Effect of Entrepreneurial Networking Practice on Performance of Small and Medium Agro Based Youth Enterprises in Kenya

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Abstract
The purpose of the study was to analyse the effect of entrepreneurial practices on performance of small and medium agro based youth enterprises in Kenya. The study was guided by the following specific objective; to evaluate the effect of entrepreneurial networking practice on performance of small and medium agro based youth enterprises in Kenya. This study employed mixed research which included both quantitative and qualitative approaches. The target population in the study was small and medium agro based youth enterprises in Kenya, cases of Trans Nzoia, Kakamega and Bungoma Counties as represented by Kiminini, Nzoia and Ndalu wards respectively. In total there are 48 registered agro based youth SMEs in these wards comprising of 1,500 youths within the ages of 18-35 years. The sample size for the study was 306 respondents. This study adopted stratified sampling then simple random sampling. The study used structured questionnaires as data collection instruments. The study employed the use of descriptive statistics including frequencies and percentages. Inferential statistics including correlations and regression was employed. The findings indicated that entrepreneurial networking has a positive and significant effect on performance of small and medium agro based youth enterprises in Kenya. From the results, the study recommends that entrepreneurs should configure valuable entrepreneurial
networking to complement Small and Medium Agro Based Youth Enterprises resources to enhance performance.

**Keywords:** Entrepreneurial Networking, Performance, Small and Medium Agro Based Enterprises, Youth Enterprises, Entrepreneurial Practices

**Introduction**

The development of any nation depends primarily on the important role played by entrepreneurs (Abduvakhobov, 2023), through small and medium enterprise start-ups. Small and Medium Enterprises (SMEs) are referred to as the back bone of any economy. They are considered as key drivers and players in national growth and development. The dynamic role they play in developed and developing countries have been exceedingly emphasized, they are a major source of economic development (Manzoor et al., 2019). More importantly, youth entrepreneurship development is key for job creation, wealth and economic development (Akande & Alabi, 2023). For this to be realized, entrepreneurship as a practice must be undertaken in proven or well thought out entrepreneurial practice. Given the complexity and multidisciplinary focus of entrepreneurship, there is no single entrepreneurial practice that enhances agro based youth SMEs performance (Bignotti et al., 2021).

An entrepreneurial practice is how entrepreneurs get their enterprises operated in complex settings (Sitienei, 2020). Additionally, entrepreneurial practices are habitually, socially accepted and organized human activities for which entrepreneurship practitioners use specific skills and tools for the success of their enterprises, (Caldera et al., 2019). Further, Cucchi et al (2022), define entrepreneurial practice as a block or bundle of ways of doing entrepreneurial venture. Entrepreneurial practices influence performance of Small and Medium Enterprises. Additionally, Delorme (2023), assert that, an entrepreneurial practice covers a broader range of entrepreneurial activities for enterprise performance. Evidently, Van Erkelens et al (2023), describe entrepreneurial practices as routinized ways or a field of practices’, comprising of knowledge and transformation in entrepreneurship.

Given the complexity and multidisciplinary focus of entrepreneurship, there is no single entrepreneurial practice that enhances agro based youth SMEs performance, (Bignotti et al., 2021). Therefore, youth agro based SMEs need to adopt entrepreneurial practices that best suits their enterprise situation for their better performance. Salem and Mobarak (2019), asserts that entrepreneurial practices and skills such as networking practices, problem solving practices, financial management and information technology, interpersonal skills and risk-taking practices will help youths mitigate many challenges. Additionally, Manyi (2023), eludes that the following entrepreneurial practices are critical for youth enterprises performance: ways of pitching practices, networking practices, selling practices, resourcing practices, mentoring practices, decision making practices, strategizing practices, accounting practices, hiring practices and many others. Further, Shehata et al (2021), aver that performance of any enterprise is determined by a combination of entrepreneurial practices that range from financial practices, project management, marketing practices and human resources management practices. Moreover, Otika et al (2019), posits that, entrepreneurial marketing practices such as proactiveness, calculated risk-taking, innovativeness, opportunity focus, resource leveraging, costumer intensity, and value creation are vital for exerting a positive effect on performance of small and medium size enterprises. Whichever entrepreneurial practices adopted by agro based youth SMEs, they must be in line with a set or set of laws, regulations and guidelines set out by the government (Kawira, 2020).
More studies on entrepreneurial practices have been suggested by many scholars, (Salem & Mobarak, 2019). Further, Adeyanju et al (2023), indicate that there is need to continually investigate how entrepreneurial practices can contribute to the performance of agro based youth SMEs. Additionally, Bignotti et al (2021), alludes that, within the extant literature, calls exist for more investigations into the concept of entrepreneurial practices on outcomes such as SMEs performance. Evidently, Magaisa et al (2023), also conquer that, research focusing on effect of entrepreneurial practices on performance of agro based SMEs youth enterprises is still scarce. This study however, wishes to analyse the effect of entrepreneurial networking on performance of agro based youth enterprises. Evidently, Kawira (2020), affirms that, firm performance has been regarded as an important element being a measure of achievement of organizational goals. These goals may be financial such as profit margin, sales volumes, return on assets and return on equity, or non-financial such as customer base, brand visibility and market penetration, since according to Suriyankietkaew (2023), the performance of any enterprise is determined by a combination of entrepreneurial practices.

Statement of the Problem
Youths constitute the highest percentage of the unemployed and under employed population in Kenya (Lux, 2023). Evidently, the youth represent 43% of the working age population in Kenya and constitute 70% of total unemployment (Lando, 2023). This is because the formal sector has not met the challenges of employment creation (Kerubo, 2023). To help address youth unemployment in Kenya, the National and County Governments with donors support crafted youth agro entrepreneurship development (Kariuki, 2023), through small and medium agro based youth enterprises startups for instance, traders, producers, aggregators, and transporters sitting at transitional points in the agriculture value chain (Odhiambo et al., 2020), but unfortunately while some SMEs grow, more than 50% fails to take off, collapsed and some failed to reach maturity. That is, Kenya Economic Outlook (2022) survey reports indicate that more than 50% of SMEs in Kenya are known for their low start-up, low working capital and low growth rate. More so, the Kenya National bureau of statistics economic survey of 2019 reveals that most SMEs experienced an average decline of 4% despite having created more than 846,000 jobs (83.6% total informal employment created) in 2018.

To help address youth SMEs failures, Onsomu et al (2023), identified high vulnerability to market forces, while Kenya Economic Outlook (2022) reports, pointed out that SMEs performance is hindered by inadequate capital, limited market access and inappropriate entrepreneurial practices. In fact, these reports showed that many SMEs enter and exit these markets every year with a turnover rate of about 32% per annum. Therefore, Kariuki (2023), asserted that, entrepreneurial practices are crucial for sustainable competitive edge of agro based youth SMEs in Kenya. This is because entrepreneurial practice is how entrepreneurs get their enterprises operated in complex settings (Sitienei, 2020) and these are habitually, socially accepted and organized human activities for which entrepreneurship practitioners use specific skills and tools for the success of their enterprises (Baral et al., 2023).

Further, to help address performance of youth SMEs, World Bank (2022), emphasized that, entrepreneurial practices are an important survival tool for agro based youth SMEs operating in a dynamic environment, Njugunah (2020), emphasized on the adoption of effective entrepreneurial practices among agro based youth SMEs to help them remain in operation, Nwankwo et al (2022), asserted that, entrepreneurial practices influence performance of agro based small and medium enterprises (SMEs); while Wanambisi (2022) emphasized that, agro
based youth SMEs owners, managers and operators therefore need to adopt entrepreneurial practices in order to act entrepreneurially.

In this regard while many scholars insist on adoption of entrepreneurial practices by youth SME owners and managers, on overall, there is still high unemployment and under employment rates among youths in Trans Nzoia, Kakamega and Bungoma Counties. This is because very few youths in these counties have ventured into agro entrepreneurship. This could be due to lack of efficient entrepreneurial practices among youths operating agro based SMEs, a gap that was addressed by this study which seeks to examine the effect of entrepreneurial networking practices on the performance of agro based youth SMEs in Kenya; cases of Trans Nzoia, Kakamega and Bungoma Counties.

**Objective of the Study**
The objective of the study was to evaluate the effect of entrepreneurial networking practice on performance of small and medium agro based youth enterprises in Kenya.

**Research Hypothesis**
The study tested the following null hypothesis

\[ H_0 : \text{Entrepreneurial networking practice does not have a significant effect on performance of small and medium agro based youth enterprises in Kenya.} \]

**Literature Review**

**Theoretical Framework**
The study was guided by motivation need for achievement theory (McClelland, 1961; Atkinson, 1974). The aim of need achievement theory is to explain why certain individuals are more motivated to achieve than others. It is based on two psychological principles: the motive of an individual to achieve success and the motive of an individual to avoid failure. During this COVID 19 period, youth entrepreneurs need motivation to venture into new SMEs or re-engineer their already established SMEs or else they will shut down businesses. Entrepreneurial motivation represents the sum of factors that influence a person to engage into entrepreneurial activities. It’s emphasized that motivation energizes, leads and supports the entrepreneurial action (Karan et al., 2023). Within the research domain of personality traits and entrepreneurship, the concept of need for achievement (nAch) has received much attention (Hakizimana et al., 2023). According to Njagi (2020), individuals who are high in need for achievements are more likely to succeed than those who are low in need for achievement to engage in activities or tasks that have a high degree of individual responsibility for outcomes, have individual skill and effort, have a moderate degree of risk, have innovativeness skill and have clear feedback on performance.

Further, Elsetouhi et al (2023) argued that, entrepreneurial roles are characterized as having a greater degree of this task attributes than other careers; thus, it is likely that people high in need for achievement will be more likely to pursue entrepreneurial jobs than other types of roles. Accordingly, an entrepreneur therefore will need entrepreneurial networking practice to attain profits. Social conditions such as the potential profit, favorable environmental factors, and cognitive conditions such as knowledge and/or experience and skills contribute to the calculated decision to be motivated to engage in entrepreneurial actions (Chebii et al., 2020). Motivation paves the way for entrepreneurs to acquire certain knowledge, skills, and abilities that are essential for successful outcomes such as their potential for discovering,
evaluating, and exploiting profitable opportunities to create market, social, or monetary value (Mwangi et al., 2023). Eijdenberg and Masurel (2013), observed that motivational theory captures the entrepreneurial practices and factors behind entrepreneurial behaviors. Studying these entrepreneurial practices which attract entrepreneurs to get involved into entrepreneurial activities is an important undertaking (Ouragini & Lakhal, 2023), since perhaps those are the same entrepreneurial practices; entrepreneurial networking practice which influence performance of agro based small and medium youth enterprises in Kenya.

**Conceptual Framework**

This study intends to analyse the effect of the independent variable entrepreneurial networking, how it relates to the dependent variable, performance of agro based small and medium youth enterprises indicated by sales turnover, profit margin and number of employees. The following framework illustrates how entrepreneurial networking practices as independent variables affect performance in agro based youth SMEs as shown in figure 1.

**Independent Variable**

**Dependent Variable**

![Conceptual Framework](image)

**Empirical Literature**

The situation with the corona virus is so scary, and the world feels so strange. The spread of corona virus has changed the way business network. The option is to employ entrepreneurial networking practice (Njugunah, 2020). Entrepreneurial network working practice is any upstream or downstream, formal or informal relationship that takes place between an enterprise and its local partners. This relationship is very critical for enterprise performance (Zardini et al., 2023).

Additionally, entrepreneurial networks are social organizations offering different types of resources to start or improve entrepreneurial projects. Having adequate networks in the form of human resources is a key factor for entrepreneurial achievements (Fosstenløkken et al., 2023). According to Scheidgen and Brattström (2023), entrepreneurial networking practice refers to the percentage of organizations which in their decision-making process takes referrals into accounts for the success of their enterprises. Jeydnak and Jeydnak (2019), assert that, interest in entrepreneurial networking practice involves understanding the essence of business relationships and their influence on relative success and performance of organizations. The process of building relationships and using personal contacts as a kind of network endeavor should lead to benefits understood as achievement of objectives shared by participants in the network. According to Bjärsholm (2019), networking practice is an important contributory factor in the successful establishment and further development of entrepreneurial ventures. Additionally, Scheidgen and Brattström (2023), posit that, entrepreneurial networking practice help
entrepreneurs find new partners and reach new customers. Networking with other entrepreneurs can be extremely useful. A fellow entrepreneur can share thoughts and worries in a manner that people who are not entrepreneurs might struggle to understand. Networking is good for your business and your well-being!

More so, effective communication and relationships with external actors and a strong presence in an entrepreneurial ecosystem are key strategies that can give start-ups access to diversified pools of knowledge, enable them to benefit from knowledge spillovers, and expose them to new business opportunities (Cuvero et al., 2023). Evidently, the ability to innovate requires access to invisible factors such as tacit knowledge, which are hard to come by inside SMEs, but can be more easily accessed through linkages in networks (Wanambisi, 2022). Further, Bouhalleb (2023), confirms that well networked firms have more opportunities for survival, in contrast to those with poor networks. Also, Phillips et al (2015), eludes that, networking practice overcome the difficulties that exist in creating sustainable businesses among youths.

Evidently, successful Small and Medium Enterprises (SMEs) owners know they only got to where they are now because of the people who helped them along the way. A strong professional network can help you achieve things that you would never accomplish on your own, from solutions to seemingly impossible problems, to word of mouth recommendations that grow your customer base, (Fosstenløkken et al., 2023). Additionally, businesses and business owners are embedded in a wide range of social relationships ranging from formal inter-organizational networks to informal networks such as friendships and family ties, all of which affect decision making and business performance (Czernek-Marszałek et al., 2023). More importantly, social networks stimulate business growth by reducing transaction costs, creating business opportunities, and generating knowledge spillovers (Wanambisi, 2022) and also network orientation and relationships are generally found to strengthen the relationship between entrepreneurial practice and enterprise performance (Van Noordwyk, 2023).

Additionally, Wanambisi (2022), asserts that, through linkages to intraregional networks, SMEs can acquire entrance to global networks. The ability to innovate requires access to invisible factors such as tacit knowledge, which are hard to come by inside SMEs, but can be more easily accessed through linkages in networks. More importantly, Zaato et al (2021), emphasize that entrepreneurial networks have gained in explanatory content with respect to regional innovation with aim of expanding the market share of a business.

Entrepreneurial networking practice comes in the form of utilizing other organizations, firms, people, popular figures, typified by collaboration and mutual exchange in which value is created for both parties (Li et al., 2023). Van Noordwyk (2023), assert that such network orientation and relationships are generally found to strengthen the relationship between entrepreneurial orientation and SMEs performance. Additionally, Mayanja et al. (2023), assert that businesses and business owners are embedded in a wide range of social relationships. According to Weerasekara (2020), this range from formal inter-organizational networks to informal networks such as friendships and family ties, all of which affect decision-making and business performance.

Wanambisi (2022), observes that “entrepreneurs often employ a personal network of long standing relations with trusted family, colleagues, accountants, customers, local politicians, suppliers or the bank”. Through network interaction, businesses are able to gather privileged information crucial to the success of business venturing, and share scarce resources with other firms. According to Bjärsholm (2019), the entrepreneurs form relations with numerous actors (e.g. voluntary organisations, governmental authorities and commercial companies.)
The exact nature of this established interaction is both context specific for each entrepreneur (Goxe et al., 2022) and of considerable importance, since organisations are considered to be ‘constrained by their relational capability, that is, the capability to establish, maintain and develop relationships’ Successful SMEs in such harsh coronavirus containment measures and under limited resource conditions, express proactiveness (Njugunah, 2020). A business with a high proactiveness orientation may be keen at forging new ties because such a firm seeks out resources that would add value to the firm both in the present and in the future. Proactive managers identify and exploit opportunities to meet demand, possibly through their own innovation, new products and services or entering new markets with existing products and services. The ability to lead and anticipate changes in their environments is an eminent trait of proactive entrepreneurs. According to Horak and Suseno (2023), a proactive firm therefore may expand its network beyond its specific location so as to draw on the resources of organizations that may have different norms and practices. Additionally, strategic managers who practice proactiveness look into the future for new possibilities for growth and development (Wanambisi, 2022).

Successful youth SMEs are rich in entrepreneurial leadership especially where innovation is passed on to market. Through this, SMEs give the thoughts, instruments and establishment to satisfy the gap between innovation and market requirement, (Li et al., 2023). Additionally, Mayanja et al. (2023), assert that, the ability to lead and anticipate changes in their environments is an eminent push factor to innovation and networking. More so, strategic managers who practice proactiveness look into the future for new possibilities for growth and development, through networking (Wainaina, 2017).

Research Methodology
The study utilized descriptive survey design where both quantitative and qualitative research approaches were employed. According to Hendren et al (2023), use of both quantitative and qualitative approaches allows the researcher to compensate for the weakness of one single approach with the strength of the other in order to achieve the best results. Additionally, Ncayiyana (2022), asserts that, mixed design involves not only collecting, analyzing, and interpreting both quantitative and qualitative data but also integrating conclusions from that data on the effect of entrepreneurial practices on performance of agro based small and medium youth enterprises in Kenya into a cohesive whole. According to the Kenya National Bureau of Statistics (2019) we have about 16500 agro based small and medium youth enterprises in Kenya. However, the target population for this study was 1,500 agro based small and medium youth enterprise owners, operators, or managers from the 48 registered agro based youth SMEs drawn from Trans Nzoia, Kakamega and Bungoma Counties. Kenya has a population of 41M. Trans Nzoia County has a population of 990, 341 while Kakamega County has a population of approximately 1,867, 579, whereas Bungoma County has a population of 1,670,570,000 persons, out of which, youths aged between 18-35 years, constitute 234,541, 290,843 and 179,726 respectively (Kenya National Bureau of Statistics, 2019). This category was considered because it is actively engaged in agro based entrepreneurial activities.

The study used stratified and simple random sampling techniques in collecting quantitative data from agro based youth entrepreneurs. The study used Stratified sampling techniques to differentiate the study sample of 306 youth agro based small and medium youth enterprise owners/ operators/ managers into the three homogeneous, mutually exclusive groups called
strata (Yu & Zhou, 2023), representing the three essential categories of the agro based entrepreneurial activities in operation in Trans Nzoia, Kakamega and Bungoma Counties at the time of study. These agro based entrepreneurial enterprises in operation were agro dealers, cereal banking, and agro forestry tree nurseries. The sample size was determined using Morgan’s table. From the Directors of trade lists from the Trans Nzoia, Kakamega and Bungoma Counties (as represented by Kiminini, Nzoia and Ndalu wards respectively) with a total of 1,500 active youths from 48 registered agro based youth SMEs, a sample of 306 (Morgan’s table), were selected for the study, (Mutitu, 2023).

The study used structured questionnaires as data collection instruments. It is a tool which was used to focus on effect of selected entrepreneurial networking practices on performance of agro based youth SMEs in Trans Nzoia, Kakamega and Bungoma Counties. The questionnaires were structured according to the objectives of the study. Before the actual data collection took place, the researcher tested the quality and hence the reliability and the validity of the research instruments (Abdul, 2019). Both face and content validity measures were used. Research supervisors and other experts were consulted to check whether the research instruments are valid for the study. Suggestions from supervisors were considered in correcting the instruments before the data collection process. For internal consistency, Cronbach’s alpha reliability statistics were computed from the values of the first test score and compared to the second test score to establish if the variables are reliable for the study. Statistical package for Social Sciences (SPSS 26.0) was used to analyze the data. The data was cross-tabulated including percentages and subjected to testing using the chi-square distribution and Pearson correlation coefficients to establish relationship (Abdul, 2019), between independent variable, entrepreneurial practices and the dependent variable, enterprises performance, the study variables concerned. This was then be followed by quantitative and qualitative data analysis with the assistance of excel. Khoa et al. (2023), posits that both forms of data provide different types of information. This “mixing” or blending of data provides a stronger understanding of the problem or question than either by itself.

The Findings of the Study

Descriptive Statistics of Variables in the Study

To describe a distribution of the scores of measurements using indices or statistics the study entailed use of descriptive statistics to present findings using percentages, frequencies, means and standard deviation. The respondents were asked to provide evidence of profit margin, sales turnover and customer base and the findings were as shown in Table 1.0, below.
### Table 1.0

**SME Performance**
1-Strongly Disagree, 2-Disagree, 3-Fairly Agree, 4-Agree, 5-Strongly Agree, S.D-Standard Deviation

<table>
<thead>
<tr>
<th>Statements on SME Performance</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>Mean</th>
<th>S.D</th>
</tr>
</thead>
<tbody>
<tr>
<td>The profit margins of the SME have increased over the time.</td>
<td>35.1</td>
<td>24.3</td>
<td>18.8</td>
<td>11.7</td>
<td>10</td>
<td>3.63</td>
<td>1.33</td>
</tr>
<tr>
<td>This enterprise has funded other capital investments such as land</td>
<td>28</td>
<td>31.4</td>
<td>18</td>
<td>14.6</td>
<td>7.9</td>
<td>3.57</td>
<td>1.26</td>
</tr>
<tr>
<td>This enterprise has created employment to other youths</td>
<td>40.6</td>
<td>26.8</td>
<td>13.4</td>
<td>12.6</td>
<td>6.7</td>
<td>3.82</td>
<td>1.27</td>
</tr>
<tr>
<td>This enterprise’s daily sales have increased compared to last two years.</td>
<td>35.1</td>
<td>23.8</td>
<td>18.8</td>
<td>15.5</td>
<td>6.7</td>
<td>3.65</td>
<td>1.28</td>
</tr>
<tr>
<td>Growth level of sales over the last two years are satisfying</td>
<td>31.8</td>
<td>31.4</td>
<td>15.9</td>
<td>13</td>
<td>7.9</td>
<td>3.66</td>
<td>1.27</td>
</tr>
<tr>
<td>The enterprise’s sales have contributed to increase in inventory and stock in the last two years.</td>
<td>24.3</td>
<td>28.5</td>
<td>25.9</td>
<td>10.5</td>
<td>10.9</td>
<td>3.45</td>
<td>1.27</td>
</tr>
<tr>
<td>The profit margin of sales has increase over the last two years is satisfying.</td>
<td>26.8</td>
<td>22.6</td>
<td>27.2</td>
<td>10.9</td>
<td>12.6</td>
<td>3.40</td>
<td>1.32</td>
</tr>
<tr>
<td>Amount of profits earned from total sales after total expenses have increased satisfactorily over the last two years.</td>
<td>24.3</td>
<td>38.9</td>
<td>15.5</td>
<td>12.1</td>
<td>9.2</td>
<td>3.57</td>
<td>1.23</td>
</tr>
<tr>
<td>This enterprise has facilitated employment creation for youths</td>
<td>36</td>
<td>27.2</td>
<td>14.6</td>
<td>15.1</td>
<td>7.1</td>
<td>3.70</td>
<td>1.29</td>
</tr>
<tr>
<td>There has been a high increase in the number of customers</td>
<td>25.5</td>
<td>31.4</td>
<td>20.1</td>
<td>16.7</td>
<td>6.3</td>
<td>3.53</td>
<td>1.21</td>
</tr>
</tbody>
</table>

As indicated in Table 1.0, 35.1% of the respondents strongly agreed that the profit margins of the SME have increased over the time and further 24.3% agreed on the same while 18.8% fairly agreed. On the other hand, 11.7% of the respondents disagreed and 10.0% of the respondents strongly disagreed. A mean of 3.63 revealed that respondents agreed there the profit margins of the SME have increased over the time although there was significant variation among responses (S.D=1.33). This suggested that the profit margins of the SME have increased over the time.

Additionally, 28.0% of the respondents strongly agreed that their enterprise has funded other capital investments such as land and 31.4% agreed on the same while 18.0% fairly agreed. However, 14.6% of the respondents disagreed and 7.9% of the respondents strongly disagreed that their enterprises have funded other capital investments such as land. A mean
of 3.57 postulated that respondents agreed that their enterprise has funded other capital investments such as land although there was significant deviation among responses (S.D=1.26). This implied that SMEs have funded other capital investments such as land. Besides, 40.6% and 26.8% of the respondents agreed and strongly agreed respectively that their enterprises have created employment to other youths although 13.4% fairly agreed on the same. Conversely, 12.6% of the respondents disagreed and 6.7% of them strongly disagreed that their enterprise has created employment to other youths. A mean 3.82 indicated that respondents agreed that their enterprise has created employment to other youths although with significant variation among the responses (S.D=1.27). This indicated that SMEs have created employment to other youths.

Moreover, 35.1% of the respondents strongly agreed that their enterprise’s daily sales have increased compared to last two years and 23.8% agreed on the same while 18.8% fairly agreed. Contrarily, 15.5% of the respondents disagreed and further 6.7% of the respondents strongly disagreed in regards to their enterprise’s daily sales have increased compared to last two years. A mean of 3.65 posited that respondents agreed that their enterprise’s daily sales have increased compared to last two years although there was significant deviation among responses (S. D=1.22). This implied that SME’s daily sales have increased compared to last two years.

Furthermore, 31.8% and 31.4% of the respondents agreed and strongly agreed respectively that growth level of sales over the last two years are satisfying although 15.9% fairly agreed on the same. Contrariwise, 15.9% of the respondents disagreed and 7.9 % of them strongly disagreed that growth level of sales over the last two years are satisfying. A mean 3.66 postulated that respondents agreed that growth level of sales over the last two years are satisfying although with significant variation among the responses (S. D=1.27). This indicated that growth level of sales over the last two years are satisfying.

Likewise, 24.3% of the respondents strongly agreed that their enterprise’s sales have contributed to increase in inventory and stock in the last two years and 28.5% agreed on the same while 25.9% fairly agreed. On the other hand, 10.5% of the respondents disagreed and further 10.9% of the respondents strongly disagreed that their enterprise’s sales have contributed to increase in inventory and stock in the last two years. A mean of 3.45 indicated that respondents fairly agreed that their enterprise’s sales have contributed to increase in inventory and stock in the last two years although there was significant deviation among responses (S. D=1.27). This suggested that their enterprise’s sales have contributed to increase in inventory and stock in the last two years.

Moreover, 26.8% of the respondents strongly agreed that their profit margin of sales has increase over the last two years is satisfying and 22.6% agreed on the same while 27.2% fairly agreed. Contrarily, 10.9% of the respondents disagreed and further 12.6% of the respondents strongly disagreed in regards to their profit margin of sales has increase over the last two years is satisfying. A mean of 3.40 posited that respondents agreed that their profit margin of sales has increase over the last two years is satisfying although there was significant deviation among responses (S. D=1.32). This implied that their profit margin of sales has increase over the last two years is satisfying.

Furthermore, 24.3% and 38.9% of the respondents agreed and strongly agreed respectively that amount of profits earned from total sales after total expenses have increased satisfactorily over the last two years although 15.5% fairly agreed on the same. Contrariwise, 12.1% of the respondents disagreed and 9.2 % of them strongly disagreed that amount of profits earned from total sales after total expenses have increased satisfactorily over the last
two years. A mean 3.57 postulated that respondents agreed that amount of profits earned from total sales after total expenses have increased satisfactorily over the last two years, although with significant variation among the responses (S. D=1.23). This indicated that amount of profits earned from total sales after total expenses have increased satisfactorily over the last two years.

Likewise, 36.0% of the respondents strongly agreed that their enterprise has facilitated employment creation for youths and 27.2% agreed on the same while 14.6% fairly agreed. On the other hand, 15.1% of the respondents disagreed and further 7.1% of the respondents strongly disagreed that their enterprise has facilitated employment creation for youths. A mean of 3.70 indicated that respondents agreed that enterprises have facilitated employment creation for youths although there was significant deviation among responses (S. D=1.29). This suggested that their enterprise has facilitated employment creation for youths.

Lastly, 25.5% and 31.4% of the respondents agreed and strongly agreed respectively that there has been a high increase in the number of customers although 20.1% fairly agreed on the same. Nonetheless, 16.7% of the respondents disagreed and 6.3% of them strongly disagreed that there has been a high increase in the number of customers. A mean 3.53 indicated that respondents agreed that there has been a high increase in the number of customers although with significant deviation among the responses (S. D=1.21). This indicated that there has been a high increase in the number of customers.

Distinctly, the average level of SMEs performance according to the sampled respondents was at 72.0% mean response (mean=3.60, std. dev. =1.12) rated as shown in Table 1.0. This implies that the SMEs performance was at great extent although a significant standard deviation implied that the practice was not uniform among the sample SMEs.

Table 2.0

<table>
<thead>
<tr>
<th>Entrepreneurial Networking Practice</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>Mean</th>
<th>S.D</th>
</tr>
</thead>
<tbody>
<tr>
<td>The enterprise always experiences a good number of referral networks</td>
<td>17.2 (41)</td>
<td>37.7 (90)</td>
<td>22.2 (53)</td>
<td>15.9 (38)</td>
<td>7.1 (17)</td>
<td>3.42</td>
<td>1.156</td>
</tr>
<tr>
<td>As a result of networking, the enterprise is currently realizing more sales</td>
<td>26.8 (64)</td>
<td>34.7 (83)</td>
<td>15.1 (36)</td>
<td>15.1 (36)</td>
<td>8.4 (20)</td>
<td>3.56</td>
<td>1.261</td>
</tr>
<tr>
<td>Proactiveness has opened many business networks hence increasing profits</td>
<td>14.2 (34)</td>
<td>43.1 (103)</td>
<td>20.9 (50)</td>
<td>14.2 (34)</td>
<td>7.5 (18)</td>
<td>3.42</td>
<td>1.127</td>
</tr>
<tr>
<td>Entrepreneurial leadership skill has increased profits through business networking</td>
<td>13.4 (32)</td>
<td>36.4 (87)</td>
<td>23.4 (56)</td>
<td>18.8 (45)</td>
<td>7.9 (19)</td>
<td>3.28</td>
<td>1.153</td>
</tr>
<tr>
<td>There are configured value chains in this enterprise</td>
<td>15.9 (38)</td>
<td>41.8 (100)</td>
<td>17.6 (42)</td>
<td>18.4 (44)</td>
<td>6.3 (15)</td>
<td>3.43</td>
<td>1.146</td>
</tr>
<tr>
<td>There is combination of family and business networks which has led to the growth of the enterprise</td>
<td>8.4 (20)</td>
<td>46 (110)</td>
<td>25.1 (60)</td>
<td>14.2 (34)</td>
<td>6.3 (15)</td>
<td>3.36</td>
<td>1.031</td>
</tr>
</tbody>
</table>
Most of the members are engaged in Knowledge exchange networks

<table>
<thead>
<tr>
<th></th>
<th>Mean (% Mean)</th>
<th>Std. Dev.</th>
<th>Std. Error of mean</th>
<th>Minimum</th>
<th>Maximum</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average level of Entrepreneural Networking</td>
<td>3.4124 (68.2%)</td>
<td>1.01633</td>
<td>.06574</td>
<td>1.00</td>
<td>5.00</td>
</tr>
</tbody>
</table>

From Table 2.0, 17.2% of the respondents strongly agreed that the enterprise always experiences a good number of referral networks and further 37.7% agreed on the same while 22.2% fairly agreed. On the other hand, 15.9% of the respondents disagreed and 7.1% of the respondents strongly disagreed. A mean of 3.42 revealed that respondents fairly agreed that the enterprise always experiences a good number of referral networks although there was significant variation among responses (S.D=1.156). This suggested that not all SMEs always experiences a good number of referral networks.

In addition, 26.8% of the respondents strongly agreed that as a result of networking, the enterprise is currently realizing more sales and 34.7% agreed on the same while 15.1% fairly agreed. However, 15.1% of the respondents disagreed and 8.4% of the respondents strongly disagreed in regards to as a result of networking, the enterprise is currently realizing more sales. A mean of 3.56 postulated that respondents agreed that as a result of networking, the enterprise is currently realizing more sales although there was significant deviation among responses (S. D=1.261). This implied that majority of SMEs were realizing more sales as a result of networking.

Besides, 14.2% and 43.1% of the respondents agreed and strongly agreed respectively that proactiveness has opened many business networks hence increasing profits although 20.9% fairly agreed on the same. Conversely, 14.2% of the respondents disagreed and 7.5% of them strongly disagreed that proactiveness has opened many business networks hence increasing profits. A mean 3.42 indicated that respondents fairly agreed that proactiveness has opened many business networks hence increasing profits although with significant variation among the responses (S. D=1.127). This indicated that not all SMEs have opened many business networks hence increasing profits as a result of their proactiveness.

Moreover, 13.4% of the respondents strongly agreed that entrepreneurial leadership skill has increased profits through business networking and 36.4% agreed on the same while 23.4% fairly agreed. Contrarily, 18.8% of the respondents disagreed and further 7.9% of the respondents strongly disagreed in regards to entrepreneurial leadership skill has increased profits through business networking. A mean of 3.28 posited that respondents fairly agreed that entrepreneurial leadership skill has increased profits through business networking although there was significant deviation among responses (S. D=1.153). This implied that not all SMEs have realized increased profits through business networking.

Furthermore, 15.9% and 41.8% of the respondents agreed and strongly agreed respectively that there are configured value chains in their enterprise although 17.6% fairly agreed on the same. Contrariwise, 18.4% of the respondents disagreed and 6.3% of them strongly disagreed that there are configured value chains in this enterprise. A mean 3.43 postulated that respondents fairly agreed that There are configured value chains in this enterprise although with significant variation among the responses (S. D=1.146). This indicated that not all SMEs configured value chains in their enterprise.

Likewise, 8.4% of the respondents strongly agreed that there is combination of family and business networks which has led to the growth of the enterprise and 46% agreed on the same while 25.1% fairly agreed. On the other hand, 14.2% of the respondents disagreed and further
6.3% of the respondents strongly disagreed in regards to there is combination of family and business networks which has led to the growth of the enterprise. A mean of 3.36 indicated that respondents fairly agreed that there is combination of family and business networks which has led to the growth of the enterprise although there was significant deviation among responses (S. D=1.031). This suggested that not all SMEs have realized growth due to combination of family and business networks.

Lastly, 23.4% and 29.7% of the respondents agreed and strongly agreed respectively that most of the members are engaged in Knowledge exchange networks although 23.8% fairly agreed on the same. Nonetheless, 15.1% of the respondents disagreed and 7.9% of them strongly disagreed that most of the members are engaged in Knowledge exchange networks. A mean 3.46 indicated that respondents fairly agreed that most of the members are engaged in Knowledge exchange networks although with significant deviation among the responses (S. D=1.225). This indicated that not all of the SME members are engaged in Knowledge exchange networks.

Apparently, the average level of entrepreneurial networking practices according to the sampled respondents was at 68.2% mean response (mean=3.41, std. dev. =1.01) rated as shown in Table 2. This implies that the entrepreneurial networking was fairly practiced although a significant standard deviation implied that the practice was not uniform among the sample SMEs.

**Linear Regression between Entrepreneurial networking practice and Performance**

The study used a simple linear regression to establish direct effect of entrepreneurial networking practice and performance of small and medium agro based youth enterprises in Kenya by assessing the effect of entrepreneurial networking practice on performance of small and medium agro based youth enterprises in Kenya.

**Table 3**

**Linear Regression analysis between Entrepreneurial networking practice and Performance**

**Model Summary**

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.742a</td>
<td>.550</td>
<td>.548</td>
<td>.7533</td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), Entrepreneurial networking practice

**ANOVA**a

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Regression</td>
<td>164.515</td>
<td>1</td>
<td>164.515</td>
<td>289.903</td>
<td>.000b</td>
</tr>
<tr>
<td>Residual</td>
<td>134.494</td>
<td>237</td>
<td>.567</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>299.009</td>
<td>238</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. Dependent Variable: Performance

b. Predictors: (Constant), Entrepreneurial networking practice

**Coefficients**a

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>β</td>
<td>Std. Error</td>
</tr>
<tr>
<td>1 (Constant)</td>
<td>.806</td>
<td>.171</td>
</tr>
<tr>
<td>Entrepreneurial networking</td>
<td>.818</td>
<td>.048</td>
</tr>
</tbody>
</table>

a. Dependent Variable: Performance
From the correlation Table 3, entrepreneurial networking practice is positively correlated to performance of small and medium agro based youth enterprises in Kenya the coefficient is 0.742 (p value < 0.01) this is significant at 99% confidence level. Thus, increase in entrepreneurial networking practice would make performance of small and medium agro based youth enterprises in Kenya also to increase. The study results are supported by those Mamman et al (2023) who found positive significant correlations between entrepreneurial networking relations and growth of SMEs. Wang et al (2023) found that networking relationship influenced flow of resources and information among networking partners. The results of the study are supported by Yu and Zhou (2023) who found positive significant correlation between entrepreneurial networking resource(s) and SMEs performances. The study results are supported by Zardini et al (2023) who found positive significant correlation between networking structural dimensions and growth of enterprises. However, contradicted those of Maina et al (2020) who found that networking structural dimensions had no significant correlation with growth of enterprises in manufacturing SMEs in Kenya.

The model (Entrepreneurial networking practice) was able to explain 55.0% of the variation in the performance of small and medium agro based youth enterprises in Kenya as indicated by the R Square = 0.550 as shown in the model summary of Table 3. The ANOVA test results were F (1, 237) =289.903, P = 0.000< 0.05; an indication that the simple linear regression model was a good fit to our dataset. The results of the study are supported by Ahmed and Ali (2023) who found that entrepreneurial networking structural dimensions were insignificant predictor in the model of entrepreneurial networking. Wanambisi (2022) found that networking structural dimensions (range, focal position of an actor and density) affected a member reached but not performance of members in terms of increase in profit margin. However, the findings of the study contradict those Rana et al (2019) who found entrepreneurial networking structural dimensions influenced a member reached in the network and growth of SMEs.

The regression Coefficient results showed that β= 0.818, t =17.027, p=0.000<0.05; therefore, entrepreneurial networking practice had a statistically significant effect on the Performance of small and medium agro based youth enterprises in Kenya. Entrepreneurial networking practice had a positive standardized beta coefficient = 0.818 as shown in the coefficients results; this indicates that the performance is predicated to improve by 0.818 when the entrepreneurial networking practice variable goes up by one. To predict the performance of small and medium agro based youth enterprises in Kenya when given the level of Entrepreneurial networking practice, the study suggests the use of the following model;

Performance = 0.806 + 0. 818 (ENP) 

The results of the study are supported by those of Maina et al (2020) who found that entrepreneurial networking structural dimensions (size of network, intensity and range) had positive insignificant effects on utilization of networking resources to enhance growth of SMEs in Nairobi Kenya. Lagat (2019) found that networking density had insignificant effects on SME entrepreneurs’ access to resources and information to enhance growth of enterprises. Otieno (2019) found networking structure characterized with high frequent of communication generated redundant resources that resulted into less competitive advantages to members. However, the findings of the study contradict those of Wang, Su and Zhang (2023) who found that structural networking dimensions (position of an actor, number of actors and frequent of interactions) had significant effects on flow of resources and information to be adopted by members to enhance growth of their enterprises.
The results of the study are Zardini et al (2023) who found that networking structural dimensions (density, range and centrality) had insignificant effects on a member of network reached for resources and information in Kenya. Hussein (2020) found that high networking density yielded non-competitive advantages to members thus had insignificant effects on performance of member enterprises. However, findings of the study contradict those of Lin et al. (2017) who found that networking structural dimensions influenced where a networking member reached for resources and information determining performance of SMEs. However, findings of the study contradict those of Cisi and Sansalvadore (2022) who found that networking structural dimensions influenced where a networking member reached for resources and information determining performance of SMEs.

**Conclusions and Recommendations**

The study concluded that entrepreneurial networking practice significantly affected performance of small and medium agro based youth enterprises in Kenya therefore, the null hypothesis was rejected. This implied that increase in forms of entrepreneurial networking, proactiveness, entrepreneurial leadership, sources of entrepreneurial financing, forms of financing, record keeping, level of education would improve performance of small and medium agro based youth enterprises in Kenya. Networking has resulted to more sales. The performance of small and medium agro-based youth enterprises in Kenya can be significantly enhanced through the implementation of effective entrepreneurial networking practices. By fostering an environment that encourages collaboration, provides access to resources, and promotes mentorship, stakeholders including the government, NGOs, and industry players can contribute to the sustainable growth of these enterprises. It is crucial to recognize the potential of youth entrepreneurs in driving innovation and economic development, and to invest in initiatives that empower them through strategic networking. The study recommends that entrepreneurs should configure valuable entrepreneurial networking to complement Small and Medium agro based Youth Enterprises resources to enhance performance. The study recommends that entrepreneurial networking assist SME operators to address most challenges that inhibit performance of Small and Medium agro based Youth Enterprises and therefore, there is need of combining family and business networks which has led to the growth of the enterprise.

This research makes a noteworthy theoretical contribution by providing empirical evidence of the significant impact of entrepreneurial networking practices on the performance of small and medium agro-based youth enterprises in Kenya. By rejecting the null hypothesis, the study not only establishes a clear relationship between networking and performance but also identifies specific factors such as proactiveness, leadership, and financing sources that influence this connection. This nuanced understanding contributes to existing entrepreneurship theories, offering a more detailed framework for comprehending the dynamics of entrepreneurial networking in the context of youth-led agro-based enterprises. In the context of Kenya, the research holds practical significance by emphasizing the role of strategic networking in overcoming challenges faced by small and medium enterprises in the agro-based sector. The study's recommendations provide actionable insights for various stakeholders, including the government, NGOs, and industry players, to contribute to the sustainable growth of these enterprises. This research thus enriches the existing knowledge base by aligning theoretical insights with practical implications, paving the way for more targeted and effective strategies to support the development of youth-led agro-based enterprises in Kenya.
References


