

**FACTORS INFLUENCING THE PERFORMANCE OF YOUTH OWNED SMALL AND
MICRO ENTERPRISES FINANCED BY THE MICRO FINANCE INSTITUTIONS**

**A survey of youth entrepreneurs Financed by Equity Bank in Imenti South District-
kenya.**

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ABSTRACT

The main purpose of this study was to evaluate on factors influencing the performance of youth owned small and micro- enterprises financed by micro finance institutions in Imenti South District of Kenya. It is in the light of the above that this study was inclined to access the factors that influence the performance of youth owned small and micro enterprises financed by micro finance institutions. The specific objectives of the study were:-To access the influence of access to credit facility on the performance of business enterprises owned by youth, to investigate the influence of location on business performance of micro financed enterprises owned by youth, to determine the influence of competition on the performance of the business, and to determine the influence of managerial skills in the performance of businesses owned by youth.

Descriptive survey design was used where both qualitative and quantitative data was collected in order to access the factors influencing the performance of the micro financed enterprises owned by youth. The target population was individual youth enterprises that have benefited from microfinance institutions and the youth fund in Imenti South District. Random sampling method was used which realized a sample of 93 youth enterprises out of 310 youth enterprises financed by Equity Bank, Nkubu Branch. The survey achieved a response rate of 81% of all youth entrepreneurs targeted in the survey and the response rate was considered satisfactory for the study. Questionnaire was the main tool of data collection. Pearson's correlation coefficient was computed to indicate the correlation between the independent and dependent variable and the parametric test one way ANOVA was used to test the hypothesis. SPSS computer software aided the analysis of the data collected. The data was presented in summary tables based on the tests and analysis of research dimensions.

The study concludes that access to credit has influence in the performance of youth owned enterprises financed by MFIs. The study also found that business location has influence on the performance of youth owned enterprises financed by MFIs. However the acceptance of null hypothesis that the managerial skill doesn't have influence on the performance youth owned enterprises indicates that there is no correlation between business training and success of the business. Lastly the study concluded that there was no relationship between the performance of the business owned by youth and competition. The study has made various recommendations to various stakeholders aimed at improving the performance of the youth owned enterprises.