

ENTREPRENEURIAL FACTORS INFLUENCING PERFORMANCE OF HORTICULTURAL EXPORTING YOUTH GROUPS IN KIRINYAGA COUNTY, KENYA

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ABSTRACT- The study sought to establish the entrepreneurial factors influencing performance of horticultural exporting youth groups in Kirinyaga county Kenya. The results were intended to increase our understanding on these entrepreneurial factors and provide an opportunity for implementation of the recommendations for future policy frameworks, tertiary and higher educational policies as well as future research and studies. The study employed stratified random sampling to collect data from 205 small scale horticulture farmers using questionnaires. The key factors that were identified for this study included four independent variables – business management skills, availability of funds, market availability and accessibility and technology adoption. These independent variables were tested against the dependant variable (performance of horticultural exporting youth groups). The data collected was analyzed using descriptive and inferential statistics through the use of questionnaires. The study established that lack of relevant training and knowledge, getting the initial capital for business start up, access to the market and technology adoption all remained the major limiting factors to the performance and success of horticulture farmers in Kirinyaga County. The study recommended that the government should start offering basic business and financial management skills as this will enable entrepreneurs to make informed investment decisions as well as enhance their entrepreneurial skills that enable them to recognize and exploit the available business opportunities.

Key Words: Technology Adoption, entrepreneurial factors, Performance

1. INTRODUCTION

The role and importance of small enterprise sector to economies of countries, especially developing economies has been recognized and documented in the entire world. This is mainly in terms of job creation, technological innovation and gross national product. The role of entrepreneurship in economic development involves more than just increasing per capita output and income; it involves initiating and constructing change in the structure of business and society. This change is accompanied by growth and increased output, which allows more wealth to be divided by various participants (Robert, Michael & Dean, 2009).

Entrepreneurship is about business start ups and growth. A business is like a person. It is conceived and developed in the mind and then born. It then grows and matures and can die. The future of entrepreneurship appears to be very bright. We are living in the age of entrepreneur, with entrepreneurship endorsed by educational institutions, government units, society and corporations. Governments are taking an increased interest in promoting the growth of entrepreneurship. Individuals and groups are encouraged to form new businesses and are provided with government support. But it has been observed that despite increased efforts by the government and other development partners in promoting entrepreneurship amongst youths; little or no growth has been realized especially in the horticulture sector (Bwisa, 2011) Past statistics indicate that three out of five businesses fail within the first few months of operation (Kenya National Bureau of Statistics, 2007).

The establishment and nurturing of SMEs is a vital ingredient in creating dynamic market economies in the economic and social development of transition countries. Entrepreneurs are the big drivers of economic growth, innovation, regional development and job creation. A strong and vibrant SME sector provides a strong foundation to increase standards of living and to reduce poverty. Despite the internationally recognized importance of SMEs, they still face major challenges in many developing and transition countries today. The challenges of business entry, survival and growth are often substantial (Stoke & Wilson, 2006).

Trade in fresh horticultural products has become increasingly global. The trade is vertically integrated through contracts rather than control and ownership of the means of production. This trend has been encouraged by a liberalizing international and national regulatory frame work associated with World Trade Organization (WTO), International Monetary Fund (IMF) and the World Bank policies, and has been further facilitated by improvements in communication and packaging technologies. Others estimate that trade in fresh fruits, vegetables and cut flower is equivalent to 8 percent of global commodity trade-equivalent to that of crude petroleum (Bruinsma, 2008).

Horticultural crops development authority records that up to 80% of horticultural production in Kenya is under taken by smallholder farmers. The sub-sector employs approximately 4.5 million people countrywide directly in production, processing, and marketing; while another 3.5 million people benefit indirectly through trade and other activities (Horticultural crops Development Authority, 2005). The Government has therefore identified horticulture as a major sub-sector in realizing the country's "Vision 2030" which envisages Kenya as middle income earner economy and semi-industrialized country. Despite their significant contribution, smallholder farmers in Kenya are facing a number of challenges including high cost of inputs, limited access to extension services, unreliable weather, and limited access to direct markets. In a bid to address these challenges, the Government is implementing either singly or with collaborating partners a number horticultural projects and programs with specific objectives (KDLC, 2010).

Horticulture farmers have increased their strength by forming associations. Kenya has in recent years witnessed a rapid growth in MSE associations. Despite this, the sector is still constrained in several ways. The formation of most groups is the outcome of external pressures of government policy, political interventionism and donor funding. Eg the Kenya government Uwezo fund created in 2013 requires the youth and women to form groups to access the funds. This top-down influence has dampened the self-help spirit and lowered the spirit of member ownership within the associations. The sector remains largely uncoordinated and the capacity of MSE associations to lobby for implementation of policies for MSE development remains weak. Weak and poorly organized associations that lack the bargaining power and advocacy capacity are largely to blame for limited participation of MSEs in planning their activities and general development (KIPPRA, 2003).

In a bid to address the above challenges, the Government continues formulating horticultural projects and programs with a view of addressing specific objectives; four such projects are the National Accelerated Agriculture Input Program (NAAIP), Njaa Marufuku programme, Smallholder Horticulture Marketing Project (SHoMAP), and the Smallholder Horticulture Development Project (SHDP). The NAAIP is involved in capacity building and provision of seed and fertilizer grants for one hectare per smallholder farmer.

Among key priorities in the Kirinyaga County Development plan for the period (2013-2017) is enhancement of entrepreneurship through sensitization of indigenous entrepreneurs in processing, management and marketing . There is high concentration of stakeholders in Kirinyaga production area, which is equally very active in export horticulture business. This scenario is prevalent in the horticultural sector.

The main objective was to explore entrepreneurial factors influencing performance of horticultural exporting youth groups in Kirinyaga County Kenya. Specific objectives were: to examine the effect of business management skills level on entrepreneurial performance of horticultural exporting youth groups in Kirinyaga county, to determine the effect of availability of funds on entrepreneurial performance of horticultural exporting youth groups in Kirinyaga county, to determine the effect of market availability and accessibility on entrepreneurial performance of horticultural exporting youth groups in Kirinyaga County and to determine the effect of technology adoption on entrepreneurial performance of horticultural exporting youth groups in Kirinyaga county.

2. LITERATURE REVIEW

2.1 Theoretical Framework

2.1.1 Credit Rationing Theory

In their formulation, Stiglitz and Weiss (1981) argued that agency problems (a conflict of interest between management (agents) and the shareholders (owners) of the organization) and information asymmetries are the major reason why SMEs have constrained access to finance. SMEs know their real financial structure, the real strength of the investment project and the effective intention to repay the debt, that is, firms have superior private information (asymmetric information). Hence, the bank manager makes decisions under asymmetric information, and operates under a moral hazard and adverse selection risk.

Stiglitz and Weiss (1981) explained the choice among different financing sources under conditions of asymmetric information and credit rationing. Asymmetric information can lead to credit rationing conditions by modifying the risk-return distribution; this fact encourages banks to refuse capital for investments and produces divergence between capital demand and supply (Alfo & Trovato, 2006).

Start-up small firms are more likely to be affected by information asymmetry problems. There are some categories of SMEs that will face additional problems due to lack of security, such as young entrepreneurs or those from deprived areas. In addition, there may be asymmetries arising from location as well as sector. For example, owners of MSEs in rural environments may face difficulties with

access to bank finance. Small firms are more likely to be rationed because they are seen as particularly risky. Although they might be willing to pay more to compensate for the additional risk, the banks will refuse to raise the interest rate sufficiently to equate supply and demand.

2.1.2 Industrial Organizational Economics Theory

Different firms, and different industries, make different levels of profits. This is something neo-classical economics cannot explain. Industrial organization economics (IOE) is essentially based on the idea that excess profits (those above and beyond those necessary to keep a firm in business) arise due to market imperfections. Market imperfections occur when classical assumptions fail to occur. Important instances are when there are only a small number of suppliers, giving rise to monopoly, costs associated with entering and exiting a new market, economics of scale, and product differentiation and buyers substitution products from one industry with those of another.

The school has three main stages of development. The first stage, initiated largely by Brain (1968) suggests that firms strive for monopolistic power to protect market positions and collect large rents. They attempt to restrain output and competition so that they may charge higher prices or reduce the quality of the product. The second stage is associated with the work of Porter (1980, 1985). Porter inverted Brain's idea. Rather than firms finding themselves in a structured position and then having to adjust their conduct to improve performance, Porter suggested that managers might actively seek out unexploited structures (market positions) that, given current conduct, or conduct that might be developed, would lead to superior performance. Porter's central suggestion is the idea of 'five forces'. The third stage in the development of IOE reflects a change in both perspective and methodology. The change in perspective has been from the (implicit) assumption of the static, given nature of structural market imperfections that surrounds a firm or sector to a recognition that such imperfections are dynamic and result from interacting decision making by competitors, buyers and suppliers.

2.1.3 The Resource Based Theory

This theory explains how entrepreneurs themselves build businesses from the resources they currently possess or can realistically acquire in order to gain a sustained competitive advantage (Dollinger, 1999).

The resource based theory argues that the choice of which industry to enter and what business to be in is not enough to ensure success. The theory says that the nature and the quality of the resources the entrepreneur possesses and can acquire can lead to long run success. The theory treats entrepreneurs-the individual-as important unique resources to the firm, resources that money cannot buy. The resource based theory contests the assumptions of the purely economic theories of industrial organization and strategy by assuming that resources distributed among firms are heterogeneous and immobile (Ntere,2006).

The resource based theory holds that sustainable competitive advantage (SCA) is created when firms possess and employ resources that are: Valuable because they exploit some environment opportunity; Rare in the sense that there are not enough for all competitors; imperfectly imitable so that competitors cannot merely copy them; Non-substitutable with other resources.

When a firm possesses and controls resources with these four characteristics, it can withstand competitive and imitative pressures. If the new enterprise can protect these resources and maintain these four qualities, it will have competitive advantage over the long term. The resource based theory recognizes six types of resources: financial; physical; human; technological; reputational and organizational. These six types are broadly drawn and include all assets, capabilities, organizational processes, firm attributes, information and knowledge.

2.2 Empirical Review

Namusonga (1998) viewed entrepreneurial development to entail changing of attitudes in a way that inculcate in potential entrepreneurs the "philosophy of winners" that gives them a visionary focus. He further adds that strategic entrepreneurship development and promotion of an enterprise culture can produce a mass of creative and innovative Kenyan capable of developing into high - profile entrepreneurs and industrialists, especially among women and youth. Namusonga (1998) further emphasized the crucial part that literacy plays in the success of entrepreneurs. He noted that the level of knowledge, skills and attitude required by entrepreneurs is highly influenced by the sophistication and basic education. The Kenya government has, also recognized the importance of literacy in entrepreneurship.

Berheim, Garret and Maki (2001) observed that financial education for youths increases savings rate in adulthood. They say that "at each stage of life one needs to learn some financial tips and tools geared towards saving and stretching earnings. Morris and Somerset (1971) and Marharia (1989) suggested that a large number of small business enterprises have not expanded partly due to lack of relevant information.

Githae (2004) observed that there is existence of disparities between training of the small enterprises sector and the supply of trainers, lack of closer collaboration between training institutions and employers and presence of poor and inadequate training. Hence the above literature review indicates that literacy level is a vital /critical success factor in entrepreneurship.

Bennet & Canvas (1995) details that developed countries save a large portion of incomes and accumulate greater wealth than developing countries. In fact developing countries have very low or negative savings or investments rates or even they survive by borrowing. Recent evidence indicated that most developing countries are still pleading with International monetary Fund and World Bank, in order to write off their debts. This is an indication that there is still a lot to be done in order for the developing countries to cross the poverty line. The effect of the continental poverty thus goes down to the household level.

Wolff (2001) observed that “the board pattern is that accumulation of assets in the typical US household largely occurs via home ownership and retirement pension accounts.” This evidence is typically of developed countries. For developing countries like Kenya this may not be very practical in that most of the pension-able lot have no assets due to persistent and carried forward poverty over years. This hinders savings and investment opportunities throughout their lives.

Education however, through training, increases savings of all types as shown in recent studies. In another study, Bernheim, Garret and Maki (2001) observed that financial education for the youth increases savings rate in adulthood. Colleges teach the value of savings. Clarke, Cull and Pería (2001), for example, investigate the impact of foreign bank penetration on lending to SMEs. They found that foreign bank penetration increases the share of financing from banks and lowers financing obstacles as perceived by firms, particularly in the case of large firms.

Love and Mylenko (2003) explore how credit-reporting institutions affect financing constraints. The authors found that private credit registries relax financing constraints and increase bank financing, particularly for SMEs. By contrast, public registries do not have a significant effect. Beck et al. (2003) studied the impact of bank concentration on firms’ financing obstacles and access to credit. They found that in countries with low levels of institutional development, bank concentration leads to higher obstacles and a lower share of bank financing, particularly in the case of SMEs.

Finally, Galindo and Micco (2004) explored on the impact of several measures of creditor rights protection on the share of financing from banks. They found that creditor rights increase access to financing by SMEs relative to the effects on large firms. The training needs of growing businesses vary substantially and relate primarily to the development of broader aspects of management of the business, such as market diversification, product design, marketing, and access to finance, technology and networks.

Oketch (1995) indicated that apart from lack of credit, education level is another factor which poses a challenge to small scale enterprise; he noted that almost 40% of the entrepreneurs with high school or university education have accessed credit in the past compared with 24 % of their counterparts with up to four years of education. In the economic managerial for renewed growth policy (GoK, 1992) the government appreciates the acquisition of relevant vocational, technical and business skills as one of the critical factors necessary for growth and development of micro and small enterprises. The policy provide for technical and vocational training at the primary and secondary levels.

Okoth (1995) observed that education level is a factor that influences entrepreneurship. According to his survey almost 40% of the entrepreneurs with high school or university education have accessed credit in the past, compared with 24 % of their counterparts with up to four years of education.

2.3 Critique of Existing Literature and Research Gaps

The study by Helmsing and Thikolstee (1993) does not conform to the recent situation where we still find that the SMEs still face limited access to market, high transaction cost, poor infrastructure, lack of marketing knowledge, low investment, and limited skill and management know-how. Until recently, lack of comparable data hampered attempts to study the determinants of financing constraints for small enterprises in a cross-country context.

For the most part, these studies look at the impact on credit constraints of a single explanatory variable (such as foreign bank penetration, bank competition, availability of credit registries, or creditor rights) and do not attempt to bring all the potential determinants together into the analysis.

A report by the Ministry of Youth indicated that the youth enterprise fund is benefiting high number of youths in the country due to employment opportunities created through the enterprises (GoK, 2007). These findings however are not a true reflection of what is now happening in the country. The Uwezo fund has age restrictions which now bars the able youth from accessing the funds. The age limit of 35 years is rather on the lower side considering that most people who want to engage in horticulture are in the age of 40 years. The regulation also requires the youth to form groups. People have different interests and want to pursue their dreams differently. This makes it difficult for the youth to form legible groups and for those groups that are formed, managing them becomes a big problem, (World Bank Report, 2010).

In Kirinyaga county according to the First Kirinyaga County Integrated Development plan (KCIDP, 2013) small enterprise sector will be provided with cheap but appropriate agricultural equipment as well as providing the necessary infrastructure. Among key priorities in the Kirinyaga County Development plan for the period (2013-2017) is enhancement of entrepreneurship through sensitization of indigenous entrepreneurs in processing, management and marketing. There is high concentration of stakeholders in Kirinyaga production area, which is equally very active in export horticulture business. It is only in Kirinyaga where GTZ/PSDA supported Global GAP activities—supported MoA’s national wide sensitization campaigns and farmer trainings, gave grants for establishing common infrastructure as part of Global GAP compliance and also gave small loans to farmer groups to facilitate initial compliance at farm level. Donors and HCDA used collective action as their entry point in the community (KCIDP, 2013).

However, although Global GAP is a private standard, it is a mandatory condition for entry in EU markets, which is the main destination for Kenya’s export horticulture (Graffham, 2006). Enforcement of Global GAP has been feared to exclude smallholder farmers from the lucrative export market because many lack sufficient resources and necessary skills to acquire and maintain compliance (Muriithi et al., 2010). The government of Kenya and in particular the Kirinyaga County should come up with a way of establishing regulations that will ensure that the exporters fully support the small farmers in conforming to the Global GAP standards.

Until recently, lack of comparable data hampered attempts to study the determinants of constraints for youth enterprises in a cross-country context. The available data from the World Business Environment survey has led to a number of studies on the determinants of the constraints (World Bank Report, 2000). For the most part, these studies look at the impact on startup capital constraints which is a single explanatory variable excluding the market accessibility, literacy levels and leadership and do not attempt to bring all the potential determinants together into the analysis. Secondly, the horticulture market is increasing being affected by tougher rules and standards which affect the performance of horticulture exports. Further studies need to be done on how to counter these new regulations.

3. METHODOLOGY

The study applied descriptive design because the study seeks to answer the why, how and when of the problem under study. The research design was a survey conducted on a sample of Horticulture exporting youth groups Kirinyaga County. According to Owens (2002), survey research designs has the advantage of uniqueness since information gathered is not available from other sources, having unbiased representation of population of interest and standardization of measurement as same information is collected from every respondent.

The target population consisted of all the horticulture exporting youth groups within Kirinyaga County. From the records of Kirinyaga County, there are 440 horticultural export groups within the county. The businesses in operation are mainly in tomatoes, passion fruits, French beans, soya beans and sweet melons as shown in table 3.1:

Table 3.1: Target Population

Category	Frequency
Tomatoes	80
Passion fruits	90
French beans	200
Soya beans	30
Sweet melons	40
Total	440

The following sampling formula by Mugenda and Mugenda (2003) for calculating sample size of a population that is less than 10, 000 was applied to pick the sample size:

$$n_f = \frac{n}{1 + n/N}$$

Where: n_f = the desired sample size (when the population is less than 10,000)
 n = the desired sample (when the population is more than 10,000)
 N = the estimate of the population size

$$n_f = \frac{384}{1 + 384/440} = 205$$

This gives a sample size of 205 respondents as indicated in the table 3.2 below. The sampling frame included: tomatoes, passion fruits, French beans, soya beans and sweet melons.

Table 3.2: Sample size

Category	Frequency	Sample proportion	Sample size
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Tomatoes	80	46%	37
Passion fruits	90	46%	42
French beans	200	46%	93
Soya beans	30	46%	14
Sweet melons	40	46%	19
Total	440	46%	205

The study applied stratified sampling technique where 46% of the population in each sampling frame was selected to participate in the study. For the exact individuals to participate in the study, the researcher used simple random sampling technique as it offers every member of the population an equal chance of being included in the sample. The study employed the use of semi-structured questionnaires to collect primary data. The questionnaire was administered through drop and pick-later method to the sampled population.

To increase validity of the study, data was collected from reliable sources. The researcher also obtained authority from relevant authorities to administer the questionnaires. A pre-test of 5% of the population size was conducted to give a representation of the selected population thus the designed questionnaire was tested on 22 potential respondents. Piloting of the research instrument was necessary for various reasons: It helped to clarify the wording and grammar of the instrument so as to avoid misinterpretations; to avoid research bias; detect ambiguous questions; and to pick out in advance any problems in the methods of research. This helped to make the data used in the analysis valid.

To test the reliability of the Likert scale used in this study, reliability analysis was done using Cronbach’s Alpha as the measure. A reliability co-efficient of $\alpha \geq 0.7$ was considered adequate in indicating a high level of internal consistency for the Likert scale used. This process assisted in addressing any weaknesses with the questionnaire and the general survey technique of the research. Improvements and editing was then made on both the structure and content of the research tool to reduce the errors.

The researcher administered the questionnaires to the relevant respondents in an effort to achieve the necessary information. Research assistants were used to assist the researcher in gathering the information. The assistants were trained so that they understand the research study and what was expected of them. The research assistants were trained on the aspects of the questionnaire and how to handle the respondents to ensure that they observed ethical considerations. Self-administered questionnaires allowed the participants to respond to the questions by themselves and at their own pace.

The questionnaire was checked for completion. Qualitative analysis consisted of examining, categorizing, tabulating and recombining evidences to address the research questions. Qualitative data was grouped into meaningful patterns and themes that are observed to help in the summarizing and organization of the data. Quantitative data was analyzed through the use of statistical techniques such as frequency counts, percentages, arithmetic means, modes, pie charts and tabulation to show differences in frequencies.

Qualitative data was analyzed descriptively through the use of questionnaires. Bar charts were used to display nominal or ordinal data. Statistical Package for Social Sciences (SPSS) was used to aid in coding, entry and analysis of quantitative data obtained from the closed ended questions. Quantitative data was presented through the use of statistical techniques such as bar charts, pie charts, percentages and frequency counts. Qualitative data was presented descriptively.

4. FINDINGS AND DISCUSSION

4.1 Response Rate

During the research study the researchers distributed 205 which reflected 100% questionnaires. This was equivalent to the sample size that was adopted for the study. The response rate is illustrated in table 4.1:

Table 4.1: Response Rate Analysis

Responses	Frequency	Percent
Questionnaires Distributed	205	100
Valid Questionnaires Returned	180	87.8

The above table shows that from the 205 questionnaires that were distributed 180 questionnaires were fully filed and returned. This constitutes a 87.8% response rate. According to Kothari (2009), a 50% response rate is considered aduquate hence the response rate in this study was considered a good for the purpose of analysis and interpretation.

4.2 Demographic Information

The items on the first section of the respondent's questionnaire was on gender, age, kind of business, years of experience academic level .This served as an unprejudiced way of carrying out an in-depth analysis with regard to factors influencing entrepreneurship. The information obtained is contained in the tables below.

4.2.1 Gender of Respondents

According to the sample taken, out of 180 respondents involved in the study, 36 (72%) were males and 14 (28%) more females. The low participation of female respondents is accounted for by the fact that the nature of producing the product is a bit technical and muscular hence attract male more than females. This is shown in the table 4.2:

Table 4.2: Gender of Respondents

Gender	Frequency	Percentage
Male	120	67%
Female	60	33%
Total	50	100%

4.2.2 Age of Respondents

On the age of the respondents, the findings were that 132(73%) were in the 20 to 35 years age bracket, while 38(21%) were in the 36-50 years age bracket. This shows that majority (73%) were with the age bracket selected by the researcher as composing of youth that is 0-35 years of age. This is shown in the table 4.3:

Table 4.3: Age in years

Years	Frequency	Percentage
20-35 YEARS	132	73%
36- 50 YEARS	38	21%
Over 50 years	10	6%
Total	180	100%

4.2.3 Type of Business Respondents Operate

This section aimed at establishing the type of horticulture crop produced by the youths. Most of the farmers 50% are producing French beans which are exported to the European countries. Tomato farmers 20% are next then followed by Passion Fruit farmers at 16%. The remaining farmers 14% comprise of sweet melon farmers, soya beans farmers, onion farmers, sweet corn farmers and pawpaw farmers.

Table 4.4: Type of Business Respondents Operate

Type	Frequency	Percentage
Tomatoes	36	20
French beans	90	50
Passion	28	16
Others	26	14
Total	180	100%

4.2.4 Number of Years Respondents have been in Horticulture Farming

In regard to the year of horticulture farming, the findings were that 92(51%) had been operating for less than two years 60(33%) had been in operation for more than 5 years. Then 28(16%) has been operating for over six years. This shows that the group has a relative adequate experience to provide the information sought by this study as shown in table 4.5:

Table 4.5: Number of Years Respondents have been in Horticulture Farming

Years	Frequency	Percentage
1- 2 years	92	51
3-5 years	60	33%
Above 6 yrs	28	16%
Total	180	100%

4.2.5 Highest Level of Respondents' Education

On the highest level of education, the findings were that 47(26%) had only primary education, 98(54%) had secondary education, while 28(16%) were Diploma graduate and 7(4%) were university graduates. With reference to the study, the information on academic qualification shows that most of the youth had at least some education though not adequate for complex entrepreneurial functions. They were likely to be able to tackle some challenges in entrepreneurship as shown in table 4.6:

Table 4.6: Highest Level of Respondents' Education

Education Level	Frequency	Percentage
Primary	47	26%
Secondary	98	54%
Diploma	28	16%
Degree	7	4%

4.3 Business Skills Level of Respondents

On the skills possessed, (3%) had entrepreneurial skills, 7% had management skills, 2% had management skills, 13% had some training on agriculture and 75% had no learned skills necessary for horticulture farming as shown in table 4.7:

Table 4.7 Business Skills Level of Respondents

Skills	Entrepreneurship	management	marketing	Agriculture trainin	None
	5	12	4	24	135
	3%	7%	2%	13%	75%

4.4 Learning more Skills and Performance

Farmers were asked to what extent do they think learning more skills would improve their performance in farming. 78% said that learning would greatly improve their performance, 3 % said the change would be moderate while 34% said that there would be no improvement as shown in table 4.8:

Table 4.8: Learning more Skills and Performance

Extent	Great extent	Moderate extent	Very little extent
Frequency	140	6	34

4.5 Sources of Funds and Performance

This variable sought to identify the source of capital, availability of funds and the constraints. The findings were as follows.68% indicated relatives and friends as their source of capital, while19% indicated it was from personal saving, 7% got loans from SACCOs and banks while 12% indicated other sources. This indicates that the majority are supported by their families and relatives.

Table 4.9: Sources of Funds and Performance

Source	Frequency	percentage
Relative and friends	122	68%
Personal Saving	34	19%
Loans	12	7%
Others	12	7%
Total	50	100%

4.6 Constrains Due to Lack of Funds and Performance

On availability of funds, the findings were that all respondents 100% said that money was not enough to run the activities in general. On constrains imposed by inadequacy of money 85% of respondents indicated it was very much, 21% indicated it was very much, 6% indicated was fairly much and only 3% indicated it was not much.

Table 4.10: Constrains Due to Lack of Funds and Performance

	Constrain	Frequency	Percentage
	Very much	153	85%
	Fairly much	21	12%
	Not much	6	3%
	Total	180	100%

4.7 Middlemen or Intermediaries' Effect on Entrepreneurship

The section was to investigate the impact of middlemen or intermediaries on entrepreneurship and how much it affects the operations of small entrepreneurs. Results from the findings indicate that individuals and groups (100%) does not sell their products directly to the exporter but to companies who buys from them and take to the exporting firms. On how much this affects their business, 68% reported that the effects are much, 12% indicated fairly much 16% indicated not much, while only 4% said not at all.

Table 4.11 Middlemen or Intermediaries' Effect on Entrepreneurship

	Impact	Frequency	Percentage
	Very much	122	68%
	Fairly much	23	12%
	Not much	28	16%
	Not all	7	4%
	Total	180	100%

4.8 Pricing of the produce Expectations

On the expectation of prices of their produce, the findings were that 16% said that the price was adequate, 72% low and 12% indicated it to be very low. The above findings reveals that the members were aware that they were not getting the full value for their produce and that the middlemen were actually exploiting them.

Table 4.12 Pricing of the produce Expectations

	Price expectation of the product	Frequency	Percentage
	Adequate	29	16%
	Low	130	72%
	Very low	21	12%
	Total	180	100%

4.9 Effects of Technology Adoption on Performance

On the issue of effects of technology adoption, 80% said that they have a saving on the cost of production, 70% said they have increased product yields, 60% said that that they have used technology in getting useful information that have helped in performance of their farm while 10% said their products have become less competitive.

Table 4.13 Effects of Technology Adoption on Performance

	Effect of technology adoption	Percentage
	Low cost of production	60%
	High yields	70%
	Getting useful information	60%
	Become less competitive	10%

4.10 Extent of Technology Adoption on Business Performance

This shows the extent to which technology adoption has affected the performance of horticulture farming. 60% said that technology has very greatly affected their business, 20% said it has great extent, 16% said there is little extent while 4% said the extent of effect is very little.

Table 4.14 Extent of Technology Adoption on Business Performance

Impact	Frequency	Percentage
Very great extent	108	60%
Great extent	36	20%
little extent	29	16%
Very little extent	7	4%
Total	180	100%

5. SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Summary of Study Findings

The major purpose of this study was to look at the entrepreneurial factors influencing performance of horticultural exporting youth groups in Kirinyaga County. This was achieved through the use of research specific objectives and the research question out of which the study questionnaire was formulated to investigate how these challenges impacts on their performance. The major findings were that a range of challenges, which are both from within and entrepreneur’s confinement pose a lot of challenges on the running and performance of an enterprise. Among them being lack of finance, competition, market, technology and the regulating environment.

The first objective aimed at finding out how skills level among youths affects their entrepreneurship success. The findings from this study showed that lack of relevant training and knowledge is a factor that limits performance and success in enterprises amongst the youth. The youths said that they needed further specific training on business operations which includes general management, agriculture training, and entrepreneurship in general. This finding is in line with Namusonga (2000) finding on entrepreneurship development in which he found out that in spite of completing the formal education; the curricula school leavers had gone through does not equip them with required entrepreneurial skills. He went further to suggest that the reorientation of the curricula to introduce enterprise education in school a suggestion which this study highly support.

On the constraints imposed by lack of funds, which was the second objectives of this study, the findings was that most of the youth had a problem in getting the initial capital for their business start up. Further finding was that despite having managed to start, majority lack finances to sustain the venture. For example; they cited high cost of spraying chemicals for pests and diseases control on the crops, Vis a Vis the low prices their products fetch in the market. Expanding their business was also limited by lack of fund. Lack of funds also exposed them to hiring cheap inexperienced workforce. Many said that they were about to give up farming after crop failure and low prices which ate up their initial capital, raising more funds was proving difficult and risky and were therefore opting to quit.

On the challenges posed by the market availability and accessibility, the study established that access to the market is a major problem and middlemen have maximized on taking advantage of this to exploit entrepreneurs .Ignorance and lack of funds were attributed to be the reason for this. For example the study established that the various groups cannot afford to take their produce to Nairobi where they can sell direct to the exporting firms. Middlemen buy the produce direct from the farms and block any new buyer by forming cartels. Further, the study found out that the middlemen take advantage of the buyers ignorance where they arbitrarily violate their agreement between them especially when the produce floods the market by sometime failing to collect the goods on agreed days, hence going into waste.

Lastly, the study looked at the impact of technology adoption, and what contribution it has made on their business performance. The study established most of the youths are not able to adopt technology due to lack of knowledge and funds. They argued that technology was expensive and complicated and thus was difficult to adopt. However, they said that the little technology they have adopted, it has a great impact on their business. They said that their businesses would perform much better if they were able to adopt the technology.

5.2 Study Conclusions

Based on the findings of this study the researcher concluded that small scale enterprises play a vital role in keeping the youths in productive ventures and also in making them self reliant through provisions of self employment. The study concluded that lack of relevant training and knowledge, getting the initial capital for business start up, access to the market and technology adoption remained the limiting factors to the performance and success of horticulture farmers in Kirinyaga County. A combined effort by

relevant authorities like the government, training institution and credit lending institution should be encouraged to ensure a conducive operating and regulatory environment for small scale enterprises.

5.3 Policy Recommendations of the Study

On the bases of the finding and conclusion of this study the following recommendations were proposed: the government to come up with appropriate measures which will empower youths to take advantage of the opportunities provided by the small scale enterprises sector, training institutions offering entrepreneurial and marketing skills especially in rural areas should be strengthened to serve micro-enterprises. Vocational centre to include business studies. Further special training program should be organized to training youths already in business ventures.

The government to facilitate the success of small enterprises owned by youths through ensuring fund kits like youth development fund which benefit the youths and are not misappropriated. Youth development fund is already working well in Embu County where youths are funded by the county government. The government should encourage the youths to form stronger groups then source for market for their products. The government should facilitate acquiring of cheaper agriculture tools and chemical and easy access to cheaper internet, embrace new farming technology in counties that will help the farmers

5.4 Recommendations for Further Studies

Further studies should also be conducted on the following areas: Government funded SMEs and their success, the role of the government in success of small scale business and entrepreneurial training and the success of small scale enterprises.

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