

Relationship between Entrepreneurial Competences and Performance of Youth-Owned Micro and Small Enterprises in Kenya

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Abstract— The purpose of the study was to establish the relationship between entrepreneurial competences and performance of youth-owned micro and small enterprises in Kenya. This study sought to be guided by the following objectives; To establish the relationship between strategic competency and performance of youth owned micro and small enterprises in Kenya; To examine the relationship between conceptual competency and performance of youth owned micro and small enterprises in Kenya. The study was anchored to Harvard School Theory and Mark Casson's Theory. Further, the research employed a descriptive survey research design with a sample size of 384 youth-owned micro and small enterprises. Both primary and secondary data were used in the study. Primary data was collected using questionnaires as the main tool for data collection. The study used regression analysis to analyze the association between entrepreneurial competences and performance of youth owned micro and small enterprises 'variables. Results revealed that all the strategic and conceptual competences had a positive and significant relationship with performance of youth owned micro and small enterprises in Kenya. The study concluded that entrepreneurial competences had the potential of positively performance of youth owned micro and small enterprises in terms of profitability, product diversification and market share. The results support the current theories related to the study. Consequently, this study provides security firms with insights of how to improve performance through the adoption of appropriate entrepreneurial competencies. The study recommended that youth owned micro and small enterprises should adopt a culture of adopting appropriate entrepreneurial competences (conceptual and strategic competencies). This could go a long way in ensuring there is improved performance of youth owned micro and small enterprises.

Index Terms— Strategic Competency, Conceptual Competency, youth-owned micro and small enterprises, Entrepreneurial Competences, Performance

I. INTRODUCTION

Micro and Small Enterprises (MSEs) play a critical role in the lives of the majority of Kenyans (RoK, 2005). They also play an important role in the development and expansion of the Kenyan economy through the creation of employment, generation of wealth, distribution of wealth and poverty reduction among other benefits (Mullei & Bokea, 1996). Indeed, not a moment passes in which there is no interaction

between a client and an MSE entrepreneur – from vegetable vendors, newspaper vendors, mobile phone money transfer businesses, hair salons, internet cafes, fast food kiosks and restaurants to the 'jua-kali' artisans pursuing all sorts of crafts. Gollin (2008), states that informal businesses dominate the economic life of most developing countries. The entrepreneurial competences that characterize this interaction are a critical determinant not only of the survival but also of the growth and success of MSEs.

Entrepreneurial competences are the ability of an individual to exploit an idea and create an enterprise - small or big - not only for personal gain but also for social and developmental gain (Olagunju, 2004). Entrepreneurial competences can be categorized into five groups namely, professional, managerial, networking, innovation and strategic competences. Professional competences have been emphasized as being a basic requirement for an entrepreneur to succeed in the business (Rudmann, 2006). Many studies emphasize the importance of management competences for the entrepreneurs (Stevenson & Jarillo, 2007; Man, Lau and Chan, 2002). In their opinion, entrepreneurs have to become businessmen because of the complexity of their businesses. Other competences equally deemed important are creativity, cooperation and networking. These competences are required to find ways and strategies to develop a profitable business, to realize business opportunities and to develop and improve the business continuously (Salgado-banda, 2005).

The State of Queensland (2012) advocates the necessity of identifying the managerial and business competences that one's business needs; noting that the entrepreneur may not necessarily possess all of these competences but may employ people for the competences they do not have or they seek options to acquire those competences. It further provides examples of business competences to include organizing and planning, understanding financial issues, ability to sell products and ideas effectively, marketing, communication competences, occupational health and safety competences, management competences, contributing to team effectiveness and monitoring workplace safety, strategic management competences, small business management, the competence to develop a new product or service, the ability to deliver products or services consistently and reliably – as some of the prerequisite business competences for entrepreneurial success.

Bosire (2012) in a study to determine the effect of education on business competences cognition among informal sector entrepreneurs established that both education and training levels were significantly correlated with business

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competences cognition. It means that there is a higher probability for persons who have higher education to have better entrepreneurial competences. Sagwe et al. (2011) conducted a study on youth and women entrepreneurs' preparedness in Kenya which involved the entrepreneurs' breadth of experience, business experience, and business planning expertise, work experience, business area expertise and level of responsibility. The key findings showed that: entrepreneurs demonstrated inadequate knowledge of the sectors they operated in; 46.4% of the respondents indicated that the business launched had performed well but they experienced insufficient branding, brand awareness, distinction and generally lack of information on market trends. In the said study (Sagwe et al., 2011) it was observed that lack of education and training among Kenyan entrepreneurs was the most frequently mentioned weakness; financial support is the second most mentioned weakness and thirdly cultural and social norms

Micro and Small Enterprises (MSEs) businesses cut across the formal and informal sectors in Kenya. Sessional paper No. 2 of 2005 on Development of Micro and Small Enterprises for Wealth and Employment Creation for Poverty Reduction (RoK, 2005) classifies MSEs into farm and non-farm categories employing 1 to 50 workers. Mullei and Bokea (1996) note that the MSE sector in Kenya has continued to grow since the sector was brought into the limelight in a report by the International Labour Organization on Employment, Income and Equity in Kenya in 1972. Numerous policy papers as well as studies have been written on MSEs that have catapulted the sector into the center of Kenya's economic planning and development with the latest being the Kenya Vision 2030 (RoK, 2007). The MSE sector in Kenya contributes about 18% of the country's GDP and plays a critical role in easing foreign exchange constraint, penetrating new markets and stimulating growth and development particularly in the rural areas (RoK, 2005).

on several factors among which are a favorable policy environment, access to markets, access to financial services, access to infrastructure, elimination of entry barriers and access to competences and technology (RoK, 2005). Under Sessional paper No. 1 of 1986 on Economic Management for Renewed Growth (RoK, 1986), the government undertook to establish a special task force to address various issues that inhibit the growth of MSEs. Thereafter, the Sessional paper No. 2 of 1992 on Small Enterprise and Jua kali Development in Kenya (RoK, 1992) focused on establishing the requisite enabling environment for the development of the MSE sector. The MSE baseline survey of 1999 and the Sessional paper No. 2 of 2005 are further examples of interventions whose key aim was to work towards ensuring that the MSE sector is fully supported and facilitated to play a central role in employment creation, income generation and poverty reduction hence contributing to the country's economic development (RoK, 2005).

II. STATEMENT OF THE PROBLEM

The possession, retention and execution of entrepreneurial competences play a critical role in the performance of any business regardless of size or stature. The lack of

entrepreneurial competences may be linked to the high rate of failure put at 7 out of 10 MSEs which fail to celebrate their third anniversary (Muthee & Ngugi, 2014). This phenomenon is more profound among micro and small enterprises due to the sheer amount of competition that they face from medium and large-scale businesses as well as rivalry within the MSE sector. Sessional Paper Number 2 of 2005 on the Development of Micro and Small Enterprises for Wealth and Employment Creation for Poverty Reduction (RoK, 2005) identified the inadequacy of business competences as one of the challenges facing MSEs. It was noted that the lack of entrepreneurship and basic competences in business management was a major drawback in the growth and development of the MSE sector. This underlines the importance of entrepreneurial competences on the success of the business (Ondieki & Namusonge, 2018). This is the problem that the study sought to focus on.

According to the Economic Survey of Kenya of 2018 youth-owned Micro and Small Enterprises (MSE's) offered employment to 50-70% of the employable youthful population. In addition, majority (72%) of the business enterprises in Kenya are owned and operated by youths. A survey conducted by World Bank (2015) on the role of youth in economic developments revealed that 71% of youth-owned micro and small enterprises in Kenya are likely to collapse despite their importance in economic developments. The high mortality rate in youth-owned MSEs with most of them not surviving to see beyond their third anniversary (RoK, 2015) underscores the deficiency of entrepreneurial competences set in MSEs. The business statistic in Kenya revealed that the rate of youth-owned micro and small business failure is high with only 3 out of 5 business surviving 5 months to one year after formation and those that survive 80% of them collapse before the fifth year (KNBS, 2017). This high failure rate has a direct contribution to unemployment among the youth (RoK, 2019). The question now remains; is entrepreneurial competences the actual missing factor especially for performance of youth-owned MSEs in Kenya? If it has been effected, how has it contributed to improvement on performance of youth-owned ICT MSEs in Kenya? It is on this premise the current study seeks to establish the relationship between relationship between entrepreneurial competences and performance of youth-owned micro and small enterprises in Kenya.

III. RESEARCH OBJECTIVES

1. To establish the relationship between strategic competency and performance of youth owned micro and small enterprises in Kenya.
2. To examine the relationship between conceptual competency and performance of youth owned micro and small enterprises in Kenya

Research Hypotheses

Therefore, the following null hypotheses were tested at 5% level of significance to achieve the study objectives:

H01: There is no significant relationship between strategic competency and performance of youth owned micro and small enterprises in Kenya

H02: There is no significant relationship between conceptual competency and performance of youth owned micro and small enterprises in Kenya

IV. LITERATURE REVIEW

Theoretical Review

The Harvard school theory of entrepreneurship was given by Cole (1949). It envisages entrepreneurship as a purposeful activity that initiates, maintains and develops a profit-oriented business and focuses on two activities; co-ordination activity and sensitivity to the environment. The Harvard School theory focuses on the perception of entrepreneurship as any deliberate activity that initiates, maintains and grows a profit-oriented enterprise. One of the features of this theory is the internal force which refers to the internal qualities of the entrepreneur including intelligence, competence, knowledge, experience, intuition, exposure among others. These traits have a direct consequence on the entrepreneurial activities of an individual. The Harvard School Theory of Entrepreneurship emphasizes that entrepreneurial competences are needed by managers for the development and running of their businesses (Papulová, 2007).

Lowden (1988) in his study titled “managerial competences for the entrepreneur” in reference to Harvard School Theory of Entrepreneurship came up with a key area an entrepreneur needs to develop in order to be a strong and successful manager that is enhance communication competences which will help an entrepreneur to plan, organize, lead and control the business. He concludes that an entrepreneur needs to have the strategic competences; deals with establishing goals and ways of achieving it, organizing; arranging work and people to accomplish set objectives, controlling; making sure that performance conform with plans and leading; encouraging the human factor in performance. Based on the above review, we can conclude that much taxonomy of strategic competences are ambiguous to be useful, others cover similar competences but different terms are used to describe them and there is no absolute set of competences.

Entrepreneurial competences that complement the ability of the entrepreneur to analyze situations, opportunities and environments and assist the entrepreneur/manager to organize, manage and assume the risks and rewards of a business or enterprise are key for the survival of an enterprise (Kuratko and Hodgetts, 2008). Believe of Akpotowoh and Amahi (2006) is that the strategic competences acquired in any of the area of business-related programme promotes training in entrepreneurship as well as equip an entrepreneur with requisite competences to establish and run small businesses on their own. Ademiluyi (2007) opinioned that entrepreneurship strategic competences are simply business competences which individuals acquire to enable them effectively function in the turbulent business environment as an entrepreneur or self-employed. The study therefore has adopted the Lowden classification of competences as they are more relevant to entrepreneurs who are largely their business manager. The relevance of this theory and its model as represented below is that the communication competences possessed by the entrepreneur are relevant in determining the

success of the business or the entrepreneur for that matter. This theory addresses the general objective of the study which is to establish the effect of strategic competences on the performance of youth owned MSEs. The model below as adopted from Antocic&Hisrich (2000) captures the essence of the Harvard School Theory on entrepreneurship:

Mark’s theory (Casson, 1982) covered the functional behavior of an entrepreneur and their qualities which are crucial for success. These qualities are usually innate and take the form of a judgmental aspect in the coordination of scarce resources for entrepreneurial success. We could relate them to the conceptual competences that are necessary for entrepreneurial success. These conceptual competences encompass entrepreneurial competences. Among the features in Mark Casson’s theory is the identification of qualities for successful entrepreneurs. These are innate qualities that drive a person to take up entrepreneurial initiative and thus help them to take judgmental decisions about the coordination of scarce resources.

Casson (1982), states that the theory of entrepreneurship rests upon the definition of an entrepreneur as someone who specializes in making judgmental decisions about the coordination of scarce resources. Entrepreneurship is considered as an ongoing function in which opportunities exist for the gathering and coordination of resources. Opportunities will exist as long as new information is becoming available that could alter the efficient allocation of resources. New information may be either totally new knowledge such as scientific breakthroughs or the updating of knowledge in the light of a recent event. He developed a list of qualities that one must possess in order to fulfill the functional definition of an entrepreneur. These qualities include; self-knowledge, imagination, practical knowledge, analytical ability, search competence, foresight, computational competence, communication competence, and organizational competence. This theory is relevant to the study as it will act as the guiding force of interpersonal relationships for the advancement of parties’ self-interest. Employees are engaged because of the reciprocal exchanges, both at supervisor and organizational levels. Therefore, the implication for practice include the suggestion that organizations that address employees’ concerns and demonstrate caring attitudes towards employees create a culture whereby this is reciprocated through higher level of engagement. The Mark Casson Theory of Entrepreneurship states that many other entrepreneurs survive and are challenged by taking decisions in further developing their companies

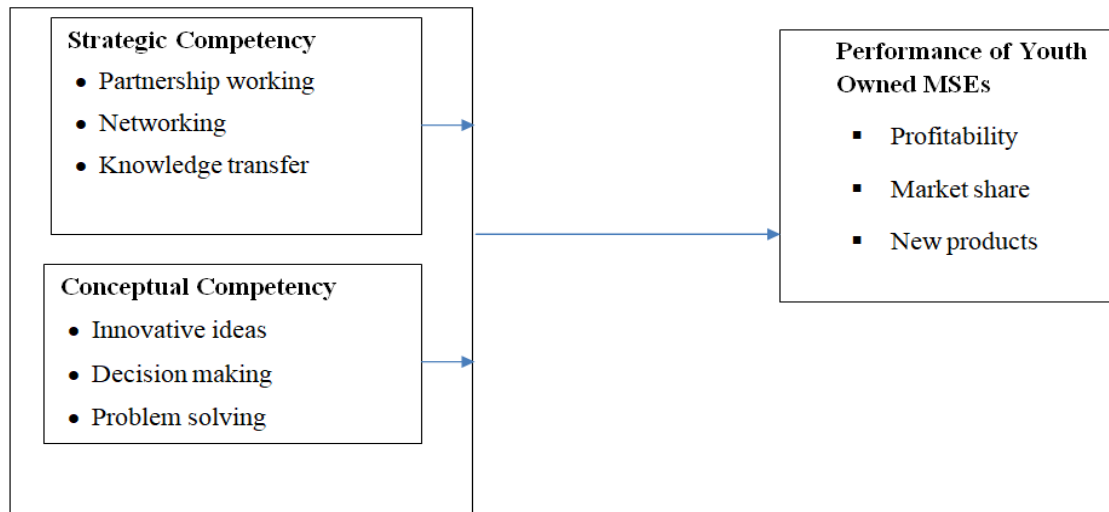
Although most people have a common understanding of an entrepreneur or entrepreneurship it still remains a necessity to put the entrepreneur (ship) in the light of the decision making process. Entrepreneurs are always developing their business and exploiting new opportunities that have a higher expected value (Ferrerra, Fernandes & Krus, 2019). Entrepreneurs show a higher emphasis on exploiting new opportunities when the expected demand is large. Futher, Terjesen and Hessels (2016) agrees that entrepreneurs act in an environment where different factors may play a role in the decision-making process. Developments within the organization but clearly from the market like customer’s behaviour, competition threat, governmental regulations, suppliers, investors and many more

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have an impact on the business. All provide information that will have to be taken into account within the decision-making process and will lead to opportunities and threats (Frederiksen, Wennberg, & Balachandran, 2016) towards the enterprise. Based on this information the entrepreneur must take decisions on strategic level to cope with the challenges and to determine the success of the strategic decision. This theory addresses the second objective of the study on how entrepreneur conceptual competences enhance performance of youth owned MSEs in Kenya.

Conceptual Model and Hypothesis

The conceptual framework in the study comprised of independent variables covering the four competence areas adopted from Man et al. (2016). These competences are: Strategic and Conceptual competences. Each competence area is captured using a variety of constructs that describes it. The dependent variable in the study is performance of youth owned micro and small enterprises that consist of profitability, market share and development of new products as its constructs. These variables and hypothetical causal paths and relationships are presented in Figure 1 below.



Independent Variables

Moderating Variable

Dependent Variable

V. EMPIRICAL REVIEW

Strategic Competency

Darling and Venkitachalam (2020) study was based on the qualitative analysis of empirical evidence collected in a UK based NHS case study organization, they arrived at a strategic competence performance framework for the health unit using research carried out through interviews with employees and partner organization members. By examining a UK-based qualitative case study, the proposed framework puts forward four strategic competence pillars vital for delivering organizational performance and effectively managing the environment of NHS unit's operations. The four strategic competences that were identified to foster NHS unit's performance are strategic leadership, staff engagement, knowledge transfer and partnership working. In addition, Ibidunni, Ogundana and Okonkwo (2021) examined entrepreneurial competencies as a viable pathway for improving the innovative performance of SMEs in Nigeria's informal sector and the contingent roles of the business environment. A survey research design was used to gather data from 296 entrepreneurs who operate informal SMEs in Nigeria. Based on the findings from the SEM-PLS multivariate analysis, the study concluded that entrepreneurial competencies, especially strategic, competencies, are

essential for achieving higher innovation performance.

Moreover, Mwangi, Bwisa, Gichuhi and Omondi(2017) analyzed the relationship between strategic competence and business performance of graduates with physical challenges in Kiambu County in Kenya. The study was longitudinal and utilized a descriptive-survey method. It addressed a population of 480 businesses owned and run by graduates with physical challenges of higher education and training in various constituencies within Kiambu County in Kenya. A correlation analysis between strategic competence and business performance constructs was conducted and a coefficient value of .685 was arrived at showing a statistically significant strong positive linear relationship between Strategic Competence and Business Performance. This indicated that when Strategic Competence increased, Business Performance increased as well. Lastly, Behling and Lenzi, (2019) analyzed the relationship between the entrepreneurial competencies and the strategic behavior patterns of entrepreneurs in emerging countries. The study takes a quantitative approach with a survey of 211 Individual Micro Entrepreneurs (IME) operating in the Brazilian state of Santa Catarina. The results demonstrated that strategic competencies such as Reactors possessed a mean of 6 out of the ten entrepreneurial competencies, Defenders had 7.97, Analyzers had 8.38, and Prospectors had 8.56. The study revealed which entrepreneurial competencies are most likely

to be associated with each strategic behavior type. The findings also indicate that entrepreneurial competencies can impact the adoption of more consistent business strategies, contributing to actions that respond to unstable social and economic scenarios

Conceptual Competency

Khan (2021) study focused on the conceptual competencies and enterprise performance: A study on the street food cart owners in Khulna City of Bangladesh. The study sought to explore the influences of conceptual competencies on a firms' performance with the empirical data from the hospitality service sector micro-enterprises in Bangladesh. Partial least square (PLS) regression analyses results generated using the primary data from 73 small restaurants from Khulna, the third-largest city of Bangladesh with an estimated population of 1 million, reveal that the conceptual competence of the entrepreneurs is the most commonly contribute entrepreneurial competence in terms of producing business performances. In addition, Mashavira and Chipunza (2021) study was meant to find the impact of managerial conceptual competencies on the performance of SMEs in Zimbabwe's Harare Province. The study adopted a purely quantitative approach that employed a structured direct survey design. Results: The study established that owners and/or managers had reasonable levels of conceptual competencies and that SMEs performed fairly well in terms of both innovation and return on investment (ROI). It was found out that statistically significant relationships existed between managerial conceptual competencies and SME performance when measured by innovation and ROI.

Further, Agbenyegah and Mahohoma (2020) study sought to determine the impact of the conceptual competencies to understand their impact on small business performance. The study put forward the argument that conceptual competencies impact on SMEs performance. To evaluate the impact of the three variables of exogenous and endogenous on SMEs performance, three hypotheses were formulated. Empirical data was collected from 248 owner-managers of SMEs chosen from database through the Durban Chambers of Commerce and Industry (DCCI). The outcomes of the study showed that conceptual competencies are crucial for small business performance. Lastly, Ikupolati, *et al.*, (2017) sought to investigate entrepreneurs' conceptual skills as determinants for growth of small and medium enterprises (SMEs) in Nigeria. This was achieved by establishing the influence of entrepreneurs' conceptual skills and determining the effect of entrepreneurs' technical skills on the growth of small and medium enterprises in Nigeria. A survey research design was adopted. A full study of a simple random sample of 204 entrepreneurs in registered SMEs with Corporate Affairs Commission in Abuja, Kaduna, Kano, Ibadan, Lagos and Aba. Data was collected using questionnaire and analyzed using the SPSS software version 23. Linear regression was the tool used. The findings have shown that entrepreneurs' conceptual skills contribute to the managerial skills of the entrepreneurs which have brought about growth in SMEs in Nigeria.

VI. RESEARCH METHODOLOGY

The study utilized descriptive research design. In this study, the unit of analysis was youth-owned MSEs in Kenya. As of June 2020 there were 5,951 youth-owned MSEs in Kenya which were registered according to the Youth Enterprise Fund report of 2020. The entrepreneurs or managers (youths) of the enterprises were the unit of observation. Thus, Fishers formula was used to determine the appropriate sample size of this study. This is because the target population consists of a large number of units (youth-owned MSEs) (Frankfort & Nachmias, 2007; Stevens, 2012). The researcher assumes 95% desired level of confidence, which is equivalent to the standardized normal deviate value of 1.96, and an acceptable margin of error of 5% (standard value of 0.05). The formula to be used for calculating sample size for the large population was follows:

$$n = Z^2 pq / e^2$$

Where n = required sample size

p and q = Population proportions which are set at 0.5 each

Z = Level of confidence

Typically, the level of confidence for surveys is 95% in which case Z is set to 1.96.

e = Sets the margin of error of the sample proportion. This was set

at 5% or 0.05.

The study has a population of over 10,000

This being a large (binomial) population, the sample was therefore worked out as follows:

$$n = \frac{Z^2 pq}{e^2} = \frac{(1.96)^2 (0.5)(0.5)}{(0.05)^2} = 384.16$$

Thus, the study used a sample of 384 youth-owned MSEs.

VII. RESULTS AND DISCUSSION

In order to analyze the joint effect of independent variables on the dependent variable (performance of youth owned MSEs) multiple regression was employed. The regression results in Table 1 show that the joint relationship between the entrepreneurial competence variables and performance of youth owned MSEs in Kenya was significant (F (2,314) = 433.623, p < 0.001). With R² = 0.734, the model implies that about 73.40% variation in performance of youth owned MSEs is explained by variations in (strategic competency and conceptual competency). However, the model did not explain 26.60% of the variation, meaning that there are other factors associated with performance of youth owned MSEs which were not fitted in the model.

Hypothesis Testing One; H₀₁: There is no significant relationship between strategic competency and performance of youth owned micro and small enterprises in Kenya.

Findings in Table 1 showed that strategic competency (X₁) had coefficients of estimate which was significant basing on (β₁ = 0.555, t_{cal} = 4.142 > t_{critical} = 1.96, p-value < 0.001). Also, the effect of strategic competency (X₁) is more than the effect attributed to the error, this is indicated by the t-test value = 4.142, thus we conclude that there is a significant relationship between strategic competency (X₁) and performance of youth

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owned micro and small enterprises in Kenya. The null hypothesis that there is no significant relationship between strategic competency and performance of youth owned micro and small enterprises in Kenya is therefore rejected since strategic competency ($P < 0.05$). Thus, we conclude that strategic competency (X_1) significantly influences performance of youth owned micro and small enterprises in Kenya. In line with the primary aim of this study, the authors (Darling & Venkitachalam, 2020; Ibidunni et al., 2021; Mwangi et al., 2017; Behling & Lenzi, 2019) used descriptive analysis as vital analytical tool followed by the Pearson Chi-Square to test formulated hypotheses to ascertain the significant relationship between variables. In general, the study revealed that strategic competency in any form is critical to firms' performance. Drawing from the study, SC enables owner-managers of small businesses to be well informed through education and training. SC according to literature can be gained through experiences acquired by owner-managers over the years. This can be applicable to existing business operations in order to increase performances in the small business sector.

Hypothesis Testing Two; H_{02} : There is no significant relationship between conceptual competency and performance of youth owned micro and small enterprises in Kenya.

Findings in Table 1 showed that conceptual

competency (X_2) had coefficients of estimate which was significant basing on ($\beta_2 = 0.765$, $t_{cal} = 6.829 > t_{critical} = 1.96$, $p\text{-value} < 0.001$). Also, the influence of conceptual competency (X_2) is more than the effect attributed to the error, this is indicated by the t-test value = 6.829, thus we conclude that there is a significant relationship between conceptual competency (X_2) and performance of youth owned micro and small enterprises in Kenya. The null hypothesis that there is no significant relationship between conceptual competency and performance of youth owned micro and small enterprises in Kenya is therefore rejected since conceptual competency ($P < 0.05$). Thus, we conclude that conceptual competency (X_2) significantly influences the performance of youth owned micro and small enterprises in Kenya. Therefore, a statistically significant relationship between managerial conceptual competencies and performance of youth owned enterprises was established. Although there is a paucity of literature on conceptual competencies and SME performance, the current study's results corroborate findings from past studies (Botha et al. 2015; Ikupolati et al. 2017; Lopa & Bose 2014). As has been observed by Katz (2009), the appreciation of relationships among an enterprise's parts, afforded by conceptual competencies, can enable youthful entrepreneurs to act in ways which advance the overall welfare of the whole enterprise.

Table 1 : Multiple Regression Results

R	R Square	Adjusted R Square	Std. Error of the Estimate
.857	.734	.721	.37765

ANOVA Statistics

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	874.184	2	437.092	433.623	.000
Residual	316.803	314	1.008		
Total	1190.987	318			

Coefficient Results

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	B		
(Constant)	9.876	1.754		5.629	.000
Strategic Competency	.555	.134	.534	4.142	.000
Conceptual Competency	.765	.112	.743	6.829	.000

VIII. CONCLUSION

The study concluded that there was a positive statistically significant relationship that exists between strategic competency and performance of youth owned MSEs in Kenya. The study found out that reforming strategic competency is critical to the performance of youth owned MSEs in Kenya. The strategic competency in terms of partnership working, networking and knowledge transfer have a fundamental role in driving the performance of youth owned MSEs in Kenya. In addition, the study established that conceptual competency was found to be significant and positively associated with performance of youth owned MSEs

in Kenya. The study concluded that conceptual competency was statistically significant in explaining performance of youth owned MSEs in Kenya. The adoption of innovation, being creative and enhancing risk taking practices improve performance of youth owned MSEs in Kenya.

IX. RECOMMENDATIONS

From the study it became evident that in general more need to be done by owner-managers in order to acquire strategic competency. The general lack of strategic competency in terms of partnership working, networking and knowledge transfer has become major impediment to youth-owned enterprises. Regarding strategic competency, the study recommends more entrepreneurial education and training

programmes, instil entrepreneurial culture through workshops. Adequate implementations of these recommendations would enable youth entrepreneurs to search for viable business opportunities to improve youth owned enterprises. The education and training programmes would as well provide owner-managers with the necessary skills of control, to manage uncertainties and make the appropriate decisions in the entrepreneurial environment for improvement in youth owned enterprises performance. It was also established that statistically significant relationships existed between conceptual competencies and performance of youth-owned enterprises as measured by profitability, market share and new products. It can, therefore, be concluded that, the performance of youth owned enterprises with regards to profitability, market share and new products can be influenced by the youth entrepreneurs' levels of conceptual competencies. The general lack of conceptual competency in terms of innovative ideas, decision making and problem solving has become major impediment to youth owned enterprises. Given the pivotal role managerial conceptual competencies play in youth owned enterprises performance, it is recommended that youthful entrepreneurs invest in competence enhancement programmes and place more emphasis towards learning modern technologies to boost both innovation and enterprise profitability.

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