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CHARACTERISTICS AND MOTIVATIONAL FACTORS OF OPPORTUNITY-DRIVEN
YOUTH ENTREPRENEURS IN NAIROBI COUNTY

Caroline Njango Ngugi

Submitted in partial fulfilment of the requirements for the degree of Master of Public Policy and
Management at Strathmore University



November 2020

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ABSTRACT

Youth entrepreneurship has been recognized as being an essential factor in growing a country's economy and thus young graduates are encouraged to consider it as a career choice. However, in Kenya entrepreneurship is viewed negatively as a field for non-college graduates and school dropouts who have limited chances of obtaining traditional salaried work. This study examined the characteristics and motivational factors of opportunity-driven youth entrepreneurs in Kenya. The study objectives were to: establish the characteristics of opportunity-driven youth entrepreneurs and enterprises; identify the motivational factors of opportunity-driven youth entrepreneurs; establish the link between incentives and opportunity-driven entrepreneurship and identify social and cultural factors that are necessary to encourage opportunity-driven entrepreneurs. Purposive sampling and snowballing were used to identify the entrepreneurs who met the sampling criteria. A structured researcher-administered questionnaire was used to collect primary data from a sample population of 193 opportunity-driven youth entrepreneurs in Nairobi County. Descriptive statistics, Pearson's Correlation Coefficient and Cross Tabulation matrix were used to analyse the data. The study findings revealed: first, that opportunity-driven entrepreneurship was more common among male entrepreneurs, who had specialised in Information Technology (IT) related courses and were operating in the IT sector. Opportunity-driven entrepreneurs were between the ages of 21 and 30 years, had an entrepreneurial family background and operated businesses that were in different lines of business from those that were run by their family members. Second, of the six motivational factors in the study, "I have the opportunity to do exciting work", "I wanted the freedom to be my own boss" and "I saw a business opportunity" were of relative importance in motivating the entrepreneurs to start their businesses. Third, there was no correlation between government and private sector incentives and opportunity-driven entrepreneurship. Finally, family and society perception of entrepreneurs as successful and innovative individuals was likely to encourage more youth entrepreneurship. Access to education and participation in co-curricular activities in school were also found to be determinants of opportunity-driven entrepreneurship. The study makes the following recommendations: first, to encourage more female opportunity-driven entrepreneurs, the government and private sector could design affordable financial products that target young women who do not have access to collateral to secure funding. Universities and TVET institutions could develop a mentorship program and engage female opportunity-driven entrepreneurs operating in the IT sector to help budding female entrepreneurs to succeed in the sector. Second, tertiary institutions should consider including opportunity-driven entrepreneurship in their range of opportunities at career exhibitions and career guidance platforms, to provide practical options for graduates who are motivated by the need for independence, the freedom to do exciting work and the desire to pursue a business opportunity. Third, the government and private sector should consider refocusing resources to target opportunity-driven entrepreneurs, tracking, and evaluating incentives to establish the effectiveness of incentive packages. Finally, youth interested in entrepreneurship should leverage available educational opportunities to acquire the entrepreneurial skills needed to identify business opportunities and convert business ideas into viable businesses. The respondents were specifically required to be graduates from university and TVET institutions in Nairobi County and were selected through snowballing. This presented difficulty in getting a large sample size, as it was not easy to find the respondents. Consequently, the results of this study should be generalised with caution.

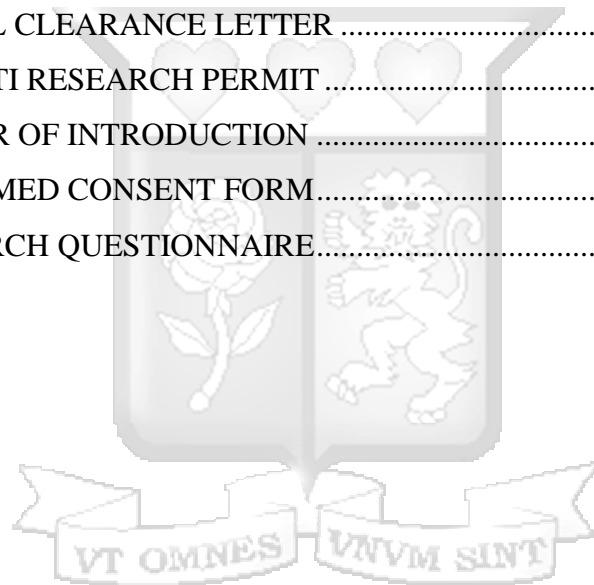
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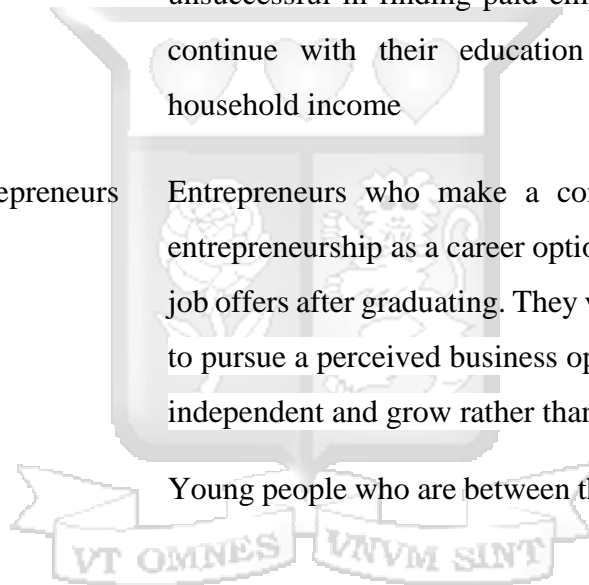
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DEFINITION OF TERMS

Career choice	The selection of one profession or line of work over another.
Entrepreneur	A person who recognises opportunities, takes risks and creatively responds to opportunities to create wealth or social value.
Entrepreneurship	The identification, evaluation, and exploitation of opportunities.
Necessity-driven entrepreneurs	Entrepreneurs who begin businesses because they are unsuccessful in finding paid employment or are unable to continue with their education or need to supplement household income
Opportunity-driven entrepreneurs	Entrepreneurs who make a conscious choice to pursue entrepreneurship as a career option despite having available job offers after graduating. They voluntarily create a venture to pursue a perceived business opportunity to become more independent and grow rather than maintain their incomes.
Youth	Young people who are between the ages of 18 and 35 years.



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CHAPTER 1: INTRODUCTION TO THE STUDY

1.1 Introduction

Governments and local communities globally have recognized that the key to build wealth and stimulate economic growth is by encouraging and nurturing entrepreneurship, especially among the youth (Baporikar, 2014; Dash & Kaur, 2012). The Millennium Declaration of 2000 witnessed Heads of State and Governments committing themselves to the development and establishment of strategies aimed at providing young people everywhere with opportunities to obtain decent and productive work (Chigunta, Schnurr, James-Wilson, & Torres, 2005). The eighth Sustainable Development Goal encourages governments to create an environment that supports the nurturing of creativity and innovation, enables the growth of micro, small and medium-sized enterprises, to improve standards of living, create decent jobs and stimulate economic growth for the country and the citizens (United Nations, 2018).

The term entrepreneurship and self-employment are thought to mean the same thing and are often used interchangeably. However, Chigunta et al. (2005) argue that there exists a difference between these two terms. The authors view self-employment as the practice of merely running a small enterprise, often in the informal sector, to earn an income to sustain oneself. Entrepreneurship is more than owning a business, it is a way of life and involves the identification of opportunities, the development of ideas and taking risks to profitably exploit new opportunities (Chigunta et al., 2005).

Llisterri, Kantis, Angelelli, and Tejerina (2006) have identified two groups of youth entrepreneurs. The first group, entrepreneurs by choice or opportunity-driven entrepreneurs, make a conscious choice to pursue entrepreneurship as a career option despite having available job offers after graduating. They identify business opportunities in the environment and are excited by the prospect of addressing these opportunities. These entrepreneurs are common in more developed countries with high economic growth and higher levels of education such as Belgium, Singapore, Germany and the United States of America (Clemensson & Christensen, 2010; Schoof, 2006). According to Green (2005), young people prefer entrepreneurship as a career option because it provides them with an opportunity to work in an interesting job while enjoying freedom and autonomy that other working atmospheres might not provide. A study by Benz and Frey (2006) in

Britain, Germany and Switzerland concluded that entrepreneurs are more content because they enjoy more autonomy and freedom than their employed counterparts who were subject to organisational rules and regulations.

The second group, entrepreneurs by necessity, begin businesses as a last resort because they are unsuccessful in finding paid employment or are unable to continue with their education and need to supplement household income. These types of entrepreneurs are common in the developing countries and low-income countries such as Peru, Ecuador, Uganda and Kenya (Clemensson & Christensen, 2010; Danner, Kerretts-Makau, & Michael, 2016).

The Population Reference Bureau reports that in 2017 the total world population in 2017 was at 7.5 billion and out of these 1.2 billion were young people (Kaneda & Dupuis, 2017). By 2050, the total world population is expected to grow to reach 9.9 billion while the youth population is projected to grow to 1.4 billion (Kaneda & Dupuis, 2017; United Nations, 2015). United Nations (2015) sets the population of African youth at 226 million and this number is expected to double by 2055. This presents great potential for countries that are seeking to industrialise and achieve economic success as young people are viewed as a positive force for any country's economic and social development especially when they are equipped with quality education, knowledge, skills and opportunities to thrive (United Nations, 2015).

Despite the evident advantages of youth entrepreneurship, among them, the development of human capital skills, expertise development and ability to respond creatively to economic trends, the percentage of young people actually participating in entrepreneurial activities remains low (Green, 2013). Aspiring young entrepreneurs face various challenges that discourage them from starting and expanding business ventures which include; society's negative view of entrepreneurs, traditional education systems that disregard entrepreneurship as a career option, lack of business skills, and limited access to finances, mentors, and networks (Pompa & Pasanen, 2015).

1.2 Youth entrepreneurship in Kenya

According to Kenya's Vision 2030, the country's development blueprint, Kenya has a goal of becoming a middle-income industrialised economy by the year 2030, targeting a sustained 10 per

cent economic growth and providing its citizens with a high quality of life (Government of the Republic of Kenya, 2007). The Kenya Institute for Public Policy Research and Analysis (KIPPRA) (2019) indicates that young people need to be at the centre of Vision 2030 because they have remarkable energy, creativity, and the determination to develop their own business ideas. These businesses have the potential of contributing towards economic growth and sustainable development, by creating new jobs and generating incomes, leading to a reduction in poverty and income inequalities (Danner et al., 2016). Thus, the promotion of entrepreneurship, particularly youth entrepreneurship is considered to be a good economic development strategy as it not only leads to job creation, but also allows young entrepreneurs to develop their human capital skills and increase competition in the market place in terms of product and service quality and prices, a benefit to consumers (Kaburi, Mobegi, Kombo, Omari, & Sewe, 2012; KIPPRA, 2019).

The Government of Kenya considers entrepreneurship to be a source of new jobs and economic dynamism that will provide opportunities for the youth to prosper and achieve economic independence (Sambo, 2016). Consequently, the government established the National Youth Enterprise Development Fund in 2006, the Women Enterprise Fund in 2007 and the Uwezo Fund in 2013 to help young entrepreneurs acquire business development and entrepreneurial skills by linking youth enterprises with large well-established enterprises and providing access to funding as a way of encouraging entrepreneurial ventures (Uwezo Fund, 2018; Women Enterprise Fund, 2020; Youth Enterprise Development Fund, 2016). According to the Economic Survey 2018, 139,000 new start-up businesses were added to the economy in 2017 by women and youth entrepreneurs who had accessed low-cost credit from government programmes (KIPPRA, 2018). However, these reports do not indicate whether these enterprises are run by opportunity-driven or necessity-driven entrepreneurs. This distinction is necessary because according to Shane (2009), to achieve economic growth a country's focus should be on the formation of businesses that are highly productive and innovative, that make markets competitive, and have the potential to grow, generating jobs and wealth, in other words, opportunity-driven enterprises. Nevertheless, the majority of those accessing government incentives are necessity-driven, starting businesses because they are unemployed or lack alternatives in the labour market and need a means of earning an income. Additionally, these necessity-driven businesses have low potential of creating new jobs

or enhancing economic growth because these are started in competitive industries that require low skills, low entry barriers and high failure rates (Llisterri et al., 2006; Shane, 2009).

1.3 Problem statement

Entrepreneurship start-up programs in Kenya have mainly targeted youth in technical training institutions and universities to challenge them to consider entrepreneurship as a career choice, in response to the difficult employment situation in Kenya (Lawver, Baker, Gikunda, Magogo, & Kanyi, 2018). Despite the government's efforts to encourage entrepreneurship, attitudes towards this remain negative. Kimando and Njogu (2012) propose three reasons why this could be the case: first, societal perceptions and expectations may clash with a young person's personal expectations. In the years after independence, for example, college and university graduates were guaranteed jobs in the civil service while self-employment was reserved for non-college graduates and school dropouts who had limited chances of obtaining salaried jobs. This perception has not changed much in present-day Kenya given that society still views going to school, graduating, and obtaining a salaried position to be a normal transition in life, hence little encouragement is offered to the youth to consider entrepreneurship. Second, some graduates find the world of entrepreneurship to be demeaning and unattractive given the risks involved and their desire to recoup their investment on education as quickly as possible. Third, Kenya's education curriculum in most colleges and universities is still oriented towards the preparation of graduates as job seekers instead of employment creators. Approximately 500,000 to 800,000 graduates from various institutions of higher learning enter the job market annually but struggle to find paid work given that traditional careers are rapidly dwindling (Danish Trade Union Development Agency, 2020; Kiiru, Iravo, & Kamau, 2015).

Several researchers have studied opportunity-driven youth entrepreneurship. Llisterri et al. (2006) studied the characteristics, social and educational background of both necessity-driven and opportunity-driven youth entrepreneurs in Latin America and the Caribbean. Additionally, the researchers studied the economic impact of the two categories of entrepreneurs and the type of policies that could support entrepreneurs in the region. Gurtoo and Williams (2009) and Williams (2007) examined the motivational factors of entrepreneurs operating in the informal economy in England and India to establish whether these entrepreneurs were primarily driven by necessity or

opportunity. Nasiri and Hamelin (2018) conducted a study in the Middle East and North Africa region to examine the influence of education, gender and occupation on the motivation to become an opportunity-driven or necessity-driven entrepreneur. Adeyeye, Aliu, Oni, and Onimisi (2019) explored the relationship between entrepreneurial motivation and the growth of micro and small firms in Minna Metropolis, Niger State, Nigeria, a factor-driven economy. Amoa-Gyarteng, Daudi, Takyi, and Prempeh (2014) sought to establish whether female entrepreneurs operating in the tourism sector in Kumasi, Ghana were opportunity-driven or necessity-driven. Rödén and Ståhle (2017) sought to analyse the motivational factors of entrepreneurs from a psychological and sociological perspective by comparing motivational factors of Kenyan entrepreneurs based in Nairobi County, to seven entrepreneurial motivational themes proposed by Stephan, Hart, and Drews (2015).

This study sought to examine the characteristics and motivational factors of opportunity-driven youth entrepreneurs in Nairobi County, Kenya. In particular, the study sought to establish the characteristics of opportunity-driven youth entrepreneurs and enterprises, to identify the factors that motivate young opportunity-driven entrepreneurs, establish the link between incentives and opportunity-driven youth entrepreneurship, and identify the social and cultural factors that are necessary to encourage more innovative visions and activities among opportunity-driven entrepreneurs. It is important to study opportunity-driven entrepreneurship because this is where wealth generation happens (Shane, 2009). According to Llisterri et al. (2006), Nasiri and Hamelin (2018) and Williams (2008), opportunity-driven entrepreneurs are first, highly educated individuals who have completed their tertiary education, hence have the competence to recognise unexploited or underexploited business opportunities and to develop a plan to capture these opportunities. Second, opportunity-driven entrepreneurs have the skills and drive required to start and manage successful businesses that are growth-oriented and that have a higher contribution to the country's economy by generating new sustainable jobs, and diversifying and expanding the business sector. These entrepreneurs differ from necessity-driven entrepreneurs who have the tendency of starting generic businesses that have higher failure rates, low growth levels providing employment only to the business owner, hence are unlikely to impact the economy or generate a sustainable income for the owner (Green, 2013; Kew, 2015; Shane, 2009). Third, opportunity-driven entrepreneurs have strong motivation to conquer the obstacles that might be presented by

an unsupportive environment in their quest to explore and innovate (Shane, Locke, & Collins, 2003).

1.4 Research objectives

The general objective is to examine the characteristics and motivational factors of opportunity-driven youth entrepreneurs in Nairobi County, Kenya.

1.4.1 Specific research objectives

1. To establish the characteristics of opportunity-driven youth entrepreneurs and enterprises in Kenya.
2. To identify the motivation factors of young Kenyan opportunity-driven entrepreneurs.
3. To establish the link between government and private sector incentives in Kenya, and opportunity-driven entrepreneurship.
4. To identify social and cultural factors that are necessary to encourage young Kenyan opportunity-driven entrepreneurs.

1.5 Research questions

1. What are the characteristics of opportunity-driven youth entrepreneurs and enterprises in Kenya?
2. What are the factors that motivate young Kenyan opportunity-driven entrepreneurs to venture into entrepreneurship?
3. What is the link between motivation factors and government and private sector incentives in Kenya?
4. What are the social and cultural factors that are necessary to encourage young Kenyan opportunity-driven entrepreneurs?

1.6 Scope of the study

This study restricted itself to opportunity-driven youth entrepreneurship. The respondents in this research had completed a 4-year undergraduate degree or a 1-3 year training program at a technical training institute within Nairobi County. The entrepreneurs had been running their businesses for

at least two years. The focus for this study was on graduates because, at the point of graduation, they would have had to make the decision to select a career in a traditional workplace as per society's expectation or to venture into entrepreneurship. The study used quantitative research methods. With regard to the theoretical framework, the study used the Theory of Planned Behaviour and the Theory of Human Values. These theories were deemed useful for this study because these inform the behaviour and choice of individuals to become entrepreneurs.

1.7 Significance of the study

1.7.1 Policymakers

The findings in this study are important to policymakers in the government and the private sector. It will assist them to not only design incentives that encourage youth-run opportunity-driven enterprises but also focus resources on this group of entrepreneurs whose goal is to form high quality, high growth companies so that the economy can optimally tap this underutilised factor of production.

1.7.2 Educational institutions

The insights from this study will inform educational institutions about ways that an entrepreneurship curriculum could be developed to equip young people from all disciplines with practical entrepreneurial skills. Further, the formation of innovation hubs, enterprise clubs, and entrepreneurial business competitions could assist these institutions to play a role in stimulating entrepreneurial interest amongst budding and current young entrepreneurs by providing support services and funding.

1.7.3 Youth, parents, and the society in general

The employment situation in Kenya has become a key concern for the general public in Kenya. This research will be an encouragement to the youth, parents, and society in general, by challenging this segment of the population to begin viewing entrepreneurship as a viable career option. It can be a source of financial and work satisfaction, rather than an option of last resort that is reserved for school dropouts or for those who are unable to obtain positions in the traditional job market.

CHAPTER 2: LITERATURE REVIEW

2.1 Introduction

This chapter reviews literature that is pertinent to the study of youth entrepreneurship as a career choice. The review begins with a discussion of theories followed by an empirical review of past studies done in the research area. Finally, a conceptual framework is presented to depict the relationship between the study variables identified from this literature.

2.2 Theoretical framework

This section examined two theories that guided the study. These were the Theory of Planned Behaviour and the Theory of Human Value.

2.2.1 The Theory of Planned Behaviour

The Theory of Planned Behaviour was advanced by Icek Ajzen and has been used to study human behaviour. According to this theory, human behaviour is guided by three beliefs; namely, behavioural beliefs, normative beliefs, and control beliefs. Behavioural beliefs form through certain consequences of human behaviour so that individuals will develop positive or negative attitudes towards various behaviours. Normative beliefs are beliefs that stem from the expectations and opinions of important people in an individual's community, such as parents, and peers, resulting in social pressure that determines whether an individual will choose to engage in a behaviour. Control beliefs are the conviction that individuals possess the requisite capabilities to successfully control their behaviour whenever they encounter factors and events that can either impede or promote their actions so that they can achieve the desired outcomes (Ajzen, 2002). Ajzen adds that the combination of the three beliefs results in the development of behavioural intentions, which together with behavioural control enable human beings to exploit opportunities whenever they arise (Ajzen, 2002). Behavioural intentions precede any planned behaviour and are a gauge of how much effort an individual is willing to exert in order to perform the behaviour. Hence, the stronger the intention to perform a behaviour the more likely it is that the behaviour will be performed by the individual (Lortie & Castogiovanni, 2015).

According to Gorgievski, Stephan, Laguna, and Moriano (2018) and Heuer and Kolvereid (2014) this theory is suited to the study of entrepreneurial career intentions and behaviour given that the

intent to start a business stems from the belief that one has the ability to identify an opportunity and engage in behaviour that will lead to the pursuit of this opportunity despite the obstacles that might arise. Thus, entrepreneurship can be considered to be a premeditated process in which entrepreneurs consciously think through and plan to carry out entrepreneurship-related behaviours such as opportunity recognition, enterprise creation and development (Lortie & Castogiovanni, 2015).

2.2.2 The Theory of Human Values

The Theory of Human Values was developed by Shalom Schwartz who defined human values as essential goals that human beings endeavour to achieve in life (Schwartz, 2012; Schwartz, Melech, Lehmann, Burgess, & Harris, 2001). Values convey that which is important to each individual and apply across context and time (Bardi & Schwartz, 2003). Schwartz added that values have certain characteristics. First, values are beliefs which when activated are filled with emotion, for example, people who value freedom will be happy when they enjoy that value and become distressed when it is threatened. Second, values motivate action to achieve desired goals, for example, an individual who values independence will take the steps to start up and run a business over the pursuit of a traditional paid career that will limit his freedom. Third, how a decision will impact one's values will guide the types of decisions and trade-offs that will need to be made, for example, the pursuit of entrepreneurship over traditional employment, means that an individual is giving up a stable income to pursue the opportunity to innovate. Finally, human beings place values in order of importance and the importance assigned to those values will activate a strong desire to formulate goals and action plans (Schwartz, 2012). This value is expressed into behaviour that supports the attainment of the value, which is necessary to satisfy a human being's need to achieve consistency between value and behaviour (Bardi & Schwartz, 2003; Gorgievski et al., 2018).

According to Gorgievski et al. (2018), this theory is suitable for the study of entrepreneurship as a career choice, because individuals who value independence, adventure and pursuit of self-interests are more likely to perceive entrepreneurship as a viable career option. Entrepreneurs will have the necessary context to pursue their values, which influences their ability to recognise business opportunities, develop strategic priorities and persist in business (Bardi & Schwartz, 2003; Gorgievski et al., 2018; Schwartz, 2012).

2.3 Empirical literature

Entrepreneurship is the process that involves all the functions, activities, and actions associated with recognising opportunities and creating organisations to pursue these (Shahidi & Smagulova, 2008). Shane (2012) defined entrepreneurship as the identification, evaluation, and exploitation of opportunities. An entrepreneur is a person who recognises opportunities, takes risks and creatively responds to opportunities to create wealth or social value (Dash & Kaur, 2012; Kabui & Maalu, 2012; Schoof, 2006).

The term youth refers to the period of transition from childhood to adulthood when a young person leaves formal education and seeks to attain economic freedom (United Nations Development Programme, 2017). This period varies from one context to another; for example, the United Nations (United Nations General Assembly, 2001) defines youth as persons aged between 15 and 24 years, while the African Union Youth Charter defines young people as those who are between the ages of 15 and 35 years (African Union Commission, 2006). In Kenya, Article 260 of the Constitution, refers to youth as individuals who are between the ages of 18 and 34 years (The Government of Kenya, 2010). For purposes of this study, the Kenya Government definition of youth was adopted as it is consistent with the context of the study.

The empirical literature examined characteristics of youth entrepreneurs and enterprises, some of the motivations for youth entrepreneurship, as well as government and private sector initiatives geared towards promoting it. Cultural and social factors that promote opportunity-driven entrepreneurship among the youth were also explored.

2.3.1 Characteristics of youth entrepreneurs and enterprises

According to Green (2013), entrepreneurship is inter-generationally transmitted given that parents act as role models influencing the entrepreneurial tendencies of their children. Youth entrepreneurs tend to engage in businesses that are similar to those run by their parents (Marzuki, Kadir, & Junid, 2016). In Malaysia, for example, youth who had parents involved in entrepreneurship were encouraged to engage in business from a young age, which helped them to develop the ability to tolerate financial risk and to be innovative. Kiiru, Iravo, and Kamau (2015) indicated that Kenyan youth graduates who had families that valued and approved entrepreneurial activities, and had

access to affordable funding opportunities were more likely to engage in entrepreneurial activities as it gave them the chance to be innovative and creative. Ellis and Williams (2011) added that opportunity-driven youth entrepreneurs frequently had privileged backgrounds, stemming from middle or upper-middle-class families or from middle-income or developed countries that provided a platform for entrepreneurs to leverage available educational and economic opportunities to convert business ideas into viable businesses.

The Global Entrepreneurship Monitor indicated that there were more young entrepreneurs aged between 25 to 34 years than those aged 18 to 24 years (Global Entrepreneurship Monitor, 2019). Chigunta, Schnurr, David, and Torres (2005) and Schoof (2006) suggested that those in the 24 to 34 years' age group had attained a high level of maturity and were thus more likely to run sustainable enterprises. Chigunta et al. (2005) added that those aged below 24 years old were in the process of transitioning from the security of living with their parents, and thus lacked the maturity, social networks and economic knowledge necessary to run successful businesses. Additionally, they were restless and willing to try out various activities to see what suited them.

Schoof (2006) reported that entrepreneurial activity amongst male and female entrepreneurs varied significantly across countries. The socialisation process and socio-cultural constraints can promote or hinder women from participating in business (Chigunta et al., 2005; Pompa & Pasanen, 2015). In Norway and New Zealand young men aged between 18-24 years were more likely than young women to be involved in entrepreneurial activities, while in Finland, Hungary and Portugal young women aged between 18-24 years were more entrepreneurial than young men in the same age group. Male entrepreneurs in Latin America and Sub-Saharan Africa were more likely to be opportunity-driven, while female entrepreneurs were necessity-driven and in Asia, female entrepreneurs were more opportunity-driven than their male counterparts (Schoof, 2006). Kew et al., (2010) proposed that women in less developed countries were less entrepreneurial as a result of lack of high educational qualifications, that is, they attained an education level of grade 12 or lower, hence they tended to choose business opportunities that did not require high levels of expertise. Moreover, female entrepreneurs did not have access to assets that were necessary to secure funding at financial institutions and were less confident about approaching funding institutions to discuss funding.

According to Rosa (2003), entrepreneurs with a university education and experience developed by working with entrepreneurial family members, were considered to be better qualified to set up an innovative and successful business that would contribute to a country's economic growth and employment. This was supported by Kew, Herrington, and Kew (2010) who pointed out that opportunity-driven businesses were highest among young entrepreneurs who had acquired a tertiary education. Llisterri et al. (2006) noted that in Latin America, 40 percent of the opportunity-driven youth entrepreneurs were from middle-class families where one or both parents were entrepreneurs. Additionally, these entrepreneurs had a high level of education with 94 percent of these having finished secondary school and more than half having a university degree. However, in East Asia, 61 percent of opportunity-driven entrepreneurs were from low and mid-low income non-entrepreneurial families.

Green (2005) and Pompa and Pasanen (2015) reported that youth entrepreneurs often invested in low-end businesses which had low skill requirements, low entry barriers and low capital requirements such as the service sector. This was supported by Rosa (2003), who indicated that the majority of young entrepreneurs from universities and colleges in the United Kingdom (UK) invested in the service sector, in businesses that were in line with what they had studied in school, for example, software design, freelance journalism, music tutoring, and retail stores. Rosa added that entrepreneurs who ventured into the manufacturing sector were involved in low technology ventures such as dress and furniture making. However, Kew et al. (2010) pointed out that in South Africa, highly educated entrepreneurs tapped into businesses that targeted high-end customers and that enabled the entrepreneurs to combine business know-how with an interest close to their hearts. In addition, they often ventured into businesses that deviated from what they had studied in school, for example, a biodiversity and ecology student venturing into dog grooming or a graphic designer starting a pre-school, allowing them to benefit both financially and emotionally.

2.3.2 Factors motivating youth entrepreneurs

According to Agarwala (2008) and Choo et al. (2012) choosing a career involves the selection of one profession over another from a range of career opportunities based on its suitability to one's preferences, values, skills and personality. Careers infuse individuals with a sense of fulfilment and purpose while giving them the opportunity to explore their creativity, access desired social

networks and attain social status (Choo et al., 2012; Nyamwange, 2016). Career choice is determined by intrinsic, extrinsic, and interpersonal factors. Intrinsic factors include an individual's personality, interests, level of education and family background. Extrinsic factors include the state of a country's economy and availability of jobs in the labour market. Interpersonal factors include influence from family members or peers (Agarwala, 2008; Choo et al., 2012; Nyamwange, 2016). An individual's job satisfaction and performance are enhanced when he believes that he has the knowledge, skills and abilities to handle the demands of the job and in return, the job should suit his needs, values and desires (Agarwala, 2008; Choo et al., 2012). Consequently, an individual will decide to become an entrepreneur if the total satisfaction he expects to derive from being an entrepreneur outweighs the expected satisfaction from an alternative employment opportunity (Douglas & Shepherd, 2002).

Shane, Locke and Collins (2003) pointed out that entrepreneurship research tended to focus mainly on characteristics of entrepreneurs, types of entrepreneurial opportunities and a business' environmental context while ignoring the role played by motivation in entrepreneurship. Entrepreneurial activity is perceived to be the result of motivated entrepreneurs identifying opportunities, evaluating the feasibility of these opportunities, using their resources to develop the idea and finding a market for their products (Kew, 2015; Shane et al., 2003). Shane et al. (2003) argued that motivation influenced the decision to pursue entrepreneurial opportunities and to move from one phase of the entrepreneurial process to another. The authors noted that while motivation was important, it was not the only factor that influenced decision making; availability of business opportunities, a supportive business environment, and the possession of the requisite skills were also important factors. However, an entrepreneur who was confident in his ability to identify a business opportunity and run a successful business would have strong motivation to overcome the challenges that might be presented by an unsupportive environment (Shane et al., 2003). Williams (2008) observed that it was now common in entrepreneurship literature to use entrepreneurs' motives to distinguish between necessity-driven and opportunity-driven entrepreneurs. According to Williams (2008), necessity-driven entrepreneurs were motivated to start businesses because they needed to earn an income to meet their basic needs whereas opportunity-driven entrepreneurs were driven by the need to explore and to innovate.

Push and pull factors have also been used to distinguish between the motives of these two categories of entrepreneurs. Push factors in entrepreneurship are the environmental barriers that hinder opportunities for career progression, for example, unemployment and dropping out of school, and individuals reluctantly start businesses as a survival strategy, while pull factors are the environmental factors that encourage individuals to channel their energy towards the identification and pursuit of business opportunities that interest them (Dawson & Henley, 2012; Green, 2013; Kariv, 2011). Thus, on the one end are necessity-driven entrepreneurs who are pushed into business primarily by negative reasons, viewing business only as an avenue for obtaining income for their upkeep and as a way to occupy their time as they wait to find full-time employment (Llisterri et al., 2006; Pompa & Pasanen, 2015). On the other end are opportunity-driven entrepreneurs who are pulled into entrepreneurship by the prospects of pursuing exciting opportunities that allow them to make money, be creative and enjoy their independence. They also start a business as a potential career option, in other words, because they perceive an unexploited (or underexploited) business opportunity in the market, and plan a corresponding idea to capture it (Global Entrepreneurship Monitor, 2012; Llisterri et al., 2006; C. C. Williams, 2008).

Llisterri et al. (2006) observed that necessity-driven entrepreneurs were from poor families and had a lower level of education, with most having only completed primary education or dropping out after completing only part of their secondary education. However, it is important to note that not all necessity-driven entrepreneurs set up their businesses because of unemployment or dropping out of school. There were those who did so while still in full employment, running their businesses on the side with the hope of eventually moving into these on a full-time basis. This group were motivated to go into business because they were unhappy with their job situation due to factors such as job insecurity, job discrimination and career dissatisfaction (Kariv, 2011). Opportunity-driven entrepreneurs, unlike necessity-driven entrepreneurs, had stable employment options available to them but they consciously chose to forgo this stability for the riskier entrepreneurship path (Dawson & Henley, 2012; Kariv, 2011). Additionally, they were from middle-class entrepreneurial families, had a high level of education, with a majority having completed secondary and university education (Llisterri et al., 2006).

There is an assumption that all opportunity-driven entrepreneurs only operate in the formal sector. However, there were those in this category who operated in the informal sector by choice and their primary motives for setting up their business were similar to entrepreneurs operating in the formal sector, that is, business opportunity, independence, flexibility and the opportunity to exercise their creativity (Williams, 2007). The informal sector here refers to businesses that are conducting legal operations but are unregistered and untaxed by the government. These entrepreneurs started their businesses in the informal sector, because of the low entry barriers with the aim of transitioning into the formal sector at some point in the future (Williams, 2007). It is also noteworthy that some individuals unwillingly became opportunity-driven entrepreneurs as a result of family expectations that required them to join existing family-run businesses, giving them no room to consider other professions or business interests (Dawson & Henley, 2012).

Kariv (2011) reported that while necessity-driven businesses were often linked with lower capital needs, higher failure rates, and low job creation levels, opportunity-driven entrepreneurs were associated with focused business growth and job creation, risk-taking and confidence that they could run successful enterprises. Research carried out by the Global Entrepreneurship Monitor in 2019 involving 49 countries in 4 regions namely, East and South Asia, Europe and North America, Latin America and the Caribbean, and the Middle East and Africa indicated that opportunity-driven entrepreneurs expected their businesses to grow and anticipated the creation of 6 or more jobs within 5 years (Global Entrepreneurship Monitor, 2019). Additionally, developing countries were more likely to have more necessity-driven entrepreneurs than in developed countries, but necessity motivations tended to decrease as a country's economic development improved (Global Entrepreneurship Monitor, 2019).

Various studies have used entrepreneurial motivational factors to distinguish between opportunity-driven and necessity-driven entrepreneurship. Opportunity-driven entrepreneurs in Latin America were motivated by the need to achieve their potential by working on and applying their knowledge to their business venture, the need for independence, to increase personal income and to give back to society, while necessity-driven entrepreneurs were driven by the need to earn an income to sustain themselves (Llisterri et al., 2006). Frey & Benz (2006) and Green (2005) reported that in Britain, Germany and Switzerland entrepreneurs were motivated by the opportunity to engage in

exciting work while enjoying the freedom and autonomy that traditional workplaces might fail to provide. Williams and Williams (2011) noted that opportunity-driven entrepreneurs who chose to operate in the informal sector were also driven by similar motivations as those in the formal sector, that is, the need for more autonomy, flexibility and freedom. A study of German entrepreneurs used motivational statements such as ‘I have always wanted to be my own boss’, ‘I had an idea that I really wanted to implement’, ‘I did not want to be unemployed anymore’ and ‘I did not find employment’ to establish the reason behind the decision to engage in entrepreneurship (Fairlie & Fossen, 2018). Giacomini, Janssen, Guyot and Olivier (2011) used a similar approach to distinguish between opportunity-driven and necessity-driven entrepreneurs in Belgium.

In this research, the focus was on opportunity-driven entrepreneurs who deliberately made the choice to work on their businesses after graduation instead of getting salaried employment. The dependent variable, opportunity-driven entrepreneurship, was measured using motivational factors. This was deemed suitable for this study as these factors drive the decision for starting businesses and have been used to distinguish between opportunity-driven and necessity-driven entrepreneurs. Opportunity-driven entrepreneurship was examined by asking the entrepreneurs to indicate the extent to which six general opportunity-driven motivation factors influenced their decision to start a business. The motivation factors were: to attain work-life balance, to pursue a business opportunity, to pursue a hobby/passion, inspiration by family and friends, to do exciting work and the freedom to be my own boss (Fairlie & Fossen, 2018; Frey & Benz, 2006; Giacomini et al., 2011; Green, 2005; Llisterri et al., 2006; Williams & Williams, 2011).

2.3.3 The link between incentives and opportunity-driven entrepreneurship

Dzafic and Babajic (2016) and Akinyemi and Adejumo (2018) reported that in addition to skill, talent and motivation, entrepreneurs required a supportive business environment to actualise their business ideas. Existing government institutions could create policies and incentive structures that determine whether youth would channel their efforts towards salaried positions or productive entrepreneurship opportunities that seek to contribute to a country’s economic growth through innovation (Aidis & Estrin, 2013). Aidis and Estrin (2013) added that incentive structures varied from one context to another and countries such as Australia, Canada and the United States of America that understood the importance of entrepreneurship on the growth of their economies had

set up strong institutions to support entrepreneurship and made deliberate efforts to provide funding to back business formation, expansion and growth.

The British Royal family runs the Prince's Youth Business Trust with the aim of assisting young entrepreneurs in England, Scotland, Wales, and Northern Ireland to set up sustainable businesses by providing low-interest loans, grants and mentoring services. The Business Trust which was set up in 1983 has so far facilitated 86,845 youth entrepreneurs to set up businesses (Green, 2005; The Prince's Trust, 2016).

The New Zealand government established two programmes that encourage the development of an entrepreneurial culture. The Enterprise Allowance programme run by the Ministry of Business, Innovation and Employment targets individuals in the early stage of business and provides government grants, business advice, mentoring over a 6 month period and links to business networks (Green, 2005; New Zealand Government, 2019). The Youth Enterprise Fund, run by the Ministry of Youth Development, equips young people with knowledge and entrepreneurial skills that will help them transform ideas into viable businesses. The government plans to spend \$3 million in 2019-2020 to achieve this goal (New Zealand Government, 2018).

The European Union supports young entrepreneurs through initiatives such as the Erasmus program and the Enterprise Europe Network. These programs provide support to youth entrepreneurs by helping them get internship opportunities in foreign companies, acquire new technology, meet business partners and obtain funding (Papulová & Papula, 2015).

The Kenyan Government set up the Youth Enterprise Development Fund in 2006 and the Uwezo Fund in 2013 with the aim of helping young entrepreneurs access funding and acquire business development and entrepreneurial skills by linking youth enterprises with large well-established enterprises as a way of developing an entrepreneurial culture. The government Youth Enterprise Development Fund is a partnership between the Government of Kenya, the African Commission, Youth Employment Network and the International Labour Organisation with funding support from the Government of Denmark (Uwezo Fund, 2018; Youth Enterprise Development Fund, 2013). According to the 2018 Economic Survey, 139,000 new start-up businesses were added to the

economy in 2017 by women and youth entrepreneurs who had accessed low-cost credit from the above-mentioned government initiatives (Kenya National Bureau of Statistics, 2018). The Youth Enterprise Development Fund reports in its 2013-2017 Strategic Plan, that between 2008 and 2011, the Fund had disbursed Ksh 6.5 billion in loans to over 200,000 youth enterprises, trained 62,339 youth on business development and entrepreneurship skills, provided youth incubation services to more than 30 youth enterprises and market support services to 1,973 youth enterprises (Youth Enterprise Development Fund, 2013). These government reports did not however, indicate how many of these enterprises were run by opportunity-driven entrepreneurs.

Shane (2009) argued that government incentives only attracted necessity-driven entrepreneurs, who he designated as bad entrepreneurs, because of their inability to identify successful industries, hence, they had the tendency of starting businesses in industries that characteristically had low entry barriers but high start-up failure rates. According to Ellis and Williams (2011) and Clemensson and Christensen (2010) lack of access to physical resources, such as utilities and transportation, inefficient tax systems, complex administrative procedures, corruption and inefficient bureaucracy, undermined entrepreneurship opportunities as these tended to increase the cost of doing business, which resulted in entrepreneurs operating in the informal rather than the formal economy. For example, in Bosnia and Herzegovina, it took a total of 12 procedures and 67 days to start a business, while the average number for European and Central Asian countries was 5 procedures and 12.1 days (Dzafic & Babajic, 2016). In Poland, Romania, Russia, Slovakia and Ukraine, insecure property rights, macroeconomic instability and inadequate funding, hindered potential entrepreneurs from setting up new businesses (Aidis & Estrin, 2013). Tende (2014) and Igbinovia and Okoye (2017) reported that in Nigeria, government policies and incentives targeted at youth entrepreneurs, such as tax incentives and credit policies, had no significant effect on the growth of entrepreneurial activities in the country. The authors credited this problem to the fact that most government policies ended up contradicting each other, hence entrepreneurs did not benefit from their anticipated positive effects. Shane (2009) proposed that governments should stop providing subsidies and grants for the formation of generic start-ups and instead focus resources on entrepreneurs who formed high quality, high growth companies.

With regard to access to finance, Schoof (2006) reported that youth entrepreneurs were an underrepresented target group of financing and seed funding programmes from government initiatives, traditional lenders and private sources because they were considered a risky investment. Youth entrepreneurs encountered complex documentation procedures and credit requirements that made it difficult to access necessary business funding forcing them to seek alternative funding sources such as loans from family and friends, and personal savings, to start-up and sustain and expand their businesses (El Hadidi, 2018; Kew et al., 2010; Schoof, 2006). Schoof (2006) noted that 99 percent of all new businesses started by young entrepreneurs were funded through informal financiers, 46 percent through personal savings, while 28 percent were financed through micro-credit organisations and 9 percent through youth business loan programmes.

Llisterri et al. (2006), Schoof (2006) and White and Kenyon (2001) suggested the implementation of the following initiatives to better support for young entrepreneurs: First, putting in place various funding options, such as grants, debt and equity financing, and government-backed loans. Additionally, setting up enterprise competitions such as the Lion's Den in Kenya and Tony Elumelu Foundation in Nigeria to provide a platform to raise the profile of young entrepreneurs, and give those who win access to funding, training and business support. Second, establishing entrepreneurship centres and innovation hubs such as Strathmore University's iBiz Africa and Kenyatta University's Manu Chandaria Innovation and Incubation Centre, to provide technical assistance and information to budding entrepreneurs in both rural and urban areas. Third, governments should endeavour to provide a business-friendly environment that lowers the cost of doing business, such as supportive taxation regulations, and one-stop-shop for business registration procedures. Global Entrepreneurship Monitor (2012) and Lee and Peterson (2000) added that governments also needed to enforce strong rule of law that protected intellectual property rights, to safeguard the quality of entrepreneurial activity and innovation, ensuring that entrepreneurship has a long term positive impact on the economy.

Green (2013) argued that it was difficult to establish a link between enterprise incentives and the prospect of young people starting or running successful enterprises for the following reasons: First, there existed a wide array of providers operating in various contexts, who offered different incentives and used different criteria to screen potential recipients. These providers tended not to

frequently and robustly evaluate the efficacy of their incentives. Second, the type of enterprise funding packages and amounts offered to entrepreneurs varied from country to country, for example, in France, a business funding package covered an entrepreneur's living expenses, while in Canada and the UK a funding package often included a financial loan and soft support such as training and mentoring.

For purposes of this study, it was useful to determine, first, the extent to which existing opportunity-driven youth enterprises had benefitted from government and private sector initiatives, and second, whether enterprise incentives stimulated opportunity-driven entrepreneurship.

2.3.4 Social and cultural factors, and opportunity-driven youth entrepreneurship

Cultural and societal factors can play a role in determining who does or does not become an entrepreneur. Data from the European Union and the Organisation for Economic Co-operation and Development (OECD) (2017), indicated that 46 percent of youth in the European Union, a high uncertainty avoidance society, were less inclined to set up businesses because of the fear of failure, a need for regular income and job stability. However, in low uncertainty avoidance countries such as United States of America, Canada and Australia, 39.6 percent of young entrepreneurs reported being less fearful of the above-mentioned factors and were more willing to take risks (Schoof, 2006). Additionally, entrepreneurs in low uncertainty avoidance countries were more confident about their business skills, had access to higher levels of business opportunities and support from government and other institutions (Clemensson & Christensen, 2010; Ellis & Williams, 2011; Llisterri et al., 2006). Entrepreneurs from developed societies such as Australia and Canada were viewed as being successful, honest, courageous, independent and innovative, while in societies such as Eastern Europe and Africa, they were perceived to be deceitful, selfish people who had acquired business through dubious means and engaged in overly risky behaviour. They were also perceived as being lazy and their businesses seen only as hobbies (Clemensson & Christensen, 2010; Schoof, 2006).

Nyamwange (2016) noted that young people often chose careers that their parents favoured or those that their educational backgrounds opened up to them. Other individuals were drawn to

careers that offered opportunities for high remuneration, for example, salary and allowances, while others followed careers that they were passionate about or that met their need for independence and flexibility regardless of the salary prospects. In some countries, parents and siblings had a significant influence on an individual's career choice (Abbasi & Sarwat, 2014; Choo et al., 2012). For example, in patriarchal societies such as India and Pakistan, fathers played an important role in their children's career choices (Agarwala, 2008). In a society such as China where respect for one's elders is highly valued, youth are expected to consider family expectations and obligations and choose careers that would enhance the social status and bring glory to their families (Xing & Rojewski, 2018). Adya and Kaiser (2005) noted that fathers played a more important role than teachers, counsellors, or peers in influencing the career choices of young women who chose to pursue careers in male-dominated fields such as Information Technology.

In Latin America, North America, the Middle East and Africa, family support was crucial in the success and viability of youth enterprises. Parents acted as role models, giving advice on how to conduct and manage a business and provided the necessary funding. Furthermore, most business ventures ended up becoming family enterprises, whereby family members stepped in to serve clients when the entrepreneur was away so that sales opportunities were not lost, which led to the strengthening of family relations and allowed parents to witness their children's potential (Global Entrepreneurship Monitor, 2018).

In societies where entrepreneurship was belittled, traditional careers such as law, medicine or working in the civil service were held in high esteem because of the prestige and stability associated with these positions. Youth were expected to seek employment so that they could repay their families for the sacrifice made so that they could gain a high level of education (Schoof, 2006). In South Africa, for example, corporate and professional careers were held in high esteem and represented the pinnacle of achievement while entrepreneurship was frowned upon and not seen as a legitimate career choice. Those who failed in business tended to lose not only money but also their social respect (Kew et al., 2010). In Sri Lanka, families of young men and women working as civil servants negotiated better marriage terms despite the low wages paid by the government (Schoof, 2006). Kenyan society still views graduating from school and obtaining a salaried position as a normal transition in life, an opportunity to get a constant salary and to recoup

the investment made on education as quickly as possible. Entrepreneurship is considered to be demeaning and is reserved for non-college graduates and school dropouts who have limited chances of obtaining salaried positions (Kimando & Njogu, 2012).

With regard to education, traditional education systems in many countries focus on equipping students with skills necessary for the conventional career market. The curriculum rarely teaches the requisite skills required by graduates to set up and manage businesses. Nafukho and Muyia (2010) recommended that governments and institutions invest in entrepreneurship education and training programs to equip budding entrepreneurs with the skills necessary to identify business opportunities and run successful businesses. Pompa and Pasanen (2015) argued that countries with weak education systems, high dropout rates and low literacy and numeracy levels developed entrepreneurs who lacked the skills to compete in established markets and thus had very minimal impact on the economy.

The OECD (2012) reported that institutions of higher learning around the world, such as The Harvard Business School in the United States of America and Strathmore University in Nairobi, Kenya, were increasingly involved in developing entrepreneurship courses aimed at equipping young people with entrepreneurship skills and stimulating entrepreneurial interests amongst the youth. Additionally, these institutions had established entrepreneurship centres that provided complementary support services such as coaching, mentoring, incubation and the provision of funding to increase the success rate of new enterprises.

In Tunisia, entrepreneurship education at all the country's higher learning institutions has become an important feature of promoting an entrepreneurial culture. Teachers with a background in business were recruited to teach the entrepreneurship curriculum and enterprise clubs, entrepreneurial business competition and innovation centres also played a role in stimulating interest amongst budding entrepreneurs (OECD, 2012). In Malaysia, entrepreneurship education was considered to be an effective tool in encouraging youth to venture into entrepreneurship (Marzuki et al., 2016). In Kenya, entrepreneurship startup programs have targeted youth in technical training institutions and universities in the hope that these would challenge youth to consider entrepreneurship as a career choice (Kaburi et al., 2012).

Fatoki (2014), Llisterri et al. (2006), Schoof (2006) and White and Kenyon (2001) proposed the implementation of the following initiatives to change society's perception of entrepreneurship and encourage the youth to venture into entrepreneurship: First, entrepreneurship courses should not only target students pursuing business-related courses but should also be offered to students pursuing other disciplines. Second, successful credible youth and adult entrepreneurs such as Tony Elumelu in Nigeria, Suzie Wokabi and Eric Kinoti in Kenya, should be encouraged to act as role models and entrepreneurial ambassadors, to promote entrepreneurship as a genuine career option and a way of attaining both financial and work satisfaction. Third, invest in the provision of entrepreneurship education to equip young entrepreneurs with skills and attributes that will help them survive in a dynamic economy and help them begin to view entrepreneurship in a positive light rather than an option of last resort.

Picking from these host of recommendations and practices aimed at promoting youth entrepreneurship, this study sought to assess the social and cultural factors that could be implemented to encourage opportunity-driven youth entrepreneurship.

2.4 Research gap

The literature review above highlighted certain aspects of opportunity-driven youth entrepreneurship from a global perspective. Various authors indicated that opportunity-driven entrepreneurs were more likely to be found in developed societies, while necessity-driven entrepreneurs operated mainly in less developed societies such as Latin America and Africa (Clemensson & Christensen, 2010; Ellis & Williams, 2011; Schoof, 2006). Furthermore, societies in Asia, Europe and Africa, were considered to be unsupportive of entrepreneurship as a career option, preferring traditional careers because of the prestige and stability associated with these positions (Kimando & Njogu, 2012; Schoof, 2006). Proposals on government and private sector initiatives were made on how a youth entrepreneurship culture could be built in a country (Llisterri et al., 2006; Schoof, 2006; White & Kenyon, 2001). However, the extent to which youth enterprises in Kenya have accessed or benefitted from these initiatives is still a subject of debate. Moreover, there has been little research done on opportunity-driven youth entrepreneurship in

Africa. This study sought to fill this gap by studying the characteristics and motivational factors of opportunity-driven youth entrepreneurs in Kenya.

Table 2.1: Literature review summary

Authors	Key research methodology	Key conclusions	Knowledge gaps
Characteristics of youth entrepreneurs and enterprises			
Green (2013)	<ul style="list-style-type: none"> •Desk based research 	<ul style="list-style-type: none"> •Older individuals rather than young individuals were more likely to be entrepreneurs in the European Union. •Young men were more likely to be entrepreneurs, while young women from non-entrepreneurial families were least likely to be entrepreneurs. •Young entrepreneurs tended to operate in the service sector, which had low entry barriers and capital needs, instead of innovative sectors such as manufacturing. 	<ul style="list-style-type: none"> •This study looked at EU youth entrepreneurs in general. •Would these characteristics be different for opportunity-driven youth entrepreneurs?
Marzuki, Kadir, and Junid (2016)	<ul style="list-style-type: none"> •Focus group discussions 	<ul style="list-style-type: none"> •The type of course studied determined the type of business venture created by Malaysian youth. •Young entrepreneurs were from entrepreneurial families. 	<ul style="list-style-type: none"> •What category of entrepreneurship did these youth venture into, opportunity-driven or necessity-driven?
Schoof (2006)	<ul style="list-style-type: none"> • Desk based research • Questionnaire 	<ul style="list-style-type: none"> •Individuals aged between 25-34 years and 35-44 years were more engaged in entrepreneurship than those aged between 18-24 years. In high income economies, adults aged between 44-54 years in high income economies were more engaged in entrepreneurial activities than younger people. •Differentiating between youth and adult entrepreneurs is important because young entrepreneurs face unique constraints compared to older entrepreneurs. •Every country must develop tailor-made policy initiatives that responded to the different needs of youth and older entrepreneurs. 	<ul style="list-style-type: none"> •What type of entrepreneurship do those aged 18-24 years and 25-34 years engage in? Opportunity-driven or necessity-driven? •What type of policy initiatives would benefit younger entrepreneurs in a developing economy? Would these differ between opportunity-driven and necessity-driven entrepreneurs?

Authors	Key research methodology	Key conclusions	Knowledge gaps
Characteristics of youth entrepreneurs and enterprises			
Rosa (2003)	<ul style="list-style-type: none"> • Questionnaire 	<ul style="list-style-type: none"> • Businesses started by university graduates in the United Kingdom were small and unimaginative (in business services or retail) and were not in the cutting-edge knowledge driven sectors such as biotechnology. • The course taken in university determined the type of businesses started. However, the tendency to start businesses was low for science degree graduates. • Many of the graduates who started businesses still preferred traditional jobs and moved over to these as soon as an opportunity presented itself. 	<ul style="list-style-type: none"> • What type of businesses did college graduates start? Does the course studied determine the type of business for this group? • What can be done to encourage science degree graduates to start knowledge driven businesses? • What type of support is needed to encourage university graduates to start knowledge-driven businesses that would contribute significantly to national wealth?
Llisterri, Kantis, Angelelli, and Tejerina (2006)	<ul style="list-style-type: none"> • Desk based research 	<ul style="list-style-type: none"> • Necessity-driven entrepreneurs were male, with low education levels, from poor backgrounds, with few resources and networks, their businesses had a weak impact on the economy and a high failure rates. • Opportunity-driven entrepreneurs were male, between the ages of 18-24, from a middle-class entrepreneurial household, had high levels of education, and ran high growth businesses that have an impact on the economy. 	<ul style="list-style-type: none"> • The focus of the study was on youth entrepreneurs in Latin America and the Caribbean. What are the characteristics and motivational factors of youth entrepreneurs in Africa?
Amoa-Gyarteng, Daudi, Takyi, and Prempeh (2014)	<ul style="list-style-type: none"> • Questionnaire 	<ul style="list-style-type: none"> • A high proportion of female entrepreneurs operating in Ghana's tourism sector were above 40 years old and had low education levels. • The female entrepreneurs in the Tourism sector were necessity-driven and were motivated to start their businesses by difficult economic circumstances. 	<ul style="list-style-type: none"> • What are the characteristics older female entrepreneurs in this sector who are opportunity-driven? • What are the characteristics of young female entrepreneurs operating in this sector who are opportunity-driven?

Authors	Key research methodology	Key conclusions	Knowledge gaps
Factors motivating youth entrepreneurs			
Williams (2007)	<ul style="list-style-type: none"> •Interviews 	<ul style="list-style-type: none"> •Necessity was not the predominant motive of all entrepreneurs operating in England's informal economy (off-the books). •These entrepreneurs were driven by both choice and constraints (push-or-pull dualism) in making the decision to start businesses in this sphere. However, choice played a more prominent role than constraint in decision making. 	<ul style="list-style-type: none"> •What policies are needed to help businesses in this realm legitimize operations? •What motives drive entrepreneurs in Africa's informal economy?
Giacomin, Janssen, Guyot and Olivier (2011)	<ul style="list-style-type: none"> •Desk based research •Questionnaire 	<p>Study was conducted in Belgium</p> <ul style="list-style-type: none"> •Young entrepreneurs were motivated by a combination of necessity (e.g. need for social recognition) and opportunity (e.g. need for independence or profit) dynamics •Older entrepreneurs were primarily driven by the need to get out of unemployment, therefore, by necessity entrepreneurship. •Early retirees were not driven by either necessity or opportunity dynamics but by hobby entrepreneurship. •Entrepreneurs with an entrepreneurial family background or those who start a business in the same industry as their parents were driven by both necessity and opportunity motivations. 	<ul style="list-style-type: none"> •Do opportunity motivations influence an entrepreneur's decision regarding the type of business created or sector to operate in?
Llisterri, Kantis, Angelelli, and Tejerina (2006)	<ul style="list-style-type: none"> •Desk based research 	<ul style="list-style-type: none"> •Necessity-driven entrepreneurs started a business because they could not find employment and business provided them with the experience needed to transition into salaried employment. •Opportunity-driven entrepreneurs had positive reasons for becoming entrepreneurs – to apply their knowledge, to be independent, to increase personal income, to contribute to society. 	<ul style="list-style-type: none"> •Focus of study was on youth entrepreneurs in Latin America and the Caribbean. •Would the motivational factors of opportunity-driven youth entrepreneurs in an African context be similar to those in Latin America and the Caribbean?

Authors	Key research methodology	Key conclusions	Knowledge gaps
Factors motivating youth entrepreneurs			
Shane, Locke, and Collins (2003)	<ul style="list-style-type: none"> •Desk based research 	<ul style="list-style-type: none"> •Entrepreneurship research tended to focus mainly on characteristics of entrepreneurs, types of entrepreneurial opportunities and business' environmental context while ignoring the role played by motivation in entrepreneurship. •Motivation influenced the decision to pursue entrepreneurial opportunities and on the move from one phase of the entrepreneurial process to another. 	<ul style="list-style-type: none"> •Are opportunity-driven motivational factors similar in all contexts? What motivational factors would drive young opportunity-driven entrepreneurs in an African context?
Nasiri and Hamelin (2018)	<ul style="list-style-type: none"> •Desk based research 	<ul style="list-style-type: none"> •An entrepreneur's motive (necessity or opportunity) was dependent on the level of education. The higher the education level, the higher the probability of being pulled by opportunity. •Motive was also dependent on prior occupation, hence opportunity-driven entrepreneurship is common among individuals who had been in full-time employment prior to starting their business, while the necessity-driven entrepreneurship is common among individuals who were unemployed. •Gender had no apparent impact on the motives for becoming an entrepreneur. 	<ul style="list-style-type: none"> •The study was conducted in the Middle East and North Africa – would education level, occupation and gender determine the motives of entrepreneurs in sub-Saharan Africa? •Are there entrepreneurs who choose to venture into entrepreneurship right after graduation from higher learning institutions? What are their motivations?
Rödén and Ståhle (2017)	<ul style="list-style-type: none"> •Interview guide 	<ul style="list-style-type: none"> •There were three themes of entrepreneurial motives driving Kenyan entrepreneurs – personal motives (independence and personal growth), business motives (opportunities and profits), and surrounding world motive (solving societal problems). •Kenyan entrepreneurs' motives were both necessity and opportunity based. 	<ul style="list-style-type: none"> •Are there gender differences in entrepreneurial motivations?
The link between incentives and opportunity-driven entrepreneurship			
Green (2013)	<ul style="list-style-type: none"> •Desk based research 	<ul style="list-style-type: none"> •There was no conclusive evidence that a particular type of micro-finance in the European Union improved young people's entrepreneurial outcomes. 	<ul style="list-style-type: none"> •Are there forms of finance that would improve youth entrepreneurial outcomes, particularly opportunity-driven ventures?

Authors	Key research methodology	Key conclusions	Knowledge gaps
The link between incentives and opportunity-driven entrepreneurship			
Shane (2003)	<ul style="list-style-type: none"> •Desk based research 	<ul style="list-style-type: none"> •It was bad policy to encourage more people to start generic start-ups that have high start-up failure rates and low probability of creating jobs. •Policy makers should instead focus resources on businesses that have high growth potential, are a source of innovation, job creation and economic growth. 	<ul style="list-style-type: none"> •How do policy makers identify high growth potential businesses? •What type of assistance do entrepreneurs require from government and private sector to turn start-ups into high growth businesses?
Pompa and Pasanen (2015)	<ul style="list-style-type: none"> •Desk-based review •Key informant interviews •Focus group discussions 	<ul style="list-style-type: none"> •Development programs that equip rural youth entrepreneurs with business, technical and life skills are attractive to youth, families, and communities. •Policy makers needed to develop financial products that were easily accessible by rural youth entrepreneurs. 	<ul style="list-style-type: none"> •Would these incentives be attractive to youth entrepreneurs in an urban context?
Igbinovia and Okoye (2017)	<ul style="list-style-type: none"> •Questionnaire •Spearman's Correlation Analysis 	<ul style="list-style-type: none"> •In Nigeria, the tax burden was a disincentive to entrepreneurial development. •The relationship between tax incentives and entrepreneurial development was positive but insignificant. •Entrepreneurs were unaware of various tax incentives provided by the Nigerian government. 	<ul style="list-style-type: none"> •Why are tax incentives ineffective in entrepreneurial development? •Are tax incentives effective in attracting opportunity-driven entrepreneurs?
Kaburi, Mobegi, Kombo, Omari, and Sewe (2012)	<ul style="list-style-type: none"> •Desk based research 	<ul style="list-style-type: none"> •Kenya's economic development cannot match up to that of developed economies because of the underutilization of entrepreneurial resources. 	<ul style="list-style-type: none"> • Should the government focus its resources on both opportunity-driven and necessity-driven? What should the government focus on to stimulate economic growth? • What type of incentives should government put in place to encourage entrepreneurship for economic growth?

Authors	Key research methodology	Key conclusions	Knowledge gaps
Socio and cultural factors that are necessary to encourage opportunity-driven entrepreneurs			
Abbasi and Sarwat (2014)	<ul style="list-style-type: none"> • Questionnaire • Descriptive and inferential statistics 	<ul style="list-style-type: none"> • The career choices of Pakistani graduates were influenced by their society, that is, parents, siblings, friends, teachers etc. • The preferred career choices for Pakistani graduates were Management and Medical fields because of the attractive financial packages and prestige. • Pakistani female graduates were more prone to societal influences when making career decisions than their male counterparts. 	<ul style="list-style-type: none"> • What or who influences the choice of graduates who choose to pursue entrepreneurship as a career?
Fatoki (2014)	<ul style="list-style-type: none"> • Questionnaire • Descriptive and inferential statistics 	<ul style="list-style-type: none"> • Entrepreneurship education and business studies were important in improving entrepreneurial intentions amongst South African university undergraduate students. • Entrepreneurship and business studies should be compulsory modules for university students in all disciplines, not just those pursuing management, business, and economic courses. 	<ul style="list-style-type: none"> • Can education and co-curricular activities in general influence university students to pursue entrepreneurship as a career?
White and Kenyon (2001)	<ul style="list-style-type: none"> • Desk based research 	<ul style="list-style-type: none"> • Government and the private sector needed to develop and implement policies and initiatives that would promote an entrepreneurship culture, support, and direct opportunities to young entrepreneurs. • Programmes that supported the promotion of youth entrepreneurship needed to be adequately funded and the staff need to be well trained and supported. • Local communities could support young people interested in pursuing entrepreneurship by creating an environment that supports business development. 	<ul style="list-style-type: none"> • What type of government and private sector policies, strategies, and programs would support entrepreneurship as a career? Do these vary based on context? • What type of entrepreneurship should government, private sector and the local community promote; Opportunity-driven or necessity-driven? • How can the local community support youth who opt to pursue opportunity-driven youth entrepreneurship?
Pompa and Pasanen (2015)	<ul style="list-style-type: none"> • Desk-based review • Key informant interviews • Focus group discussions 	<ul style="list-style-type: none"> • In Tanzania and Nicaragua, family and community support, as well as mentorship were crucial to young rural entrepreneurs as they started and operated their businesses. 	<ul style="list-style-type: none"> • Would this be applicable to youth entrepreneurs operating in an urban context?

Authors	Key research methodology	Key conclusions	Knowledge gaps
Socio and cultural factors that are necessary to encourage opportunity-driven entrepreneurs			
Sambo (2016)	<ul style="list-style-type: none"> • Questionnaire 	<ul style="list-style-type: none"> • Entrepreneurship education and training had a strong positive relationship to youth entrepreneurship development in Kenya. • Education level had a very weak positive relationship to youth entrepreneurship development in Kenya. 	<ul style="list-style-type: none"> • Can education and co-curricular activities in general influence youth entrepreneurship development, particularly the development of opportunity-driven entrepreneurship?
Kimando and Njogu (2012)	<ul style="list-style-type: none"> • Descriptive research design • Questionnaire 	<ul style="list-style-type: none"> • University students were interested in entrepreneurship and if given a chance would start business ventures in the formal sector. • Education played a role in encouraging university students to pursue entrepreneurship • There were no workable policies and supporting institutions to help budding entrepreneurs to set up businesses 	<ul style="list-style-type: none"> • Are university students aware that there are two categories of entrepreneurship? • Are youth in TVET institutions interested in entrepreneurship? • What type of policies are needed to support budding entrepreneurs?

2.5 Conceptual framework

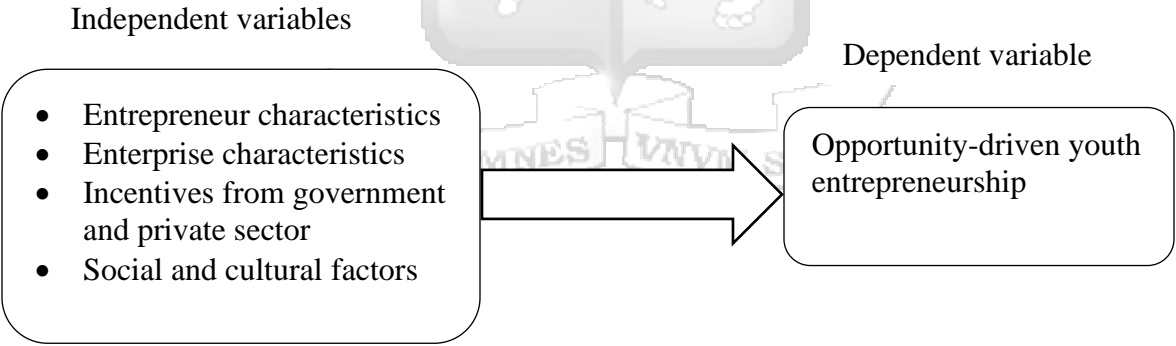


Figure 2.1: Conceptual Framework

2.6 Operationalisation and measurement of variables

The measures of the study were operationalized as follows:

Table 2.2: Operationalisation and measurement of variables

Variable	Constructs	Operational Definition	Measurement indicator	Source
Independent variable	Entrepreneur characteristics	<p>These are factors that impact entrepreneurial behaviour and influence the choice of entrepreneurship as a career. To measure this variable, the focus was on:</p> <ul style="list-style-type: none"> • Age • Gender • Education level • Education specialization • Family background 	Nominal scale Q1 to Q5	Fatoki (2014)
Independent variable	Enterprise characteristics	<p>These are the characteristics of the enterprises chosen by opportunity-driven entrepreneurs. To measure this variable, the focus was on:</p> <ul style="list-style-type: none"> • The type of sectors that opportunity-driven youth entrepreneurs choose to operate in 	Nominal scale Q6	Fatoki (2014)
Independent variable	Enterprise characteristics	<p>These are the characteristics of the enterprises chosen by opportunity-driven entrepreneurs. To measure this variable, the focus was on:</p> <ul style="list-style-type: none"> • The type of sectors that opportunity-driven youth entrepreneurs choose to operate in 	Nominal scale Q6	Fatoki (2014)

Variable	Constructs	Operational Definition	Measurement indicator	Source
Independent variable	Enterprise characteristics	<p>These are the characteristics of the enterprises chosen by opportunity-driven entrepreneurs. To measure this variable, the focus was on:</p> <ul style="list-style-type: none"> • The type of sectors that opportunity-driven youth entrepreneurs choose to operate in 	Nominal scale Q6	Fatoki (2014)
Independent variable	Incentives	<p>Government and private sector initiatives that encourage positive attitudes towards entrepreneurship. To measure this variable, the focus was on:</p> <ul style="list-style-type: none"> • Government efficiency in service provision • Benefits of business associations and incubation hubs • Ease of obtaining business loans • Priority for the government • Priority for the private sector 	Likert scale Q8 to Q14	Marzuki et al., (2016) Stefanovic, Prokic, & Rankovic (2010)

Variable	Constructs	Operational Definition	Measurement indicator	Source
Independent variable	Social and cultural factors	These are attitudes, beliefs and values held by a group of people in a society that promote or hamper entrepreneurial behaviour. To measure this variable, the focus was on: <ul style="list-style-type: none"> • Family and society's view of entrepreneurship • The role of education in the entrepreneurial career 	Likert scale Q15 to Q16	Marzuki et al., (2016) Stefanovic, Prokic, & Rankovic (2010)
Dependent variable	Opportunity-driven entrepreneurship	Motivational factors that trigger and drive opportunity-driven entrepreneurial behaviour. To measure this variable, the focus was on: <ul style="list-style-type: none"> • Motivations for choosing entrepreneurship over waged employment 	Likert scale Q7	Marzuki et al., (2016) Stefanovic, Prokic, & Rankovic (2010)

Source: Researcher, 2020

2.7 Summary

This chapter provided a review of literature that was pertinent to the study of youth entrepreneurship as a career choice. The review began with a discussion of two theories guiding the study, that is, the Theory of Planned Behaviour and the Theory of Human Value. This was followed by an empirical review of past studies done in the area of research. A conceptual framework was presented to depict the relationship between the study variables identified from this literature. Finally, information on how the variables in the study were operationalised and measured was provided.

CHAPTER 3: RESEARCH METHODOLOGY

3.1 Introduction

This chapter outlines the plan used for data collection, measurement, and analysis. It is organized under the following subsections: research design, population and sampling design, data collection methods, data analysis, research quality and ethical considerations.

3.2 Research philosophy

The study was based on the positivism philosophical approach which involves working with quantifiable observations that can be analysed statistically. This approach utilises a highly structured methodology to enable replication (Saunders, Lewis, & Thornhill, 2019).

3.3 Research design

A cross-sectional research design was useful in this study as it involved a one-time interaction with opportunity-driven youth entrepreneurs in Nairobi. This research used both descriptive and inferential statistics as it involved collecting data from a large sample population and information derived from these data was generalized to a larger population. The design used quantitative approaches to analyse the data. The use of inferential statistics was to provide a deeper and meaningful interpretation of the data.

3.3 Population and sampling

3.3.1 Population

In Kenya, university undergraduate studies run for a duration of 4 years, while technical and vocational education programs run for a duration of 1-3 years (Kenya National Examinations Council, 2015). Consequently, the population of the study was opportunity-driven youth entrepreneurs in Nairobi aged between 20–34 years who had completed a 4-year undergraduate degree or 1-3 years training program at a technical and vocational education program and had been running their businesses for at least 2 years. Respondents were identified through purposive sampling as they needed to meet the above-mentioned criteria. Additionally, the researcher used

snowball sampling to identify the respondents whereby they were requested to refer the researcher to other opportunity-driven youth entrepreneurs who could provide the information sought.

3.3.2 Sampling

The number of youth who have graduated from university and technical and vocational education institutions in Nairobi is currently unknown. The sample size, therefore, was determined using the sample size table developed by Saunders, Lewis, and Thornhill (2019).

Sampling formula

$$n = p\% \times q\% \times \left(\frac{z}{e\%}\right)^2$$

where

n is the minimum sample size required

p is the proportion belonging to the specified category

q% is the proportion not belonging to the specified category (1-p)

z is the z value corresponding to the level of confidence required

e% is the margin of error which in this case is 5%

$$n = 0.5 \times 0.5 \times \left(\frac{1.96}{0.05}\right)^2$$

n = 384.16

Using a confidence level of 95%, a Z-value of 1.96 and a 5% margin of error, the researcher targeted a sample size of 384 opportunity-driven youth entrepreneurs.

3.4 Data collection methods

The researcher used primary data, which involved collecting raw data from respondents using questionnaires administered by the researcher (Appendix V) (Rukwaru, 2007). Questionnaires were suitable for this research given that the questions were standardized, meaning that the respondents were exposed to the same set of questions and the same system of analysing and interpreting the responses (Siniscalco, Auriat, & Ross, 2005). Additionally, questionnaires are

considered to be an efficient way of collecting responses from a large sample (Saunders, Lewis, & Thornhill, 2019). The researcher used closed questions which had limited response options and respondents had to choose the responses that best described their situation. These type of questions are easier to analyse as they are in an immediately usable form and are economical to use in terms of time and money (Harlacher, 2016). The questions were constructed using nominal scales and 5-point Likert style ratings. The nominal scales required the respondents to choose only one category from the given options. The Likert scale allowed the respondent to indicate how strongly they agreed or disagreed with a series of statements. This was aimed at measuring the extent of a respondent's agreement with each item on the 5-point scale, such as strongly agree, agree, neutral, disagree and strongly disagree; with the items assigned values from 1 through 5.

The questionnaire contained 6 sections. The first section contained the screening questions to determine if the respondent was an opportunity-driven entrepreneur or not. Those that were not opportunity-driven were not included in the study. The second section sought information on the respondents, the third section investigated the business profile; the fourth section sought to find out the motivational factors for starting a business; the fifth section assessed the incentives that stimulate entrepreneurship and the sixth section looked at cultural and social factors that were important in supporting entrepreneurship.

The questionnaires were researcher-administered. The researcher hired one research assistant, who underwent training to help the research assistant understand the research instrument. The training covered good interviewing and recording techniques to ensure that the rights of the respondents were respected and that the researcher collected quality data. The research assistant was involved in the piloting of the questionnaire to allow her to familiarise herself with the data collection tool and process before conducting the actual study. The respondents were asked to answer screening questions to establish their motivation for engaging in business and ensure the respondents met the criteria outlined in section 3.3. The interview was terminated where the responses were necessity-driven, or the respondents did not fit the criteria sought. The data collected using the questionnaires sought to answer the four research questions.

3.5 Data analysis

Completed questionnaires received from the research assistant were checked to verify that the responses were consistent, accurate and complete to facilitate data entry. The closed questions were pre-coded by assigning numbers to distinguish between the categories in the questionnaire required for analysis.

Both descriptive and inferential statistics were used to analyse the data. Descriptive statistics were used to analyse Research question 1, which sought to establish the characteristics of opportunity-driven youth entrepreneurs and enterprises in Kenya. Descriptive analysis was done for Research question 2 to determine the most important factors that motivate youth to opt for opportunity-driven entrepreneurship. A Pearson's Correlation Coefficient analysis was done for Research question 3 to establish the relationship of the independent variables; government and private sector incentives and the dependent variable, which is opportunity-driven entrepreneurship. Question 4 was analysed using descriptive statistics to establish the social and cultural factors that are necessary to encourage opportunity-driven entrepreneurs.

Additionally, Pearson's Correlation Coefficient analysis was also done to establish the relationship of the other independent variables (Entrepreneur and enterprise characteristics, and social-cultural factors) and the dependent variable. A cross-tabulation analysis was done to establish the relationship between the course studied at TVET/university and the economic sector in which businesses were operating.

3.6 Research quality

3.6.1 Validity

Validity is the degree to which a research instrument measures what it intends to measure (Bull, Maslin, & Armstrong, 2009). This study adhered to internal validity by enlisting the assistance of other researchers to evaluate the representativeness and suitability of the questions, to ensure they were essential and useful (Saunders et al., 2016). This helped to establish content validity and enable the researcher to make necessary amendments prior to pilot testing with a group as similar as possible to the final population in the sample.

External validity refers to how well the outcome of a study can be expected to apply to other settings, that is, how generalizable the findings are to a different sample population in a different setting, situation, and time period. The research adhered to external validity by ensuring that the sample population closely mirrored the population that was being studied, that is, opportunity-driven entrepreneurs aged between 20–34 years who had completed a 4-year undergraduate degree or 1-3 years training program at a technical and vocational education programs and had been running their businesses for at least 2 years.

Saunders et al. (2016), recommends a minimum number of 10 respondents for the pilot test for student research which are small scale in nature. The researcher, therefore, conducted pilot testing on 10 opportunity-driven youth entrepreneurs. This helped the researcher evaluate whether the respondents would interpret the questions correctly. A correct interpretation was key in collecting data that would help the researcher draw accurate conclusions.

3.6.2 Reliability

Reliability refers to the consistency of a response, that is, the degree to which a research instrument can produce stable and consistent results and whether or not it will produce consistent findings if administered at a different time to a different sample population by different researchers (Bull et al., 2009; Saunders et al., 2016). Reliability was ensured by the research design section providing a detailed explanation of the research process to allow for replication. Additionally, the researcher used a questionnaire with standard structured questions that were carefully phrased to avoid ambiguity. Further, the researcher got informed responses by targeting respondents who had sufficient knowledge and experience in the running of opportunity-driven businesses. The researcher performed a Cronbach's Alpha test to measure the consistency of responses across a set of Likert scale questions, that is, to determine whether the questions were accurately measuring the variables of interest. According to Saunders et al., (2016) a reliability alpha of 0.70 or higher is considered acceptable. The Cronbach's Alpha test results in Table 3.1, show that 4 Likert scale questions met this threshold.

Table 3.1: Reliability statistics

Likert scale	Cronbach's Alpha	Number of Items
Top priority for the private sector	.860	4
Top priority for the government	.773	4
Motivational factors	.708	6
Government efficiency	.703	5
Family and society's view on entrepreneurship	.601	6

3.7 Dissemination of study results

The study results will be disseminated on the Strathmore University Library website. Additional dissemination will occur through presentations at local conferences, such as the Small and Medium-Sized Enterprises (SME) Roundtable, and articles published in journals. Copies of the study results will also be sent to government institutions and agencies in Kenya that spearhead youth development such as the Ministry of Public Service, Youth and Gender Affairs, Kenya and the Africa Youth Trust. Additional networks that were identified during the course of the study are: Alternatives Africa, an accelerator for rural and urban youth-owned businesses, Tony Elumelu Foundation and several respondents who expressed an interest in receiving copies of the study results.

3.8 Ethical considerations

Ethical approval was sought from Strathmore University's Institutional Ethics Review Committee (Appendix I). A research permit was obtained from The National Commission for Science, Technology and Innovation (NACOSTI) (Appendix II). Additionally, a letter of introduction was obtained from Strathmore University Business School introducing the researcher as Master of Public Policy and Management student at the school and confirming that the research study was for academic purposes only (Appendix III). The researcher sought informed consent from the respondents by providing sufficient information on the purpose of the research, expected outcomes, benefits, and expected time required for participation, assuring them of privacy,

confidentiality measures and the option to withdraw from the study at any given point and allowed them to voluntarily decide whether or not to participate in the study (Appendix IV) (Saunders et al., 2016). It took approximately 10 minutes to fill out the questionnaire. Confidentiality and anonymity of the respondents was observed by making the questionnaires anonymous, that is, the researcher did not collect data that can identify individuals such as the entrepreneur's full name or the business name thus ensuring that the data cannot be linked to the respondents.



CHAPTER 4: PRESENTATION OF RESEARCH FINDINGS

4.1 Introduction

This chapter presents the analysis of data and the presentation of the research findings. The study targeted 384 opportunity-driven youth entrepreneurs in Nairobi County. The presentation and analysis of the findings have been done based on the objectives of the study which were to: establish the characteristics of opportunity-driven youth entrepreneurs and enterprises in Kenya; identify the motivation factors of young Kenyan opportunity-driven entrepreneurs; establish the link between incentives and opportunity-driven youth entrepreneurship in Kenya; and identify social and cultural changes that are necessary to encourage young Kenyan opportunity-driven entrepreneurs.

The study yielded responses from 193 participants which represents a response rate of 50.2% of the total population sample. According to Sekaran and Bougie (2016) a response rate of 30% is acceptable for questionnaires. Saunders et al. (2019) note that for most academic studies, response rates for studies involving individuals (about 50%) and those involving organisations (35-40%) are considered reasonable. The authors add that for many business and management research studies, a response rate of about 35% is considered acceptable.

4.2 Entrepreneur and enterprise characteristics

4.2.1 Gender distribution

Table 4.1 presents the distribution of the respondents by gender. Majority of the respondents who took part in the study were male representing 59.6%, while 40.4% were female.

Table 4.1: Distribution of respondents by gender

		Frequency	Percent
Valid	Male	115	59.6
	Female	78	40.4
	Total	193	100.0

Table 4.2 presents the results of the tests of normality. The results show that data for the variables of gender of the respondents and opportunity-driven entrepreneurship significantly deviated from a normal distribution as the Significance (Sig.) value was below 0.05.

Table 4.2: Gender of Respondents – Tests of Normality

	Gender of Respondent	Kolmogorov-Smirnov ^a			Shapiro-Wilk		
		Statistic	df	Sig.	Statistic	df	Sig.
Opportunity Driven Entrepreneurship	Male	.136	115	.000	.934	115	.000
	Female	.138	78	.001	.895	78	.000

a. Lilliefors Significance Correction

4.2.2 Respondents age distribution

Table 4.3 presents the results of the respondents' age distribution. Results show that the highest proportion of respondents were between the ages of 26-30 years (40.41%), followed closely by respondents between the ages of 21-25 years (37.31%). Respondents who were above 35 years (3.62%) were below 35 years of age when they started their businesses.

Table 4.3: Respondents age distribution

Age Group	Frequency	Percent
21-25	72	37.31
26-30	78	40.41
31-35	36	18.65
Over 35	7	3.62
Total	193	100

4.2.3 Respondents educational background

Table 4.4 presents the respondents' educational background and shows that 77.2% of the respondents had an undergraduate degree, while 22.8% were graduates of Technical and Vocational Education (TVET) institutions.

Table 4.4: Respondents educational background

		Frequency	Percent
Valid	Undergraduate Degree	149	77.2
	Technical and Vocational Education (TVET)	44	22.8
	Total	193	100.0

Table 4.5 presents the results of the tests of normality. The results show that the data for the variables, respondents' level of education and opportunity-driven entrepreneurship significantly deviated from a normal distribution, as the Significance (Sig.) value was below 0.05).

Table 4.5: Respondents level of education – Tests of Normality

Respondents Level of Education		Kolmogorov-Smirnov ^a			Shapiro-Wilk		
		Statistic	df	Sig.	Statistic	df	Sig.
Opportunity Driven Entrepreneurship	Technical and Vocational Education (TVET)	.164	44	.004	.895	44	.001
	Undergraduate Degree	.106	149	.000	.931	149	.000

a. Lilliefors Significance Correction

4.2.4 Course specialisation at TVET/University

The respondents were asked to indicate the courses they had specialised in at TVET institutions or university. It is observed in Table 4.6 that the highest proportion of respondents (30.1%) had specialised in Information Technology related courses, followed by those who had studied Finance/Commerce related courses (19.2%). The lowest proportion of respondents (0.5%) had specialised in Solid Waste Management courses.

Table 4.6: Respondents' by course specialisation at TVET/University

Course Specialisation	Frequency	Percent
Information Technology/Computer Science/BBIT/IT/Informatics/Telecommunications/Computer Engineering	58	30.1
Finance/Commerce /Business Science/Actuarial Science/Financial Economics	37	19.2
Administration/Human Resource/Marketing	17	8.8
Construction/Civil Engineering/ Real Estate/Quantity Survey /Energy/Electrical Engineering/Physics	15	7.8
Media/Mass Communication/Film Production	12	6.2
Development Studies/International Relations/Diplomacy/Community Development	12	6.2
Tourism/Hospitality/Hotel Management/Food and Beverage	9	4.7
Fashion and Art	8	4.1
HealthCare/Medicine/Nursing/Biomedical Engineering/Biochemistry/Microbiology	6	3.1
Education	4	2.1
Law	3	1.6
Agriculture/Agribusiness	2	1.0
Manufacturing	2	1.0
Solid Waste Management	1	0.5
No Response	7	3.6
Total	193	100.0

4.2.5 Respondents whose parents or siblings owned businesses

The results of Table 4.7 show that 58.5% of the respondents had parents or siblings who owned businesses, while 41.5% indicated that their parents or siblings did not own businesses.

Table 4.7: Respondents whose parents/siblings own businesses

		Frequency	Percent
Valid	Yes	113	58.5
	No	80	41.5
	Total	193	100.0

4.2.6 Respondents who are in the same line of business as parents or siblings

Table 4.8 presents the results of responses from the entrepreneurs on whether they were in the same line of business as their parents or siblings. The results indicate that 51.3% of the respondents were not in the same line of business as their parents, while 7.3% indicated that they were in the same line of business as their parents or siblings.

Table 4.8: Respondents in the same line of business as parents or siblings

		Frequency	Percent
Valid	No	99	51.3
	Not applicable	80	41.5
	Yes	14	7.3
	Total	193	100.0

4.2.7 The economic sectors in which opportunity-driven businesses operate

Respondents were asked to indicate the economic sector in which their businesses operate. The results in Table 4.9 reveal that 29.5% of the respondents were operating their businesses in the Information Technology sector, followed by those in the Fashion and Art sector (16.6%). Respondents who operated in other economic sectors such as advertising, security, event management and publishing made up 15%. Additionally, 24.4% of the businesses that were operating in the Information Technology sector were owned by male entrepreneurs, while female entrepreneurs were concentrated in the Fashion and Art, Food and Beverage sectors, and other economic sectors.

Table 4.9: The economic sectors in which opportunity-driven businesses operate

Economic Sector	Male	Percent	Female	Percent	Total	Percent
Information Technology	47	24.4	10	5.1	57	29.5
Fashion and Art	18	9.3	14	7.3	32	16.6
Other	15	7.7	14	7.3	29	15.0
Food and Beverage	4	2.0	14	7.3	18	9.3
Agriculture	9	4.7	8	4.1	17	8.8
Education	3	1.6	7	3.6	10	5.2
Solid waste management	4	2.0	2	1.0	6	3.1
Manufacturing	3	1.6	2	1.0	5	2.6
Transport	4	2.0	0	0.0	4	2.1
Construction/Real estate	2	1.0	2	1.0	4	2.1
Tourism	1	0.5	3	1.6	4	2.1
Finance	3	1.6	0	0.0	3	1.6
Healthcare	0	0.0	2	1.0	2	1.0
Energy	2	1.0	0	0.0	2	1.0
Total	115	59.6	78	40.4	193	100.0

4.2.8 The economic sector and course specialisation cross tabulation

A cross tabulation was conducted to analyse the relationship between the economic sectors the businesses operate, and the courses studied at TVET/University. The results in Table 4.10 demonstrate that in a sample of 193 respondents, 57 respondents were operating in the Information Technology sector. Of these 57 respondents, 35 respondents representing the majority in the sector had studied Information Technology related courses.

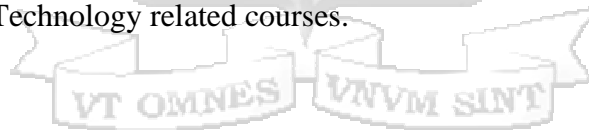


Table 4.10: The economic sector and course specialisation cross tabulation matrix

Course studied at TVET/ University	Economic sector															Total	Percent (Total)
	Agriculture	Education	Technology	Solid waste management	Construction	Food & beverage	Transport	Finance	Real Estate	Healthcare	Tourism	Fashion & Art	Manufacturing	Energy	Other		
Agriculture/ Agribusiness	1	0	0	0	0	0	1	0	0	0	0	0	0	0	0	2	1.0
Education	0	2	0	0	0	0	0	0	0	1	0	1	0	0	0	4	2.1
Technology/ Computer Science/ BBIT/IT/ Informatics/ Telecommunications/ Computer Engineering	2	0	35	2	2	3	0	0	0	0	0	6	2	0	6	58	30.1
Solid Waste Management	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0	1	0.5
Construction/ Civil Engineering/ Quantity Survey	0	0	0	0	0	0	1	0	0	0	0	1	1	0	1	4	2.1
Food & Beverage	0	0	0	0	0	3	0	0	0	0	0	0	0	0	0	3	1.6
Finance/Commerce	6	1	6	2	0	1	0	2	0	0	0	5	0	0	8	31	16.1
Real Estate	0	0	1	0	0	1	0	0	0	0	1	0	0	0	0	3	1.6
Healthcare/Medicine/ Nursing/Biomedical Engineering/ Biochemistry/ Microbiology	1	0	3	0	0	0	0	0	0	1	0	1	0	0	0	6	3.1
Tourism/ Hospitality/ Hotel Management	1	0	0	0	0	3	0	0	0	0	1	0	0	0	1	6	3.1
Fashion & Art	0	1	0	0	1	1	0	0	0	0	0	4	1	0	0	8	4.1
Manufacturing	0	0	0	0	0	1	0	0	0	0	0	0	0	0	1	2	1.0
Energy/Electrical Engineering/ Physics	0	1	4	0	0	0	0	0	0	0	0	2	0	1	0	8	4.1
Administration /Human Resource	1	2	3	0	0	0	0	1	1	0	0	0	0	0	2	10	5.2
Marketing	1	0	1	0	0	1	0	0	0	0	1	2	0	0	1	7	3.6
Media/Mass Communication/ Film Production	2	0	1	0	0	1	2	0	0	0	0	2	0	0	4	12	6.2
Law	0	1	1	0	0	0	0	0	0	0	0	1	0	0	0	3	1.6
Business Science/ Actuarial Science/ Financial Economics	0	1	2	0	0	0	0	0	0	0	0	2	0	1	0	6	3.1
Development Studies /International Relations/ Diplomacy/ Community Development	1	0	0	0	0	2	0	0	0	0	1	4	0	0	4	12	6.2
No Response	1	1	0	2	0	1	0	0	0	0	0	0	1	0	1	7	3.6
Total	17	10	57	6	3	18	4	3	1	2	4	32	5	2	29	193	
Percent (Total)	8.8	5.2	29.5	3.1	1.6	9.3	2.1	1.6	0.5	1.0	2.1	16.6	2.6	1.0	15.0		

4.3 Motivational factors

The respondents were given six motivational factors and asked to indicate the extent to which these factors motivated them to start their businesses. The results in Table 4.11 show that respondents were highly motivated by the opportunity to do exciting work. This motivational factor had the highest mean of 4.21. Entrepreneurs were least motivated by family/friends. This statement had a low mean of 2.93. The six motivational factors combined represent the dependent variable opportunity-driven entrepreneurship which was correlated to the independent variables in the study.

Table 4.11: Motivational factors

Motivational factors	N	Mean	Std. Dev
I ventured into business because I have the opportunity to do exciting work.	193	4.21	1.12
I ventured into business because I wanted the freedom to be my own boss.	193	4.12	1.17
I ventured into business because I saw a business opportunity.	193	4.09	1.11
I ventured into business to pursue my hobby/passion.	193	3.96	1.17
I ventured into business to attain work-life balance.	193	3.44	1.28
I ventured into business because I was inspired by my family/friends.	193	2.93	1.31
Opportunity-driven entrepreneurship score	193	3.79	0.76

4.3.1 Entrepreneur and enterprise characteristics, and opportunity-driven entrepreneurship Correlation Analysis

A Pearson Correlation Analysis was done to determine the significance of the entrepreneur and enterprise characteristics on opportunity-driven entrepreneurship. To allow for the analysis, the economic sector in which businesses operate was categorised as follows: Information Technology, Fashion and Art, Food and Beverage, Agriculture, Education, Solid waste management, Manufacturing, Construction /Real estate, Transport, Tourism, Finance, Healthcare, Energy, and Other.

The results in Table 4.12 indicate that the gender of respondents was not statistically significant to the economic sector, that is, gender was not a significant determinant of one operating in a particular sector.

Overall, the results in Table 4.12 reveal that gender, age, level of education, entrepreneurial family background and the economic sector in which businesses operate were not statistically significant

to opportunity-driven entrepreneurship. In other words, these factors were not significant determinants of one becoming an opportunity-driven entrepreneur.



Table 4.12: Entrepreneurial characteristics–Opportunity-driven entrepreneurship correlations

		Gender of Respondent	Age Distribution	Level of Education	Course Studied	Parents/siblings own a business	Same business as parents/siblings	Economic sector	Opportunity-Driven Entrepreneurship
Gender of Respondent	Pearson Correlation	1	-.105	.095	.126	-.071	-.072	.109	.122
	Sig. (2-tailed)		.145	.188	.080	.324	.322	.130	.091
	N	193	193	193	193	193	193	193	193
Age Distribution	Pearson Correlation	-.105	1	-.074	-.065	.103	.103	-.145*	-.081
	Sig. (2-tailed)	.145		.308	.368	.155	.154	.044	.263
	N	193	193	193	193	193	193	193	193
Level of Education	Pearson Correlation	.095	-.074	1	-.197**	-.044	-.044	.041	.132
	Sig. (2-tailed)	.188	.308		.006	.542	.540	.573	.067
	N	193	193	193	193	193	193	193	193
Course Studied	Pearson Correlation	.126	-.065	-.197**	1	.098	.098	.045	-.091
	Sig. (2-tailed)	.080	.368	.006		.174	.177	.534	.206
	N	193	193	193	193	193	193	193	193
Parents siblings own a business	Pearson Correlation	-.071	.103	-.044	.098	1	1.000**	.063	-.073
	Sig. (2-tailed)	.324	.155	.542	.174		.000	.387	.313
	N	193	193	193	193	193	193	193	193
Same line of business as parents/siblings	Pearson Correlation	-.072	.103	-.044	.098	1.000**	1	.062	-.074
	Sig. (2-tailed)	.322	.154	.540	.177	.000		.388	.307
	N	193	193	193	193	193	193	193	193
Economic sector	Pearson Correlation	.109	-.145*	.041	.045	.063	.062	1	.065
	Sig. (2-tailed)	.130	.044	.573	.534	.387	.388		.366
	N	193	193	193	193	193	193	193	193
Opportunity Driven Entrepreneurship	Pearson Correlation	.122	-.081	.132	-.091	-.073	-.074	.065	1
	Sig. (2-tailed)	.091	.263	.067	.206	.313	.307	.366	
	N	193	193	193	193	193	193	193	193

*. Correlation is significant at the 0.05 level (2-tailed).
 **. Correlation is significant at the 0.01 level (2-tailed).

4.4 The link between incentives and opportunity-driven entrepreneurship

This section presents the results of government and private sector incentives that stimulate opportunity-driven entrepreneurship. From a government perspective, the study sought to establish: how efficient government was considered to be in the provision of its services, the number of youth enterprises that had accessed government loans and how the government could better support young entrepreneurs. With regard to the private sector, the study sought to establish: the private sector loan funding sources for entrepreneurs, the benefits derived from business associations and incubation hubs and the ways in which private sector could incentivize young entrepreneurs. Additionally, the study sought to establish whether enterprise incentives, from government and private sector stimulated opportunity-driven entrepreneurship.

4.4.1 Access to finance from government and private sector

The information in this section shows the funding sources used by entrepreneurs to finance their businesses. The data presents information about loans obtained from both the government and the private sector. It also shows information on loans borrowed from a single source and those borrowed from more than one source. Respondents who had not applied for business loans were requested to provide reasons for this. Finally, results of a Pearson's Correlation Analysis are presented to determine the relationship between access to finance and opportunity-driven entrepreneurship.

4.4.1.1 Business loan source

Table 4.13 presents the results of responses from the entrepreneurs on the sources for business loans. The results indicate that a high proportion of entrepreneurs (50.3%) had obtained funding for their businesses from family/friends, while only 9.3% obtained loans from the government.

Table 4.13: Business loan source

Loan source	Frequency	Percent
Family/Friends	97	50.3
Loans from one source	76	39.4
Loans from more than one source	75	38.9
Mobile Loans	62	32.1
No Loan	42	21.8
Bank	36	18.7
Chama/Merry Go Round	22	11.4
Sacco	21	10.9
Loans from the government	18	9.3
Other (venture capitalists and grants)	8	4.1

4.4.1.2 Single source business loans

Table 4.13 shows that 39.4% of the respondents obtained their loans from only one source. The results in Table 4.14 reveal that a high proportion of these respondents had obtained their loans from family/friends, while 2.6% had accessed loans from the government only.

Table 4.14: Single source business loans

Loan source	Frequency	Percent
Private sector loans		
Family/Friends	42	55.3
Mobile Loans	15	19.7
Sacco	5	6.6
Other (venture capitalists and grants)	5	6.6
Bank	4	5.3
Chama/Merry Go Round	3	3.9
Government loans		
Loans only from the government	2	2.6

4.4.1.3 Business loans from more than one source

Table 4.13 shows that 38.9% of the respondents had obtained their business loans from more than one source. Results in Table 4.15 show the loan source combination for these respondents. The results reveal that the top three loan source combinations were: mobile loans and family members (46.7%), saccos and chama/merry go round (26.7%) and bank and family friends (24%).

Table 4.15: Business loans from more than one source

Loan source		Mobile Loans	Family/Friends	Bank	Government	Chama/Merry Go Round	Sacco	Other
Mobile Loans	Frequency	15	35	15	8	14	8	1
	Percentage	20.0	46.7	20.0	10.7	18.7	10.7	1.3
Family/Friends	Frequency	35	42	18	8	15	10	0
	Percentage	46.7	56.0	24.0	10.7	20.0	13.3	0.0
Bank	Frequency	15	18	4	8	5	8	2
	Percentage	20.0	24.0	5.3	10.7	6.7	10.7	2.7
Government	Frequency	8	8	8	2	1	5	0
	Percentage	10.7	10.7	10.7	2.7	1.3	6.7	0.0
Chama/Merry Go Round	Frequency	14	15	5	1	3	10	4
	Percentage	18.7	20.0	6.7	1.3	4.0	13.3	5.3
Sacco	Frequency	8	10	8	5	20	5	0
	Percentage	10.7	13.3	10.7	6.7	26.7	6.7	0.0
Other	Frequency	1	0	2	0	4	0	5
	Percentage	1.3	0.0	2.7	0.0	5.3	0.0	6.7

4.4.1.4 Reasons why respondents did not apply for a loan

Data from Table 4.13 showed that 21.8% of the respondents had not taken a business loan. These respondents were requested to indicate their reasons for not getting business loans. The results in Table 4.16 indicate that the main reason for not taking a loan was that the respondents did not want to take out a loan (33.3%).

Table 4.16: Reasons why respondents did not apply for a loan

Reason	Frequency	Percent
Didn't want to take a loan	14	33.3
Application procedures are too burdensome	6	14.3
Don't know where to apply for a loan	4	9.5
Interest rates are too high	4	9.5
Other reasons	2	4.8

For those who indicated that they did not want to take out a loan, their reasons were: 'The type of business I do does not need a loan', 'I believe I should not take a loan', 'I used my savings', 'I had a different fund-raising strategy'.

Other reasons for not taking loans were:

1. Institutions did not understand what I was offering since it's not a product that is already in the market.
2. Inconsistency of company income would not allow us to borrow money that would probably require monthly payments.

4.4.1.5 Access to finance and Opportunity-driven entrepreneurship Correlation Analysis

A Pearson Correlation Analysis was done to examine the relationship between access to finance and opportunity-driven entrepreneurship. The results of Table 4.17 indicate that there was no correlation between access to funds from banks, government agency, mobile loans, saccos, family/friends and other loan sources and opportunity-driven entrepreneurship. However, access of funds from chama/merry go round was negatively correlated to opportunity-driven entrepreneurship.

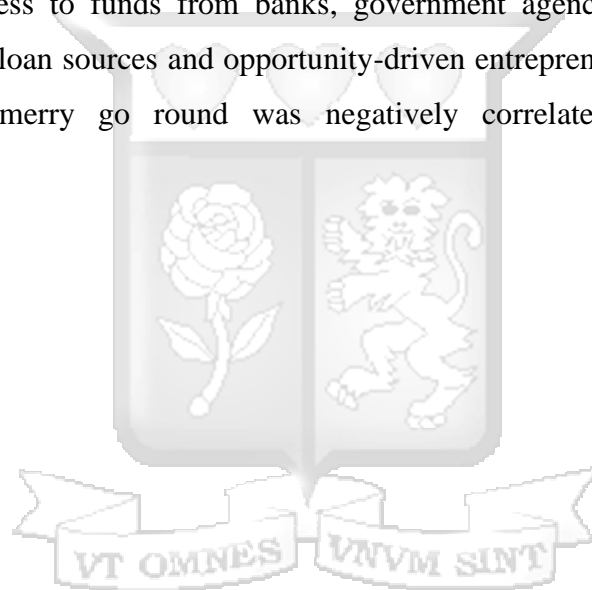


Table 4.17: Access to finance and Opportunity-driven entrepreneurship correlations

		Bank	Government agency	Chama/merry-go-round	Mobile Loans	Sacco	Family/friends	Other	Opportunity Driven Entrepreneurship
Bank	Pearson Correlation	1	.212**	.038	.098	.174*	-.002	.034	-.003
	Sig. (2-tailed)		.003	.604	.176	.015	.973	.640	.972
	N	193	193	193	193	193	193	193	193
Government agency	Pearson Correlation	.212**	1	-.059	.085	.174*	-.037	-.067	-.045
	Sig. (2-tailed)	.003		.415	.242	.016	.607	.357	.538
	N	193	193	193	193	193	193	193	193
Chama/merry-go-round	Pearson Correlation	.038	-.059	1	.242**	-.021	.063	-.075	-.187**
	Sig. (2-tailed)	.604	.415		.001	.776	.381	.303	.009
	N	193	193	193	193	193	193	193	193
Mobile Loans	Pearson Correlation	.098	.085	.242**	1	.045	.085	-.087	-.059
	Sig. (2-tailed)	.176	.242	.001		.537	.239	.227	.415
	N	193	193	193	193	193	193	193	193
Sacco	Pearson Correlation	.174*	.174*	-.021	.045	1	-.085	-.073	.019
	Sig. (2-tailed)	.015	.016	.776	.537		.240	.315	.788
	N	193	193	193	193	193	193	193	193
Family/friends	Pearson Correlation	-.002	-.037	.063	.085	-.085	1	-.157*	.065
	Sig. (2-tailed)	.973	.607	.381	.239	.240		.029	.369
	N	193	193	193	193	193	193	193	193
Other	Pearson Correlation	.034	-.067	-.075	-.087	-.073	-.157*	1	-.011
	Sig. (2-tailed)	.640	.357	.303	.227	.315	.029		.877
	N	193	193	193	193	193	193	193	193
Opportunity Driven Entrepreneurship	Pearson Correlation	-.003	-.045	-.187**	-.059	.019	.065	-.011	1
	Sig. (2-tailed)	.972	.538	.009	.415	.788	.369	.877	
	N	193	193	193	193	193	193	193	193

** . Correlation is significant at the 0.01 level (2-tailed).

*. Correlation is significant at the 0.05 level (2-tailed).

4.4.2 Government efficiency

Respondents were asked to indicate the extent of government efficiency in the provision of the services indicated below. The results in Table 4.18 show that respondents found the government to be efficient in business registration/license/permit. This measure had a mean of 3.42. The government was considered to be least efficient in the protection of intellectual property rights and innovation. The measure had a mean of 2.45.

Table 4.18: Government efficiency in the provision of services

Government efficiency	N	Mean	Std. Deviation
Business registration/License/Permit	193	3.42	1.04
Public utility e.g. electricity, water	193	2.95	1.12
Tax administration/system	193	2.64	1.18
Provision of security	193	2.51	1.14
Protection of intellectual property rights and innovation	193	2.45	1.11

4.4.2.1 Government efficiency and Opportunity-driven entrepreneurship Correlation

Analysis

A Pearson Correlation Analysis was done to examine the relationship between government efficiency and opportunity-driven entrepreneurship. The results of Table 4.19 indicate that there was a significant positive correlation between 'Provision of security' and Opportunity-driven entrepreneurship, hence provision of security was a significant determinant of one becoming an opportunity-driven entrepreneur.

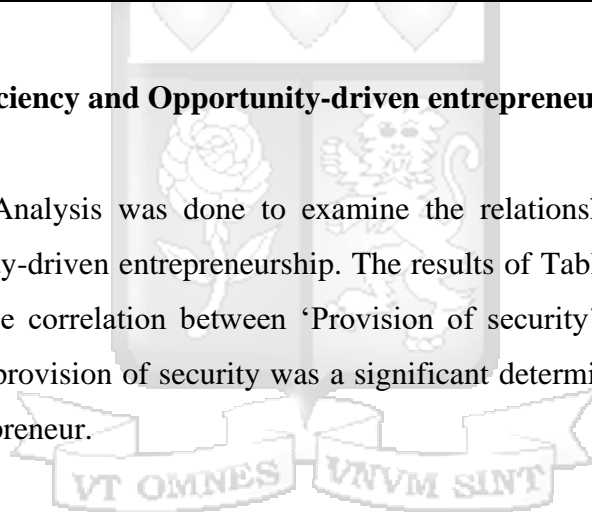


Table 4.19: Government incentives–Opportunity-driven entrepreneurship correlations

		Tax administration/ system	Business registration /license/Permit	Protection of intellectual property rights and innovation	Provision of security	Public utility e.g. electricity, water	Opportunity Driven Entrepreneurship
Tax administration /system	Pearson Correlation	1	.341**	.447**	.200**	.277**	.006
	Sig. (2- tailed)		.000	.000	.005	.000	.934
	N	193	193	193	193	193	193
Business registration /license/Permit	Pearson Correlation	.341**	1	.283**	.129	.244**	.084
	Sig. (2- tailed)	.000		.000	.073	.001	.246
	N	193	193	193	193	193	193
Protection of intellectual property rights and innovation	Pearson Correlation	.447**	.283**	1	.397**	.331**	.121
	Sig. (2- tailed)	.000	.000		.000	.000	.093
	N	193	193	193	193	193	193
Provision of security	Pearson Correlation	.200**	.129	.397**	1	.550**	.202**
	Sig. (2- tailed)	.005	.073	.000		.000	.005
	N	193	193	193	193	193	193
Public utility e.g. electricity, water	Pearson Correlation	.277**	.244**	.331**	.550**	1	.137
	Sig. (2- tailed)	.000	.001	.000	.000		.057
	N	193	193	193	193	193	193
Opportunity Driven Entrepreneurship	Pearson Correlation	.006	.084	.121	.202**	.137	1
	Sig. (2- tailed)	.934	.246	.093	.005	.057	
	N	193	193	193	193	193	193

** . Correlation is significant at the 0.01 level (2-tailed).

4.4.3 Private sector incentives

4.4.3.1 Business association and incubation hub benefits

Respondents were asked to indicate the benefits that their businesses received from being members of business associations and incubation hubs. Results in Table 4.20 show that 38.9% of the respondents benefited from mentorship/coaching, 36.5% from business advice and 32.6% from training and improvement seminars/workshops. However, it is noteworthy that almost half (49.5%) of respondents did not belong to any business association or incubation hub.

Table 4.20: Business association and incubation hub benefits

Benefits	Frequency	Percent
Mentorship/Coaching	75	38.9
Business advice	70	36.5
Training and improvement seminars/workshops	63	32.6
Information about markets	46	23.8
Information about government regulations	28	14.5
Financial assistance	22	11.4
Assistance in resolving disputes	3	1.6
Other	3	1.6
Act as collateral for bank loans	2	1.0
Not a member of a business hub	95	49.5

4.4.3.2 Business associations/incubation hubs benefits and Opportunity-driven entrepreneurship Correlation Analysis

The results in Table 4.21 indicate that there was a significant positive correlation between the benefits, financial assistance and business advice, and the dependent variable. Financial assistance and business advice were thus significant determinants of one becoming an opportunity-driven entrepreneur.

Table 4.21: Business associations/hubs benefits–Opportunity-driven entrepreneurship correlations

		Financial assistance	Business advice	Act as collateral for bank loans	Training	Information on government regulations	Information on markets	Dispute resolution	Mentorship/ Coaching	Other	Opportunity Driven Entrepreneurship
Financial Assistance	Pearson Correlation	1	.227*	0.095	0.14	0.144	0.077	.330**	0.031	0.045	.225*
	Sig. (2-tailed)		0.026	0.356	0.172	0.16	0.452	0.001	0.765	0.658	0.027
	N	97	97	97	97	97	97	97	97	97	97
Business advice	Pearson Correlation	.227*	1	0.09	0.074	.294**	0.083	0.111	0.184	-0.022	.225*
	Sig. (2-tailed)	0.026		0.38	0.471	0.003	0.418	0.279	0.071	0.831	0.027
	N	97	97	97	97	97	97	97	97	97	97
Act as collateral for bank loans	Pearson Correlation	0.095	0.09	1	0.107	0.068	-0.138	-0.026	0.07	-0.026	-0.078
	Sig. (2-tailed)	0.356	0.38		0.299	0.51	0.178	0.801	0.498	0.801	0.448
	N	97	97	97	97	97	97	97	97	97	97
Training	Pearson Correlation	0.14	0.074	0.107	1	.230*	0.178	0.131	0.05	0.006	-0.023
	Sig. (2-tailed)	0.172	0.471	0.299		0.024	0.08	0.2	0.628	0.95	0.819
	N	97	97	97	97	97	97	97	97	97	97
Information on government regulations	Pearson Correlation	0.144	.294**	0.068	.230*	1	0.124	.280**	0.041	0.018	0.002
	Sig. (2-tailed)	0.16	0.003	0.51	0.024		0.226	0.005	0.69	0.864	0.986
	N	97	97	97	97	97	97	97	97	97	97
Information on markets	Pearson Correlation	0.077	0.083	-0.138	0.178	0.124	1	0.188	0.168	-0.05	-0.102
	Sig. (2-tailed)	0.452	0.418	0.178	0.08	0.226		0.065	0.101	0.624	0.319
	N	97	97	97	97	97	97	97	97	97	97

		Financial assistance	Business advice	Act as collateral for bank loans	Training	Information on government regulations	Information on markets	Dispute resolution	Mentor Ship-Coaching	Other	Opportunity Driven Entrepreneurship
Dispute resolution	Pearson Correlation	.330**	0.111	-0.026	0.131	.280**	0.188	1	0.086	.312**	0.114
	Sig. (2-tailed)	0.001	0.279	0.801	0.2	0.005	0.065		0.403	0.002	0.266
	N	97	97	97	97	97	97	97	97	97	97
Mentorship /Coaching	Pearson Correlation	0.031	0.184	0.07	0.05	0.041	0.168	0.086	1	0.086	-0.018
	Sig. (2-tailed)	0.765	0.071	0.498	0.628	0.69	0.101	0.403		0.403	0.862
	N	97	97	97	97	97	97	97	97	97	97
Other	Pearson Correlation	0.045	-0.022	-0.026	0.006	0.018	-0.05	.312**	0.086	1	-0.066
	Sig. (2-tailed)	0.658	0.831	0.801	0.95	0.864	0.624	0.002	0.403		0.521
	N	97	97	97	97	97	97	97	97	97	97
Opportunity-Driven Entrepreneurship	Pearson Correlation	.225*	.225*	-0.078	-0.023	0.002	-0.102	0.114	-0.018	-0.066	1
	Sig. (2-tailed)	0.027	0.027	0.448	0.819	0.986	0.319	0.266	0.862	0.521	
	N	97	97	97	97	97	97	97	97	97	193

*. Correlation is significant at the 0.05 level (2-tailed).
**. Correlation is significant at the 0.01 level (2-tailed).

4.4.4 Influence of government and private sector incentives on entrepreneurship

Respondents were asked to indicate the extent to which access to government and private sector incentives prompted them to start their businesses. The results in Table 4.22 indicate that the statement ‘Access to private sector incentives prompted me to start my business’, had a mean of 2.23. The statement ‘Access to government incentives prompted me to start my business’, had a mean of 1.67.

Table 4.22: Influence of government and private sector incentives on entrepreneurship

Incentives	N	Mean	Std. Deviation
Access to private sector incentives prompted me to start my business.	193	2.23	1.32
Access to government incentives prompted me to start my business.	193	1.67	0.87

4.4.4.1 Government/Private sector incentives and Opportunity-driven entrepreneurship Correlation Analysis

Results in Table 4.23 indicate that government and private sector incentives were not statistically significant to opportunity-driven entrepreneurship. These factors were not significant determinants of one becoming an opportunity-driven entrepreneur. This suggests that although there could be isolated factors such as ‘provision of security’ by the government (Table 4.18) and the provision of ‘financial assistance and business advice’ by business associations/hubs (Table 4.21) that were statistically significant, overall, the incentives by government or the private sector were not determinants of opportunity-driven entrepreneurship.

Table 4.23: Government/private sector incentives-Opportunity-driven entrepreneurship correlations

		Access to government incentives prompted me to start my business.	Access to private sector incentives prompted me to start my business.	Opportunity-Driven Entrepreneurship
Access to government incentives prompted me to start my business.	Pearson Correlation	1	.417**	-.008
	Sig. (2-tailed)		.000	.917
	N	193	193	193
Access to private sector incentives prompted me to start my business.	Pearson Correlation	.417**	1	.000
	Sig. (2-tailed)	.000		.998
	N	193	193	193
Opportunity Driven Entrepreneurship	Pearson Correlation	-.008	.000	1
	Sig. (2-tailed)	.917	.998	
	N	193	193	193

** . Correlation is significant at the 0.01 level (2-tailed).

4.4.5 Top priority for the government and private sector to better support opportunity-driven entrepreneurs

4.4.5.1 Top priority for the government

Respondents were asked to indicate what the top priority for the government to better support young entrepreneurs should be. The results of Table 4.24 indicate that the top priority should be the provision of a business-friendly environment that lowers the cost of doing business. This statement had a mean of 4.75. However, all the statements had high means above 4, suggesting that they should also be considered important in incentivising young opportunity-driven entrepreneurs.

Table 4.24: Top priority for the government

Top priority for the government	N	Mean	Std. Deviation
The government should provide a business-friendly environment that lowers the cost of doing business.	193	4.75	0.69
The government should enforce strong rule of law that protects intellectual property rights and innovation.	193	4.68	0.72
Entrepreneurship curriculum and training programs should be introduced at all schools.	193	4.43	0.89
Teachers with a background in business should be recruited to teach the entrepreneurship curriculum.	193	4.12	1.12

4.4.5.2 Top priority for the private sector to better support young entrepreneurs

Respondents were asked to indicate the top priority for the private sector to better support young entrepreneurs and stimulate interest in entrepreneurship. The results in Table 4.25 reveal that the top priority should be the setting up of student enterprise clubs, entrepreneurial business idea competition and innovation centres. The statement had a mean of 4.52. However, all the statements had high mean scores, suggesting that they were all important for supporting young entrepreneurs.

Table 4.25: Top priority for the private sector

Priority for the private sector	N	Mean	Std. Deviation
Student enterprise clubs, entrepreneurial business idea competition and innovation centres should be set up to stimulate interest in entrepreneurship.	193	4.52	0.87
The private sector should provide business support in terms of mentoring, business counselling, and business networks.	193	4.49	0.87
The private sector should reduce its bureaucracy/red tape to enable youth entrepreneurs to access start-up finance and seed funding.	193	4.41	0.90
Successful credible youth and adult entrepreneurs should act as entrepreneurial ambassadors.	193	4.34	0.94

4.4.5.3 Top priorities for the government and private sector and Opportunity-driven entrepreneurship Correlation Analysis

The results in Table 4.26 show that all the statements except “Teachers with a background in business should be recruited to teach entrepreneurship curriculum” were statistically significant to opportunity-driven entrepreneurship. In other words, the recruitment of teachers who have a business background to teach an entrepreneurship curriculum was not a significant determinant of one becoming an opportunity-driven entrepreneur.

Table 4.26: Priorities for the government and private sector–Opportunity-Driven entrepreneurship correlations

		Access to funding.	Business support	Entrepreneurship ambassadors	Set up innovation centres.	An entrepreneurship curriculum	Teachers with a background in business	Business-friendly environment	Provide strong rule of law	Opportunity Driven Entrepreneurship
Access to funding	Pearson Correlation	1	.682**	.630**	.619**	.419**	.372**	.426**	.458**	.256**
	Sig. (2-tailed)		.000	.000	.000	.000	.000	.000	.000	.000
	N	193	193	193	193	193	193	193	193	193
Business support.	Pearson Correlation	.682**	1	.598**	.529**	.455**	.286**	.408**	.417**	.269**
	Sig. (2-tailed)	.000		.000	.000	.000	.000	.000	.000	.000
	N	193	193	193	193	193	193	193	193	193
Entrepreneurship ambassadors	Pearson Correlation	.630**	.598**	1	.579**	.466**	.451**	.333**	.499**	.225**
	Sig. (2-tailed)	.000	.000		.000	.000	.000	.000	.000	.002
	N	193	193	193	193	193	193	193	193	193
Set up innovation centres	Pearson Correlation	.619**	.529**	.579**	1	.573**	.433**	.499**	.491**	.258**
	Sig. (2-tailed)	.000	.000	.000		.000	.000	.000	.000	.000
	N	193	193	193	193	193	193	193	193	193
An entrepreneurship curriculum.	Pearson Correlation	.419**	.455**	.466**	.573**	1	.561**	.457**	.515**	.239**
	Sig. (2-tailed)	.000	.000	.000	.000		.000	.000	.000	.001
	N	193	193	193	193	193	193	193	193	193

		Access to funding.	Business support	Entrepreneurship ambassadors	Set up innovation centres.	An entrepreneurship curriculum	Teachers with a background in business	Business-friendly environment	Provide strong rule of law	Opportunity Driven Entrepreneurship
Teachers with a background in business.	Pearson Correlation	.372**	.286**	.451**	.433**	.561**	1	.411**	.360**	.123
	Sig. (2-tailed)	.000	.000	.000	.000	.000		.000	.000	.090
	N	193	193	193	193	193	193	193	193	193
Business-friendly environment	Pearson Correlation	.426**	.408**	.333**	.499**	.457**	.411**	1	.640**	.163*
	Sig. (2-tailed)	.000	.000	.000	.000	.000	.000		.000	.023
	N	193	193	193	193	193	193	193	193	193
Strong rule of law.	Pearson Correlation	.458**	.417**	.499**	.491**	.515**	.360**	.640**	1	.271**
	Sig. (2-tailed)	.000	.000	.000	.000	.000	.000	.000		.000
	N	193	193	193	193	193	193	193	193	193
Opportunity Driven Entrepreneurship	Pearson Correlation	.256**	.269**	.225**	.258**	.239**	.123	.163*	.271**	1
	Sig. (2-tailed)	.000	.000	.002	.000	.001	.090	.023	.000	
	N	193	193	193	193	193	193	193	193	193
** . Correlation is significant at the 0.01 level (2-tailed).										
* . Correlation is significant at the 0.05 level (2-tailed).										



4.5 Social and cultural factors that would stimulate opportunity-driven entrepreneurship

4.5.1 Family and society view of entrepreneurship

Respondents were given seven statements and asked to indicate how their family and society views youth entrepreneurship. Table 4.27 shows that respondents agreed that corporate and professional careers are held in high esteem by family members and society. The statement had a high mean of 4.14. Respondents did not agree that entrepreneurs are viewed as being lazy, deceitful, and selfish. The statement had a low mean of 1.75.

Table 4.27: Family/society view of entrepreneurship

Family/society view of entrepreneurship	N	Mean	Std. Deviation
Corporate and professional careers are held in high esteem.	193	4.14	1.10
Entrepreneurship is risky and does not provide a regular income or job security	193	3.65	1.37
Entrepreneurs are successful, honest, and innovative.	193	3.44	1.13
Entrepreneurship is viewed as a hobby and not a legitimate career.	193	2.86	1.36
Entrepreneurship is reserved for non-college graduates and school dropouts.	193	2.43	1.36
Entrepreneurs are lazy, deceitful, and selfish.	193	1.75	1.05

4.5.2 Family/society view and Opportunity-driven entrepreneurship Correlation Analysis

The results in Table 4.28 indicate that there was a significant correlation between the statement ‘Entrepreneurs are successful and innovative’ and Opportunity-driven entrepreneurship. This factor was a significant determinant of one becoming an opportunity-driven entrepreneur. This suggests that if the family or society perceive entrepreneurs as successful and innovative people, they are likely to encourage the youth to pursue entrepreneurship, hence translating to more opportunity-driven entrepreneurs.

Table 4.28: Family/society perception–Opportunity-driven entrepreneurship correlations

		Corporate and professional careers are held in high esteem.	Reserved for non-college graduates and school dropouts.	Successful, honest, and innovative.	It is a hobby.	Lazy, deceitful, and selfish.	It is risky	Opportunity Driven Entrepreneurship
Corporate and professional careers are held in high esteem.	Pearson Correlation	1	.297**	-.117	.376**	.219**	.323**	.072
	Sig. (2-tailed)		.000	.105	.000	.002	.000	.319
	N	193	193	193	193	193	193	193
Reserved for non-college graduates and school dropouts.	Pearson Correlation	.297**	1	-.141	.453**	.477**	.280**	.015
	Sig. (2-tailed)	.000		.050	.000	.000	.000	.835
	N	193	193	193	193	193	193	193
Successful, honest, and innovative.	Pearson Correlation	-.117	-.141	1	-.106	-.103	-.164*	.177*
	Sig. (2-tailed)	.105	.050		.142	.154	.022	.014
	N	193	193	193	193	193	193	193
It is a hobby.	Pearson Correlation	.376**	.453**	-.106	1	.428**	.367**	.029
	Sig. (2-tailed)	.000	.000	.142		.000	.000	.684
	N	193	193	193	193	193	193	193
Lazy, deceitful, and selfish.	Pearson Correlation	.219**	.477**	-.103	.428**	1	.286**	-.115
	Sig. (2-tailed)	.002	.000	.154	.000		.000	.111
	N	193	193	193	193	193	193	193
It is risky.	Pearson Correlation	.323**	.280**	-.164*	.367**	.286**	1	.089
	Sig. (2-tailed)	.000	.000	.022	.000	.000		.217
	N	193	193	193	193	193	193	193
Opportunity Driven Entrepreneurship	Pearson Correlation	.072	.015	.177*	.029	-.115	.089	1
	Sig. (2-tailed)	.319	.835	.014	.684	.111	.217	
	N	193	193	193	193	193	193	193

** . Correlation is significant at the 0.01 level (2-tailed).

* . Correlation is significant at the 0.05 level (2-tailed).

4.5.3 Influence of education on entrepreneurship

Respondents were given two statements and asked to indicate the extent to which their education had influenced their entrepreneurial career. Results in Table 4.29 show that involvement in co-curricular activities in school had an influence on one's entrepreneurial career. This statement had a higher mean than the statement 'My education has influenced my entrepreneurial career' suggesting the importance of co-curricular activities in school.

Table 4.29: Influence of education on entrepreneurship

Education and entrepreneurship	N	Mean	Std. Deviation
My involvement in co-curricular activities in school (e.g. marketing society, business club) influenced my entrepreneurial career.	193	3.45	1.42
My education has influenced my entrepreneurial career.	193	3.30	1.41

4.5.4 Education and opportunity-driven entrepreneurship Correlation Analysis

The results in Table 4.30 show that education and engagement in school co-curricular activities were statistically significant to opportunity-driven entrepreneurship. These factors were, therefore, significant determinants of one becoming an opportunity-driven entrepreneur.

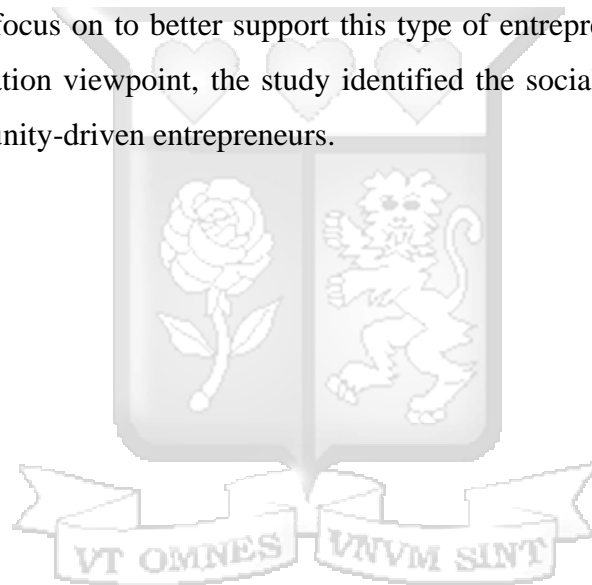
Table 4.30: Education–Opportunity-driven entrepreneurship correlations

		Education influenced my entrepreneurial career.	Co-curricular activities influenced my entrepreneurial career.	Opportunity Driven Entrepreneurship
Education influenced my entrepreneurial career.	Pearson Correlation	1	.261**	.166*
	Sig. (2-tailed)		.000	.021
	N	193	193	193
Co-curricular activities in school influenced my entrepreneurial career.	Pearson Correlation	.261**	1	.175*
	Sig. (2-tailed)	.000		.015
	N	193	193	193
Opportunity Driven Entrepreneurship	Pearson Correlation	.166*	.175*	1
	Sig. (2-tailed)	.021	.015	
	N	193	193	193

** . Correlation is significant at the 0.01 level (2-tailed).
 * . Correlation is significant at the 0.05 level (2-tailed).

4.6 Summary

This chapter presented an analysis of the research findings that sought to address the four objectives in this study. The study findings: first, established the characteristics of opportunity-driven youth entrepreneurs and enterprises from a gender, age, educational level, course specialisation, entrepreneurial family background and economic sector perspective. Second, identified the factors that were of relative importance in motivating opportunity-driven entrepreneurs from a list of six general motivational factors. Third, established the proportion of opportunity-driven youth-enterprises that had benefited from government and private sector initiatives. However, the findings established that there was no correlation between government and private sector incentives and opportunity-driven entrepreneurship and revealed the areas that these two sectors could focus on to better support this type of entrepreneurship. Fourth, from a family/society and education viewpoint, the study identified the social and cultural factors that would encourage opportunity-driven entrepreneurs.



CHAPTER 5: DISCUSSIONS, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This section provides a discussion of the findings and provides conclusions and recommendations of the study based on the research objectives. Limitations of the study and suggestions for further research are also discussed.

5.2 Discussion of findings

The study examined the factors that influence Kenyan graduates to choose to pursue entrepreneurship as a career option.

5.2.1 Characteristics of opportunity-driven youth entrepreneurs and enterprises

A closer examination of the entrepreneur and enterprise characteristics revealed the following: First, opportunity-driven male entrepreneurs made up a higher proportion of respondents (59.6%). However, a Pearson's Correlation Analysis demonstrated that gender was not statistically significant to opportunity-driven entrepreneurship. Schoof (2006) noted that entrepreneurial activity amongst male and female entrepreneurs varies across countries. Hence, while Latin America and Sub-Saharan Africa have more male than female opportunity-driven entrepreneurs, Asia has more female opportunity-driven entrepreneurs (Llisterri et al., 2006; Schoof, 2006). Chigunta et al. (2005), Kew et al. (2010) and Pompa and Pasanen (2015) reported that female entrepreneurs tend to face socio-cultural barriers that hinder them from starting and running businesses, such as not being able to access business loans from traditional financial institutions due to lack of collateral. In the current study, the finding that over 40 percent of respondents were female opportunity-driven entrepreneurs is noteworthy and could be attributed to increased access to low-cost credit funds disbursed by the government to youth-owned businesses through the Women Enterprise Fund, Uwezo Fund and Youth Enterprise Fund (KIPPRA, 2018).

Second, whilst the highest proportion of opportunity-driven entrepreneurs were between the ages of 26-30 years (40.41%), those between the ages of 21-25 years made up 37.31% of the respondents. Nevertheless, a Pearson's Correlation Analysis showed that age was not statistically significant to opportunity-driven entrepreneurship. Chigunta, Schnurr, David, and Torres (2005)

and Schoof (2006) suggested that entrepreneurs aged 25 years and above have a high level of maturity and are therefore more likely to run sustainable businesses, while those aged below 25 years lack the maturity, social networks and economic knowledge to run successful businesses as they are in the process of transitioning from the security of living with their parents, are restless and have not identified activities that suit them. The existence of 21-25 year old entrepreneurs in this study, therefore, could be due to their exposure to entrepreneurship start-up programmes offered in technical training institutions and universities that challenged them to consider entrepreneurship as a career option (Kaburi et al., 2012). Additionally, these entrepreneurs may have found the world of entrepreneurship to be attractive, meeting their need for independence and flexibility, regardless of salary prospects, societal expectations to obtain salaried positions, the desire to recoup their investment on education, and the risks involved (Kimando & Njogu, 2012; Nyamwange, 2016). It is important to note that the study did not establish whether the entrepreneurs had actually been exposed to entrepreneurship programmes at their institutions of higher learning.

Third, from an economic sector perspective, it was interesting to note that a high proportion of the opportunity-driven businesses were operating in the Information Technology sector (29.5%). Furthermore, these businesses were owned by entrepreneurs who had specialised in Information Technology related courses (30.1%). This was supported by a cross tabulation analysis which revealed that there was a relationship between the course studied by the entrepreneurs in the Information Technology sector and the economic sector in which their businesses operated. This finding is similar to Rosa (2003) who observed that youth entrepreneurs from UK universities and colleges invested in businesses that were in line with what they studied in school. The finding differed from Kew et al. (2010) who observed that highly educated entrepreneurs in South Africa, ventured into businesses that deviated from what they had studied in school. The study findings also revealed that 24.4% of the businesses in the Information Technology sector were owned by male entrepreneurs, while 5.1% were owned by female entrepreneurs. However, a Pearson's Correlation Analysis demonstrated that the relationship between gender and the economic sector was not statistically significant. Therefore, the low participation of female entrepreneurs in the Information Technology sector presents an opportunity for further research to explore the reasons for this low participation and how their participation could be increased.

Fourth, the study established that almost 60% of the opportunity-driven entrepreneurs had an entrepreneurial background with their parents and siblings owning businesses. This finding is supported by Green (2013) who noted that entrepreneurship is transmitted inter-generationally and parents have a strong influence on their children's entrepreneurial inclinations. The study, however, did not establish whether these family businesses were opportunity-driven or necessity-driven. The study also revealed that 51.3% of the entrepreneurs were operating businesses that were in a different line of business from those that are run by their family members. This could be due to the desire by opportunity-driven youth entrepreneurs to tap into businesses that enable them to combine business knowledge with an interest close to their hearts, which allowed them to benefit both financially and emotionally (Kew et al., 2010). This finding differed from Marzuki, Kadir, & Junid (2016) who indicated that youth entrepreneurs tended to engage in businesses similar to those run by their parents.

Finally, a Pearson's Correlation Analysis demonstrated that overall an individual's age, gender, education level, family background and economic sector were not statistically significant to opportunity-driven entrepreneurship. Kew (2015) and Shane et al. (2003) argued that entrepreneurial activity is the result of motivated entrepreneurs identifying opportunities and using their resources to develop these ideas. Motivation affects an entrepreneur's decision to pursue entrepreneurial opportunities and according to the Theory of Human Values this decision is driven by values, that is, essential goals expressed as beliefs filled with emotions which convey that which is important to an individual. An individual will be happy when he enjoys the values that are important to him and become distressed when these values are threatened. As a result, values activate a strong desire to engage in behaviour or action and to make decisions and trade-offs that will help an individual to achieve his desired goals. (Schwartz, 2012; Schwartz et al., 2001; Shane et al., 2003). Therefore, an individual who values independence, engaging in exciting work, adventure and pursuit of self-interest is more likely to pursue entrepreneurship over salaried employment because it provides him with the necessary context to pursue his values, enabling him to satisfy the human need for consistency between value and behaviour (Bardi & Schwartz, 2003; Gorgievski et al., 2018; Schwartz, 2012). Ahmed et al. (2017) and Choo et al. (2012) pointed out that while job satisfaction and performance improve when an individual believes that he has the

knowledge and capabilities to handle the demands of the job, the occupation he chooses to engage in must also meet his needs, values and desires.

5.2.2 Factors motivating opportunity-driven youth entrepreneurs

The study had six motivational factors that were combined to represent the dependent variable opportunity-driven entrepreneurship. These factors represented the reason entrepreneurs choose to start their businesses. These motivational factors were: ‘I have the opportunity to do exciting work’, ‘I wanted the freedom to be my own boss’, ‘I saw a business opportunity’, ‘I wanted to pursue my hobby/passion’, ‘I wanted to attain work-life balance’ and ‘I was inspired by my family/friends’.

Based on their mean, the factors ‘I have the opportunity to do exciting work (mean=4.21)’, ‘I wanted the freedom to be my own boss’ (mean=4.12) and ‘I saw a business opportunity’(mean=4.09) were of relative importance. Opportunity-driven entrepreneurs in Latin America and Europe are reported to have expressed similar positive reasons for choosing entrepreneurship over salaried work. Llisterri et al. (2006) observed that in Latin America, 79% of opportunity-driven entrepreneurs are motivated by the need for achievement, 63% by the need for independence and 55% by the need to give back to society. Similarly, in Britain, Germany and Switzerland, entrepreneurs indicated that they are motivated by the opportunity to participate in exciting work while enjoying the independence and autonomy that traditional workplaces might fail to provide (Frey & Benz, 2006; Green, 2005). Global Entrepreneurship Monitor (2012), Llisterri et al. (2006) and Williams (2008) also pointed out that opportunity-driven entrepreneurs choose entrepreneurship as a career option because they want to pursue unexploited or underexploited opportunities in the market and consciously make plans to capture these opportunities.

It was also important to note that, of the six motivational factors, the factor ‘I was inspired by my family/friends’ had a lower mean (mean=2.93). Kimando and Njogu (2012) indicated that young people receive little encouragement from society to become entrepreneurs because there is an expectation for graduates to obtain salaried jobs after completing university or tertiary education. Traditional office jobs are considered to be more stable particularly from a financial perspective,

as employees are guaranteed a constant salary at the end of each month (Kimando & Njogu, 2012; Organisation For Economic Co-operation And Development & European Union, 2017; Schoof, 2006). Entrepreneurship is often viewed as an activity that cannot be taken seriously and one that is reserved for school dropouts and non-college graduates who have limited chances of getting employment (Clemensson & Christensen, 2010; Kimando & Njogu, 2012; Schoof, 2006). Furthermore, youth are expected to seek employment to repay their families for the financial sacrifices made to enable them to gain higher education (Schoof, 2006).

These findings are supported by two dimensions of the Theory of Planned Behaviour, that is, control and normative beliefs. According to these beliefs, the opinion of important people in an individual's community, such as parents, can either encourage or deter individuals from engaging in certain behaviour (Ajzen, 2002). Hence, in societies where entrepreneurship is belittled youth will often opt for traditional careers (Kew et al., 2010; Kimando & Njogu, 2012; Schoof, 2006). Despite the lack of support, entrepreneurs who have confidence in their ability to identify business opportunities and to run successful businesses and who value independence, adventure and pursuit of self-interests will be strongly motivated to overcome the challenges that may be presented by an unsupportive environment (Ajzen, 2002; Gorgievski et al., 2018; Shane et al., 2003).

5.2.3 The relationship between incentives and opportunity-driven entrepreneurship

With regard to government incentives, first, the study sought to identify the extent to which government efficiency incentivised entrepreneurship. The provision of five government services was examined: Business registration/license/permit, Provision of public utility e.g. water, electricity, Tax administration/system, Provision of security and Protection of intellectual property rights and innovation. The findings revealed that entrepreneurs did not consider the government to be efficient in the protection of intellectual property rights and innovation as this measure had the lowest mean (mean=2.45). The Government of Kenya appreciates that entrepreneurship can be a source of new jobs and economic dynamism that will provide opportunities for the youth to achieve economic independence and prosperity (Sambo, 2016). However, Aidis and Estrin (2013) observed that insecure property rights in East European countries, such as Poland, Russia and Ukraine, have discouraged potential entrepreneurs from setting up businesses. Consequently, the enforcement of strong rule of law by the government to protect entrepreneurs intellectual property

rights and innovations would ensure that entrepreneurship has a long term positive impact on the economy (Lee & Peterson, 2000). Additionally, the study findings showed that for the government to better support and incentivise young opportunity-driven entrepreneurs, it needs to provide a business-friendly environment that lowers the cost of doing business, introduce entrepreneurship curriculum and training programs in schools and recruit teachers with a background in business to teach this entrepreneurship curriculum. Akinyemi and Adejumo (2018) and Dzafic and Babajic (2016) indicated that a supportive business environment, in addition to skills, talent and motivation, is essential for entrepreneurs to successfully actualise their business ideas. Nafukho and Muyia (2010) suggested that governments and institutions invest in entrepreneurship education and training programs to equip potential entrepreneurs with the skills that would help them identify business opportunities and run successful enterprises. Entrepreneurship education not only equips entrepreneurs to survive in a dynamic economy but also helps young people to begin to appreciate entrepreneurship as a potential career option (Llisterri et al., 2006; Schoof, 2006; White & Kenyon, 2001).

Second, the study also sought to determine how many of the youth enterprises had benefitted from government initiatives. The study looked at this from a business loan perspective and established that 9.3% of the opportunity-driven entrepreneurs had obtained funding from a government agency. The Kenyan Government set up the Youth Enterprise Development Fund in 2006 and the Uwezo Fund in 2013 to help young entrepreneurs access funding and acquire business development and entrepreneurial skills as a way of developing an entrepreneurial culture (Uwezo Fund, 2018; Youth Enterprise Development Fund, 2013). The Kenya National Bureau of Statistics (2018) reported that 139,000 new start-up businesses were added to the economy in 2017 by women and youth entrepreneurs who had accessed low-cost credit from these institutions. Additionally, the Youth Enterprise Development Fund reported that it had disbursed Kshs 6.5 billion in loans to over 2,000,000 youth enterprises between 2008 and 2011 (Youth Enterprise Development Fund, 2013). Nevertheless, these reports did not specify how many of these businesses were opportunity-driven. Shane (2009) argued that government incentives are designed to only attract necessity-driven entrepreneurs, who may not be able to identify successful industries and therefore tend to start businesses in industries that typically have low entry barriers and high start-up failure rates. Therefore, the government should reconsider providing subsidies and grants

for the creation of generic start-ups and focus its resources on opportunity-driven entrepreneurs who can identify unexploited or underexploited business opportunities, develop plans to capture these and form high quality, high growth companies (Global Entrepreneurship Monitor, 2012; Llisterri et al., 2006; Shane, 2009; Williams, 2008).

On private sector incentives, the study looked at business loan funding sources and the benefits derived from business associations and incubation hubs. With regards to business loan funding sources, the study revealed that 39.4% of the entrepreneurs had obtained funds from only one loan source and of these over 50% had borrowed money from family/friends, followed by those who had obtained their funds through mobile loans (19.7%). Additionally, 38.9% of the entrepreneurs had obtained funds from more than one loan source, with the common loan source combination being family/friends and mobile loans (46.7%), sacco and chama/merry go round (26.7%) and bank and family/friends (24%). Schoof (2006) observed that a high proportion of new businesses started by young entrepreneurs (99%) are funded through informal financiers, 46% through personal savings, 28% through micro-credit organisations and 9% through youth business loan programmes. Youth entrepreneurs are an underrepresented target group of finance and seed funding programmes because they are perceived to be a risky investment (Schoof, 2006). They also have difficulty accessing necessary business funding because of complex documentation procedures and credit requirements by finance and seed fund institutions, forcing them to turn to alternative funding sources such as loans from family and friends, personal savings, to start-up, sustain and expand their businesses (El Hadidi, 2018; Kew et al., 2010; Schoof, 2006).

On the subject of benefits derived from business associations and incubation hubs, the study revealed that although over 50% of the entrepreneurs had benefitted from various support services offered by business associations and incubation hubs, 49.5% of the entrepreneurs were not members of these associations and hubs. The study did not establish why this group of entrepreneurs were not members of the associations and hubs. Around the world, institutions of higher learning have established entrepreneurship centres to provide complimentary business support services such as coaching, mentoring, incubation and provision of funding to young entrepreneurs to increase the success rate of new enterprises and stimulate interest amongst budding young entrepreneurs (Chirchietti, 2018; OECD, 2012). Llisterri et al. (2006), Schoof

(2006) and White and Kenyon (2001) proposed that entrepreneurship centres and innovation hubs targeting budding entrepreneurs in both rural and urban areas provide them with technical assistance and information as a means of stimulating entrepreneurship.

The study findings also showed that for the private sector to better support and incentivize opportunity-driven entrepreneurs it needs to set up enterprise clubs, entrepreneurial business idea competitions and innovation centres, provide business support, reduce its bureaucracy to allow entrepreneurs to access start-up finance and establish a cohort of entrepreneurial ambassadors to promote entrepreneurship as a career option. Llisterri et al. (2006), Schoof (2006) and White and Kenyon (2001) suggested that enterprise competitions provide a space to raise the profile of young entrepreneurs and to provide access to funding, training and business support for those who wing. Additionally, credible and successful youth and adult entrepreneurs acting as entrepreneurial ambassadors can help change the societal perception of entrepreneurship, by promoting it as a genuine career option through which one can attain both financial and work satisfaction (Llisterri et al., 2006; Schoof, 2006; White & Kenyon, 2001).

Finally, the study sought to establish whether enterprise incentives, from government and private sector, stimulate opportunity-driven entrepreneurship. A Pearson's Correlation Analysis demonstrated that government and private sector incentives were not statistically significant to opportunity-driven entrepreneurship. Green (2013) argued that it is difficult to establish a connection between enterprise incentives and the prospect of young entrepreneurs starting and running successful enterprises because, there exists a wide range of providers operating in various contexts, offering diverse incentive packages and using different selection criteria to screen potential beneficiaries. Furthermore, these providers tend not to frequently and robustly evaluate the effectiveness of their incentive packages. Tende (2014) and Igbinovia and Okoye (2017) observed that government incentives and policies in Nigeria had not had an effect on entrepreneurship because these policies end up contradicting each other, hence, entrepreneurs do not benefit from their expected positive effects. According to the Theory of Planned Behaviour, entrepreneurs who highly value the need to be adventurous, independent or the pursuit of self-interests will be driven by a strong desire to develop goals and action plans that will help them start and persist in business, despite operating in an environment that undermines

entrepreneurship opportunities (Bardi & Schwartz, 2003; Clemensson & Christensen, 2010; Ellis & Williams, 2011; Gorgievski et al., 2018; Schwartz, 2012).

5.2.4 Social and cultural factors, and opportunity-driven entrepreneurship

The study sought to establish how family and society view entrepreneurship, and the influence of education on entrepreneurship. To establish family and society's view of entrepreneurship, the study used the following seven statements: Corporate and professional careers are held in high esteem; Entrepreneurship is risky and does not provide a regular income or job security; Entrepreneurs are successful, honest, and innovative; Entrepreneurship is a hobby and not a legitimate career; Entrepreneurship is reserved for non-college graduates and school dropouts; Entrepreneurs are lazy, deceitful, and selfish. The findings showed that of the seven variables, corporate and professional careers are held in high esteem by family members and society had a high mean (mean=4.14). This finding is supported by Schoof (2006) who noted that in Asian, European and African societies traditional careers are still thought of as being prestigious and providing stability as opposed to entrepreneurship which is seen as risky and unstable. Similarly, Kew et al. (2010) observed that in South Africa, corporate and professional careers represent the peak of achievement while entrepreneurship is frowned upon and not seen as a legitimate career choice. In Kenya, obtaining employment after graduating from school is still seen as a normal transition in life. Employment provides an opportunity to get a constant salary and enables individuals to recoup the investment made on education as quickly as possible, while entrepreneurship is seen as a domain reserved for non-college graduates and school dropouts who have low prospects of obtaining salaried positions (Kimando & Njogu, 2012).

A Pearson's Correlation Analysis demonstrated that if family members and the general society were to regard entrepreneurs as successful and innovative individuals, this would likely inspire more youth to pursue entrepreneurship, translating into more opportunity-driven entrepreneurs. This finding was supported by Singer et al. (2018) who noted that in Latin America, North America, the Middle East and Africa, family support has been central in the success and viability of youth enterprises with parents acting as role models, advising on how to manage businesses and providing the necessary funding. Additionally, most ventures end up becoming family enterprises, since family members step in to serve clients when the entrepreneur is away to ensure that sales

opportunities are not lost (Singer et al., 2018). The finding was also supported by the three beliefs in the Theory of Planned Behaviour. According to these beliefs, individuals will develop positive or negative attitudes towards certain behaviour or activities based on the expected consequences of these behaviours or activities. For example, in low uncertainty avoidance countries such as Australia and Canada, youth entrepreneurs who have support from the government and other institutions, report being less fearful of failure, are more confident about their business skills and are more willing to take risks. However, in high uncertainty avoidance societies such as Europe, Asia and Africa where entrepreneurship is belittled, youth are less inclined to set up businesses because of their fear of failure and their need for regular income and job stability (OECD, 2017; Schoof, 2006). Additionally, parents and siblings have a significant influence on career choice and in societies where respect for elders is highly valued, such as China and Africa, youth are expected to consider family expectations and obligations and choose careers that will enhance the family's social status and bring glory to their families (Abbasi & Sarwat, 2014; Choo et al., 2012; Xing & Rojewski, 2018). Finally, individuals who believe in their capability to identify opportunities and run successful businesses will be motivated to engage in entrepreneurship-related behaviours despite the challenges that they may encounter (Lortie & Castogiovanni, 2015; Shane et al., 2003).

On the education dimension, the study sought to establish the extent to which access to education and engagement in co-curricular activities influenced entrepreneurial career. The findings revealed that while both influenced entrepreneurial career, involvement in co-curricular activities had a higher mean (mean=3.45) than access to education (mean=3.30), suggesting the importance of co-curricular activities in school. A Pearson's Correlation Analysis demonstrated that both these factors were statistically significant to opportunity-driven entrepreneurship. Pompa and Pasanen (2015) indicated that countries with weak education systems, low literacy and numeracy levels, and high school dropout rates would develop entrepreneurs who had a very minimal impact on the economy because they would lack the skills necessary to compete in established markets. According to the OECD (2012), institutions of higher learning worldwide, are developing entrepreneurship courses that are meant to stimulate youth's interest in entrepreneurship while equipping them with entrepreneurship skills. For example, in Tunisia's higher learning institutions across the country, entrepreneurship education has become an important feature of promoting an entrepreneurial culture, while entrepreneurship education in Malaysia is considered to be an

effective tool in stimulating young people's interest in entrepreneurship (Marzuki et al., 2016; OECD, 2012). The study did not, however, establish the types of co-curricular activities the entrepreneurs were engaged in at the tertiary institutions and how these were related to the business sector they were operating in.

5.3 Conclusions

This study discussed the factors that influence Kenyan graduates to choose entrepreneurship as a career option. The following conclusions were drawn from the discussions:

First, opportunity-driven entrepreneurship was more common among male entrepreneurs, who had specialised in Information Technology related courses and were operating businesses in the Information Technology sector. Opportunity-driven entrepreneurs were between the ages of 21 and 30 years, have an entrepreneurial family background. However, the entrepreneurs were operating businesses that were in a different line of business from those that are run by their family members. Overall, the study established that age, gender, educational background, family background and economic sector were not determinants of one becoming an opportunity-driven entrepreneur.

Second, all the six motivational factors in the study were important in representing the reasons for choosing to start their businesses, nevertheless the factors 'I have the opportunity to do exciting work', 'I wanted the freedom to be my own boss' and 'I saw a business opportunity' were of relative importance based on their mean.

Third, from a government incentives perspective, whereas the Government of Kenya has sought to establish an environment that supports an entrepreneurial culture, it was considered inefficient in the protection of intellectual property rights and innovation. Additionally, it was revealed that only 9.3% of the opportunity-driven youth enterprises had obtained funding from government agencies set up to provide funding to youth businesses. From a private sector incentives perspective, opportunity-driven entrepreneurs had funded their business through informal financiers. The common single source for loans was from family/friends or mobile loans, whilst the common loan source combination was from family/friends and mobile loans. Additionally,

although about 50% of the entrepreneurs had benefited from various support services offered by business associations and innovation hubs, another 50% had not benefitted from these services. Overall, the study revealed that there was no correlation between the various government and private sector incentives and opportunity-driven entrepreneurship.

Finally, the manner in which family members and society in general viewed entrepreneurship was found to be statistically significant to opportunity-driven entrepreneurship. Consequently, if they perceive entrepreneurs as successful and innovative individuals, it is likely to encourage more youth into entrepreneurship. Additionally, from an education perspective, access to education and participation in co-curricular activities in school were found to be statistically significant to opportunity-driven entrepreneurship.

5.4 Policy recommendations

The findings in this study lead to the following policy recommendations:

5.4.1 Entrepreneur and enterprise characteristics

The study findings revealed opportunity-driven entrepreneurship was more common among male entrepreneurs, who were operating businesses in the Information Technology sector. To encourage more women to participate in opportunity-driven entrepreneurship, the government and private sector could design affordable financial products that target young women who would typically not have access to collateral to secure funding from funding institutions. To increase the participation of female opportunity-driven entrepreneurs in the Information Technology sector, universities and TVET institutions could engage female opportunity-driven entrepreneurs operating in the sector to develop a mentorship program to help budding female entrepreneurs to set up businesses, develop networks and access markets in this sector.

5.4.2 Motivational factors

To facilitate young people to identify opportunity-driven entrepreneurship as a viable profession, universities and TVET institutions should consider including it in their range of career opportunities at career exhibitions and career guidance platforms. This would provide a practical career option for young graduates who are motivated by the need for independence, the freedom

to do exciting work and the desire to pursue a business opportunity, giving them the chance to venture into a career that suits their preferences, values, skills and personality. Mentors, role models and entrepreneurial ambassadors could also motivate opportunity-driven entrepreneurship.

5.4.3 Incentives to stimulate opportunity-driven entrepreneurship

To stimulate opportunity-driven entrepreneurship: first, the government should consider refocusing its resources to target opportunity-driven entrepreneurs who are interested in establishing companies that would have a positive impact on the economy. Second, both government and private sector should consider robustly tracking and frequently evaluating the diverse incentive packages offered to entrepreneurs to establish their effectiveness in stimulating opportunity-driven entrepreneurship. Third, the government should enforce a strong rule of law to safeguard intellectual property rights and innovations to motivate more youth to invest in developing their business ideas.

5.4.4 Social-cultural factors to promote opportunity-driven entrepreneurship

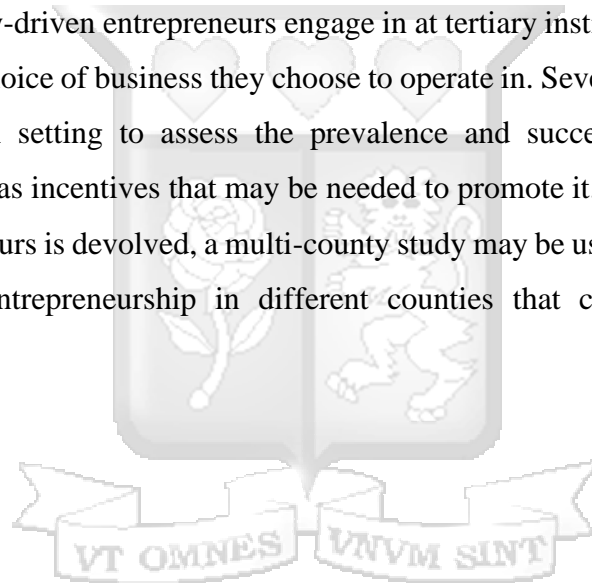
From a social-cultural perspective, the government and private sector could identify and appoint opportunity-driven entrepreneurs to act as entrepreneurial ambassadors to help change society's negative perception of entrepreneurship and promote it as a feasible career option. Additionally, youth interested in pursuing entrepreneurship should leverage available educational opportunities to acquire the entrepreneurial skills needed to identify business opportunities and convert business ideas into viable businesses that would benefit them both financially and emotionally.

5.5 Limitations of the study

The findings of this study should be understood within the confines of the following limitation. The respondents were specifically required to be graduates from university and TVET institutions in Nairobi County and were selected through snowballing. This presented difficulty in getting a large sample size, as it was not easy to find the respondents. Consequently, the results of this study should be generalised with caution.

5.6 Recommendations for further research

Future research could explore the following areas: First, explore the reasons for the low participation of female opportunity-driven entrepreneurs in the Information Technology sector and how their participation could be increased. Second, establish whether opportunity-driven entrepreneurs have accessed entrepreneurship programmes offered at higher learning institutions. Third, for opportunity-driven entrepreneurs with entrepreneurial family background, to explore whether these family businesses are opportunity-driven, or necessity driven. Fourth, explore the reasons for opportunity-driven entrepreneurs not being members of business associations and innovation hubs. Fifth, explore how many opportunity-led youth enterprises have benefitted from various government and private sector initiatives. Sixth, establish the types of co-curricular activities that opportunity-driven entrepreneurs engage in at tertiary institutions and whether these activities influence the choice of business they choose to operate in. Seventh, a similar study could be conducted in a rural setting to assess the prevalence and success of opportunity-driven entrepreneurship as well as incentives that may be needed to promote it. Finally, as more services and support to entrepreneurs is devolved, a multi-county study may be useful in determining levels of opportunity-driven entrepreneurship in different counties that can contribute to overall economic growth.



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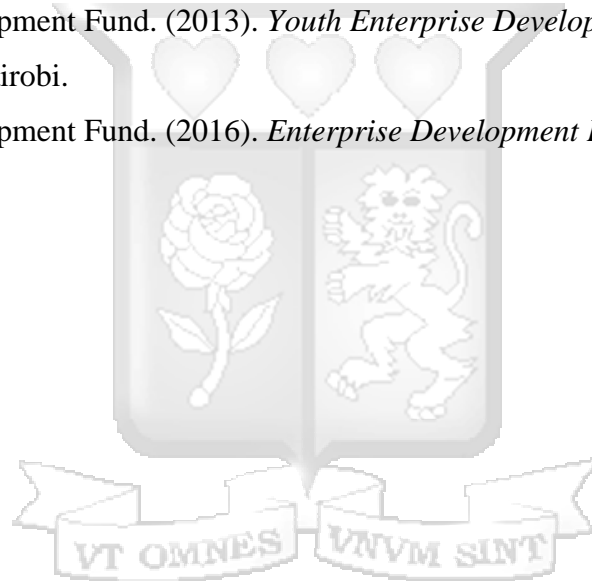
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APPENDICES

APPENDIX I: ETHICAL CLEARANCE LETTER



Strathmore
UNIVERSITY

16th December 2019

Mrs Ngugi, Caroline
caroline.ngugi@strathmore.edu

Dear Mrs Ngugi,

RE: Youth Entrepreneurship: A Career Choice

This is to inform you that SU-IERC has reviewed and approved your above research proposal. Your application approval number is SU-IERC0584/19. The approval period is 16th December, 2019 to 15th December, 2020.

This approval is subject to compliance with the following requirements:

- i. Only approved documents including (informed consents, study instruments, MTA) will be used
- ii. All changes including (amendments, deviations, and violations) are submitted for review and approval by SU-IERC.
- iii. Death and life threatening problems and serious adverse events or unexpected adverse events whether related or unrelated to the study must be reported to SU-IERC within 72 hours of notification
- iv. Any changes, anticipated or otherwise that may increase the risks or affected safety or welfare of study participants and others or affect the integrity of the research must be reported to SU-IERC within 72 hours
- v. Clearance for export of biological specimens must be obtained from relevant institutions.
- vi. Submission of a request for renewal of approval at least 60 days prior to expiry of the approval period. Attach a comprehensive progress report to support the renewal.
- vii. Submission of an executive summary report within 90 days upon completion of the study to SU-IERC.

Prior to commencing your study, you will be expected to obtain a research license from National Commission for Science, Technology and Innovation (NACOSTI) <https://oris.nacosti.go.ke> and also obtain other clearances needed.


Yours sincerely,


for: Dr Virginia Gichuru,
Secretary; SU-IERC

Cc: Prof Fred Were,
Chairperson; SU-IERC




APPENDIX II: NACOSTI RESEARCH PERMIT


REPUBLIC OF KENYA


**NATIONAL COMMISSION FOR
SCIENCE, TECHNOLOGY & INNOVATION**

Ref No: **240755** Date of Issue: **24/January/2020**

RESEARCH LICENSE



This is to Certify that Ms. Caroline Ngugi of Strathmore University, has been licensed to conduct research in Nairobi on the topic: Youth Entrepreneurship: A Career Choice for the period ending : 24/January/2021.

License No: **NACOSTI/P/20/3573**

240755

Applicant Identification Number


Director General
**NATIONAL COMMISSION FOR
SCIENCE, TECHNOLOGY &
INNOVATION**

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APPENDIX III: LETTER OF INTRODUCTION

Oje Sangale Rd, Madaraka Estate,
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Wednesday, 06 November 2019

RE: FACILITATION OF RESEARCH – CAROLINE NJANGO NGUGI

This is to introduce Caroline Ngugi who is a Master of Public Policy Management student at Strathmore University Business School, admission number MPPM 101137/17. As part of our MPPM Program, Caroline is expected to do applied research and undertake a project. This is in partial fulfilment of the requirements of the MPPM course. To this effect, she would like to request for appropriate data from your organization.

Caroline is undertaking a research paper on “**Youth Entrepreneurship: A Career Choice.**” The information obtained from your organization shall be treated confidentially and shall be used for academic purposes only.

Our MPPM seeks to establish links with industry, and one of these ways is by directing our research to areas that would be of direct use to industry. We would be glad to share our findings with you after the research, and we trust that you will find them of great interest and of practical value to your organization.

We appreciate your support and shall be willing to provide any further information if required.

Yours sincerely,

A handwritten signature in blue ink, appearing to read "Caroline Tiara".

Caroline Tiara.
Manager – Masters’ Programs
MBA, MPPM, MCOM

APPENDIX IV: INFORMED CONSENT FORM
YOUTH ENTREPRENEURSHIP: A CAREER CHOICE

SECTION 1: INFORMATION SHEET

Investigator: Caroline Ngugi

Institutional affiliation: Strathmore Business School (SBS)

SECTION 2: INFORMATION SHEET – THE STUDY

2.1 Why is the study being carried out?

The study aims to examine the factors that influence young Kenyan graduates to choose entrepreneurship as a career option. The study will establish the economic sectors in which young entrepreneurs prefer to invest, identify youth's perception on Kenyan investment and entrepreneurial opportunities, incentives government can apply to youth to encourage positive attitudes towards entrepreneurship and education and social changes necessary to encourage more innovative visions and activities among opportunity-driven entrepreneurs.

2.2 Do I have to take part?

No. Taking part in this study is entirely optional and the decision rests only with you. If you decide to take part, you will be asked to complete a questionnaire to get information on opportunity-driven entrepreneurship. If you are not able to answer all the questions successfully the first time, you may be asked to sit through another informational session after which you may be asked to answer the questions a second time. You are free to decline to take part in the study at any time without giving any reasons.

2.3 Who is eligible to take part in this study?

Opportunity-driven entrepreneurs in Nairobi aged between 20-34 years who have completed a 4-year undergraduate degree or 1-3 years training program at a technical and vocational education program and who have been running their business for at least 2 years.

2.4 Who is not eligible to take part in this study?

- Necessity-driven entrepreneurs
- Entrepreneurs aged below 20 years or above 34 years
- Entrepreneurs who have not completed a 4-year undergraduate degree or 1-3 years training program at a technical and vocational education program
- Entrepreneurs who have been running their businesses for less than 2 years

2.5 What will taking part in this study involve?

You will be approached and requested to take part in the study. If you are satisfied that you fully understand the goals behind this study, you will be asked to sign the informed consent form (this form) and then taken through a questionnaire to complete.

2.6 Are there any risks or dangers in taking part in this study?

There are no risks in taking part in this study. All the information you provide will be treated as confidential and will not be used in any way without your express permission.

2.7 Are there any benefits of taking part in this study?

The findings in this study will be used to encourage policymakers in government to design incentives that encourage youth-run enterprises so that the economy can optimally tap this underutilised factor of production. This information will also be used to encourage and challenge the youth, educational institutions, parents, and society in general, to start viewing entrepreneurship as a viable career option.

2.8. What will happen if I refuse to take part in this study?

Participation in this study is entirely voluntary. Even if you decide to take part at first but later change your mind, you are free to withdraw at any time without explanation.

2.9 Who will have access to my information during this research?

All research records will be stored in securely locked cabinets. That information may be transcribed into our database, but this will be sufficiently encrypted, and password protected. Only the people who are closely concerned with this study will have access to your information. All your information will be kept confidential.

2.10 Who can I contact in case I have further questions?

You can contact me, Caroline Ngugi, at SBS or by email, caroline.ngugi@strathmore.edu, or by phone, 0733 586092. You can also contact my supervisor, Prof. Ruth Kiraka, at the Strathmore Business School, Nairobi, or by email, rkiraka@strathmore.edu, or by phone 0703 034220.

If you want to ask someone independent anything about this research, please contact:

The Secretary-Strathmore University Institutional Ethics Review Board, P O Box 59857-00200, Nairobi, email: ethicsreview@strathmore.edu, Tel number: +254 703 034375.

I, _____ have had the study explained to me. I have understood all that I have read and have had explained to me and had my questions answered satisfactorily. I understand that I can change my mind at any stage.

Participation in the research study (Please tick the boxes that apply to you)

I AGREE to take part in this research.

I DON'T AGREE to take part in this research.

Storage of information on the completed questionnaire

I AGREE to have my completed questionnaire stored for future data analysis.

I DON'T AGREE to have my completed questionnaire stored for future data analysis.

Participant's Signature:

Date: ____/____/____

DD/MM/YEAR

Participant's Name:

_____ (Please print name)

Time: ____/____

HR/MIN

I, _____ (Name of person taking consent) certify that I have followed the SOP for this study and have explained the study information to the study participant named above, and that s/he has understood the nature and the purpose of the study and consents to the participation in the study. S/he has been given opportunity to ask questions which have been answered satisfactorily.

Investigator's Signature:

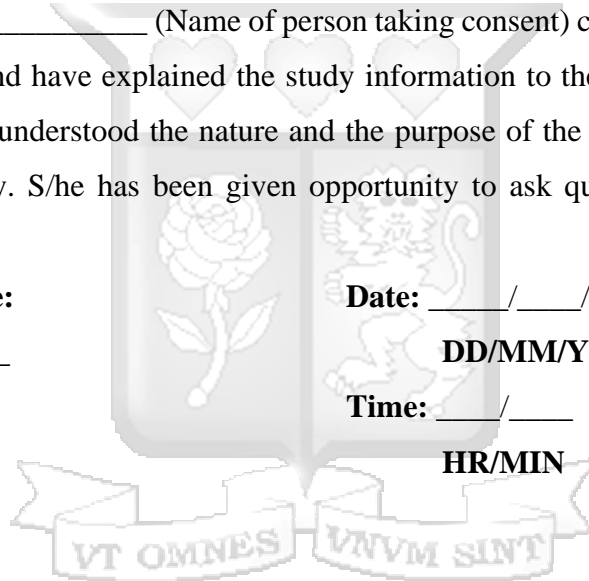
Date: ____/____/____

DD/MM/YEAR

Investigator's Name:

Time: ____/____

HR/MIN



APPENDIX V: RESEARCH QUESTIONNAIRE

The study conducted by the researcher is done purely for academic purposes. The information obtained will be treated with the utmost confidentiality and the interviewee is free to stop the process at any time during the exercise.

SCREENING QUESTIONS

1. Why did you become an entrepreneur?

I graduated with a certificate/diploma/undergraduate degree and I have the opportunity to get a salaried work, but I have chosen to work on my business venture.	Yes [] (continue to Section A) No [] (terminate)
I was pushed into starting a business because I could not find formal employment after graduating from college/university or because I was unable to continue with my education.	Yes [] (terminate) No []

2. How long has your business been operating?

Below 2 year [] (terminate)	2 years and above [] (continue to section A)
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SECTION A: ENTREPRENEUR CHARACTERISTICS

1. Gender of respondent: 1=Male [] 2=Female []

2. Year of birth of respondent _____

3. Educational background

Institution	Specialization
1=Technical and Vocational education (TVET) []	
2=Undergraduate Degree []	

4. Do your parents or siblings own a business? 1=Yes [] 2=No []

5. Are you in the same line of business as your parents or siblings? 1=Yes [] 2=No []

SECTION B: ENTERPRISE CHARACTERISTICS

6. Which economic sector does your business operate in? (Choose one)

1=Agriculture []	5=Construction []	9=Finance []	13=Fashion and Art []
2=Education []	6=Food and beverage []	10=Real Estate []	14=Manufacturing []
3=Technology []	7=Transport []	11=Healthcare []	15= Energy []
4=Solid waste management []	8=Water supply []	12=Tourism []	16=Other (specify) _____

SECTION C: MOTIVATIONAL FACTORS

7. To what extent do you agree that the following are motivating factors for starting your business? (Please tick in the appropriate space)

(1-Strongly disagree, 2-Disagree, 3-Somewhat agree, 4-Agree and 5-Strongly agree)

Motivation/Reasons	1	2	3	4	5
I ventured into business to attain work-life balance.					
I ventured into business because I saw a business opportunity.					
I ventured into business to pursue my hobby/passion.					
I ventured into business because I was inspired by my family/friend.					
I ventured into business because I have the opportunity to do exciting work.					
I ventured into business because I wanted the freedom to be my own boss.					

SECTION D: INCENTIVES TO STIMULATE ENTREPRENEURSHIP

8. To what extent do you agree that the government is efficient in providing the following services? (Please tick in the appropriate space)

(1-Very inefficient, 2-Inefficient, 3-Somewhat efficient, 4-Efficient and 5-Strongly efficient)

Government efficiency	1	2	3	4	5
Tax administration/system					
Business registration/license/Permit					
Protection of intellectual property rights and innovation					
Provision of security					
Provision of public utility e.g. electricity, water					

9. If you have ever applied for a business loan which institution did you apply to for the loan? (Multiple responses are possible)

1=Bank []	4=Sacco []
2=Government agency e.g. Uwezo Fund, Youth Enterprise Fund []	5=Family/friends []
3=Chama/merry-go round []	5=Other (specify) _____

10. If your business did not apply for a business loan, what were the main reasons? (Multiple responses are possible).

1=Interest rates are too high []	3= Don't know where to apply for a loan []
2=Application procedures are too burdensome []	4=Other (specify) _____

11. If you are a member of a business association or incubation hub, what benefits does your business get from being a member? (Multiple responses are possible)

1=Financial assistance []	6=Information on markets []
2=Business advice []	7=Assistance in resolving disputes []
3=Act as collateral for bank loans []	8=Mentorship/Coaching []
4=Training and improvement seminars/workshops []	9=Other (specify) _____
5=Information on government regulations []	

12. To what extent do you agree that the following should be the top priority for the private sector to better support young entrepreneurs? (Please tick in the appropriate space)

(1-Strongly disagree, 2-Disagree, 3-Somewhat agree, 4-Agree and 5-Strongly agree)

Priority for the private sector	1	2	3	4	5
The private sector should reduce its bureaucracy/red tape to enable youth entrepreneurs to access start-up finance and seed funding.					
The private sector should provide business support in terms of mentoring, business counselling, and business networks.					
Successful credible youth and adult entrepreneurs should act as entrepreneurial ambassadors.					
Student enterprise clubs, entrepreneurial business idea competition and innovation centres should be set up to stimulate interest in entrepreneurship.					

13. To what extent do you agree that the following should be the top priority for your government to better support young entrepreneurs? (Please tick in the appropriate space)

(1-strongly disagree, 2-disagree, 3-somewhat agree, 4-agree and 5-strongly agree)

Priority for the government	1	2	3	4	5
Entrepreneurship curriculum and training programs should be introduced at all schools.					
Teachers with a background in business should be recruited to teach the entrepreneurship curriculum.					
The government should provide a business-friendly environment that lowers the cost of doing business.					
The government should enforce strong rule of law that protects intellectual property rights and innovation.					

14. To what extent do you agree with the following statements regarding incentives? (Please tick in the appropriate space)

(1-Strongly disagree, 2-Disagree, 3-Somewhat agree, 4-Agree and 5-Strongly agree)

Incentives	1	2	3	4	5
Access to government incentives prompted me to start my business.					
Access to private sector incentives prompted me to start my business.					

SECTION D: SOCIAL AND CULTURAL FACTORS

15. To what extent do you agree with the following statements regarding how your family and society views youth entrepreneurship? (Please tick in the appropriate space)

(1-Strongly disagree, 2-Disagree, 3-Somewhat agree, 4-Agree and 5-Strongly agree)

Family and society’s view of entrepreneurship	1	2	3	4	5
Entrepreneurship is considered a viable career choice.					
Entrepreneurship is considered to be a hobby and not a legitimate career.					
Corporate and professional careers are held in high esteem.					
Entrepreneurship is reserved for non-college graduates and school dropouts.					
Entrepreneurs are considered to be successful, honest, and innovative.					
Entrepreneurs are considered to be lazy, deceitful, and selfish.					
Entrepreneurship is considered to be risky and does not provide a regular income or job security.					

SECTION E: INFLUENCE OF EDUCATION ON ENTREPRENEURSHIP

16. To what extent do you agree that your education has influenced your entrepreneurial career? (Please tick in the appropriate space)

(1-strongly disagree, 2-disagree, 3-somewhat agree, 4-agree and 5-strongly agree)

Influence of education on entrepreneurship	1	2	3	4	5
My education has influenced my entrepreneurial career.					
My involvement in co-curricular activities in school (e.g. marketing society, business club) influenced my entrepreneurial career.					

