minimal at only 4.3% in Kajiado but mainly helped youth group enterprises in utilizing resources more effectively, service quality improvement and sales increase. The study found out that training had no impact on increasing value of assets, employing of more staff or increasing market share. In addition, other studies by Gathuni 2015; Fazalbhoy 2014; Sundaram 2012; Mbithi 2016; Kisera and Muturi 2015 also found out there is a correlation between entrepreneurship capacity building and training and performance of group enterprises. Other studies showing influence of training on growth includes the study by Mano, *et al* (2012) that found out that there was a 9 % increase in the likelihood of growth of an enterprise twelve months after training. Giné and Mansuri that found out there is 6 % increase in the likelihood of growth of enterprises for a period of 18- 22 months after training for the male owners. The findings are in agreement with the research work finding found out by Kithinji 2017; Akwalu2014; Nyamu 2012;Gathuni 2015; Fazalbhoy 2014; Sundaram 2012; Mbithi 2016; Kisera and Muturi 2015) in their studies.

Hypothesis 2 Group dynamics has no moderating effect on the relationship between entrepreneurship skills training and the growth of entrepreneurial youth group-based enterprises

To test the hypothesis, the following models were fitted:

Model 1: $Y= \beta 0 + \beta 1X1+ e$

Model 2: $Y= \beta 0 + \beta 1X1+ \beta MM + e$

Model 3: $Y= \beta 0 + \beta 1X1+ \beta MM + \beta 1MX1 + e$

Upon evaluating the moderating effect of M on the relationship between entrepreneurship skills training and growth of entrepreneurial youth group based enterprises, the study found that the three models were significant (p-value=0.038, p-value<0.001 and p-value<0.001 respectively). The F Change for X_1 was significant (F Change=4.399, p –value, =0.038) implying that, entrepreneurship skills training significantly influences growth of entrepreneurial youth group based enterprises as mentioned elsewhere in this study. After M (group dynamics) was added as a predictor to the model containing entrepreneurship skills training, the F Change increased greatly and remained significant (F Change=16.956, p–value < 0.001). When the interaction term (X_1M) was introduced to the model, the F change reduced to 6.028 but the model remained significant, showing (F Change 6.028, p-value= 0.016). From

these findings, M (group dynamics) has both predictive and moderating effect on the relationship between entrepreneurship skills training (X_1) and growth of entrepreneurial youth group based enterprises (Y).

Model 1: $Y= 2.247+.0.186\ X_1$
Model 2: $Y= 2.015+.171\ X_1+.622M$
Model 3: $Y= 1.286+.364X_1+.623M-.401X_1M$

Table 3: Entrepreneurship skills, Group dynamics and the growth of entrepreneurial youth group based enterprises

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics R Square Change	F Change	df1	df 2	Sig. F Change
1	.189[a]	.036	.028	.88110	.036	4.399	1	119	.038
2	.396[b]	.157	.143	.82737	.121	16.956	1	118	.000
3	.445[c]	.198	.178	.81029	.041	6.028	1	117	.016

a. Predictors: (Constant), X_1
b. Predictors: (Constant), X_1, M
c. Predictors: (Constant), X_1, M , X_1M

ANOVA[d]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	3.415	1	3.415	4.399	.038[a]
	Residual	92.384	119	.776		
	Total	95.799	120			
2	Regression	15.022	2	7.511	10.973	.000[b]
	Residual	80.777	118	.685		
	Total	95.799	120			
3	Regression	18.981	3	6.327	9.636	.000[c]
	Residual	76.818	117	.657		
	Total	95.799	120			

Coefficients[a]

Model		Unstandardized Coefficients B	Std. Error	Standardized Coefficients t	Beta	Collinearity Statistics	Sig.	Tolerance	VIF
1	(Constant)	2.247	.347			6.476	.000		
	Training	.186	.089	.189		2.097	.038	1.000	1.000
2	(Constant)	2.015	.331			6.093	.000		
	Training	.171	.083	.174		2.057	.042	.998	1.002
	Group Dynamics	.622	.151	.348		4.118	.000	.998	1.002
3	(Constant)	1.286	.439			2.927	.004		
	Training	.364	.113	.370		3.216	.002	.517	1.933
	Group Dynamics	.623	.148	.349		4.216	.000	.998	1.002
	Groups*Training	-.401	.163	-.283		-2.455	.016	.518	1.932

4.3 Discussions on the Moderating Effects of group dynamics on the Relationship between Entrepreneurship Skills training and growth of entrepreneurial youth group based enterprises.

The study found out that entrepreneurship skills training in Model 1 beta was 0.186 (β=0.186, t= . .089, p-value=0.038), that is entrepreneurship skills training alone contributed, 18.6% to the growth of entrepreneurial youth group based enterprises. When group dynamics was combined with entrepreneurship skills training and growth of entrepreneurial youth group based enterprises in Kenya, the study found out beta deteriorated from ((β=0.186, t= .089, p-value=0.038), to (β=0.171, t=value=0.083, p-value =0.042) and remained statistically significant. Group dynamics beta was (β =.622 t=0.151, p-value <0.001) leading to the conclusion that group dynamics was a significant predictor, in the model. In Model 3, the interaction term was introduced (X1*M) the beta entrepreneurship skills training improved to (β=0.364, t=0.113, p-value=0.002) from β=0.189, t= .089,p-value=0.038)This was found to be positive and significant. With the introduction of the moderating variable, the study findings showed that, growth of entrepreneurial youth group based enterprises got enhanced and showed positive and significant results (β=0.348, t=0.151, p-value<0.001).

However, when the interaction term(X1*M) was introduced in the relationship became negative but remained significant (β= -.401, t= .163, p-value=0.016). These findings clarified that group dynamics has moderating effect on the relationship between entrepreneurship skills training and growth of the entrepreneurial youth group based enterprises. The Entrepreneurship Skills Training positively affect the growth for those whose Group Dynamics index is less than average (<38) but has no moderating effect of those above average however, generally group dynamics was found to have a negative moderating effect. The current study partly differed and partly agreed with Khaoya and Moronge (2016) that assessed the influence of entrepreneurial skills training on the growth of youth group based enterprises. The study found that there was a negative relationship between youth enterprises growth and entrepreneurship skills training with a coefficient of -0.293 implying that the training had negative influence while the current study found entrepreneurship skills training significantly and positively influenced (r=0.189. P-value 0.038) the growth of youth group based enterprises but only negatively influences when group dynamics moderates the relationship (β= -.401, t= .163, p-value=0.016)

5.1 Conclusion

The study concluded that entrepreneurship skill training as provided for by YEDF significantly influences growth of YGBE while group dynamics was found to have both predictive and moderating influence relationship between entrepreneurship skills training as provided for by YEDF and the growth of entrepreneurial youth group-based enterprises. The study recommends with respect to training the policy makers should ensure that the Entrepreneurship Skills training be tailor made so that in addition to entrepreneurship and business skills there should be training that is specific to different types of enterprises. It should also be a prerequisite to access the credit as the study found out that some entrepreneurial youth group based enterprises had not received any form of training while majority had only been trained in YEDF products and group dynamics. The study recommends the carrying out of Training Need Analysis by the YEDF before conducting training. Majority of the entrepreneurial youth group based enterprises felt that they

were not involved in identifying and designing the training and skills gaps amongst the youth instead the training was done in a blanket manner no wonder some youth felt that the training added no value. The study also recommends mentorship programs as platforms for training which may be more realistic and practical to the youth needs.

6.1 Areas for further study

Apart from YEDF there are many other government sponsored funds in the country that provide similar enterprise growth determinants, a comparison study on their success rate need to be carried out. Further research could be done using different theories and models on entrepreneurship skills training as provided by other funds and growth of entrepreneurial youth group-based enterprises, for better understanding of the relationship between entrepreneurship skills training and growth of group based enterprises.

The study took place during a time when there was a debate on whether or not to merge YEDF and other government sponsored funds this might have influenced the respondents thus there is a need to have it carried out at a more neutral time

There is need to consider other factors that may moderate the relationship between entrepreneurship skills and growth of entrepreneurial youth group based enterprises apart from group dynamics. The current study only concentrated on the moderating effect of group dynamics.

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