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Abstract

The study examined the influence of financial knowledge on entrepreneurial success among the youth-led enterprises in the informal sector in Homa Bay Town Sub-County, Kenya. The specific objectives of the study were to examine the influence of debit management knowledge, credit management knowledge, budgeting knowledge and maintaining books of account on entrepreneurial success. The study employed both descriptive and explanatory research design. The researcher included all the 1,050 registered and licensed youth-led micro enterprise in the informal enterprises in the Homabay town sub-county. The researcher used only those youth-led micro enterprises registered between January 2015 and December 2019. The respondents included youth leaders/managers of the micro enterprises. The sample size was 290 respondents. Stratified random sampling technique was used in the study. The data was analyzed using descriptive and inferential statistics. The descriptive statistics was presented in mean, standard deviation and frequencies while the inferential statistics included correlation analysis and regression analysis. The study found that debit management knowledge, credit management knowledge, budget management knowledge and maintaining books of account were satisfactory in explaining entrepreneurial success. The study concluded that debit management knowledge was positively and significantly related to entrepreneurial success ($\beta=.127$, $p=0.014$). Credit management knowledge and entrepreneurial success were also positively and significantly related ($\beta=.189$, $p=0.003$). Further, budget management knowledge was positively and significantly related to entrepreneurial success ($\beta=.641$, $p=0.000$). Finally, maintaining books of account and entrepreneurial success was positively and significantly related ($\beta=.293$, $p=0.000$).

The study recommended that youth-led micro enterprise in the informal enterprises in HomaBay Town Sub County should usually perform a regular credit check for the debtors, tighten the credit terms for selective customers, send the invoices electronically to the debtors, use the debt collection agency and also make priorities of debt collection. The study also recommended that youth-led micro enterprises should pay their bills on time, create a monthly bill payment calendar and develop priority in the payment of the debts. The enterprises should also be tracking the incoming and outgoing incomes, set up a saving plan, review and update projections regularly. Further, the enterprises should maintain the cash book to examine the inflow and outflow of the cash, maintain the cash receipt a and also maintain the income statement.

Keywords: *Financial Knowledge, Entrepreneurial Success, Youth-Led Enterprises, Informal Sector, Homa Bay Town Sub-County, Kenya*

1.0 INTRODUCTION

1.1 Background of the Study

Entrepreneurship is the key driver to the success of a country (Arshad, Zain, Arshad & Kamil, 2017). Entrepreneurial success triggers economic and social development in countries such as Kenya. In developing nations, small businesses play a key role in sustaining economic growth and equitable development (Ghio, Guerini & Lehmann, 2015). The youth-based small and medium scale enterprises play an important role in generating job opportunities in the Kenyan economy (Chelimo & Sophia, 2014). However, most enterprises face poor management, insolvency, lack of support from the government and poor credit access. (Bungule, 2016). Most youth enterprises stagnate around one region and do not expand their operations to other locations due to unexpected risks and lack of capital (Atandi & Wabwoba, 2016). The financial knowledge is a significant factor that influence the entrepreneurial success among the youth led enterprises.

Bungule (2016) established that the success of the youth enterprise is low and owners rely much on manual data storage methods. Less than 10 percent of the youth established enterprises expand their operations in other regions and most owners are neither willing to spread risks nor willing to take credit for the expansion (Ismail, 2017). Arshad, Zain and Kamil (2017) asserted that most Micro enterprise do not survive for long after establishments because of high financial constraints and mismanagement of funds. The government of Kenya, through the youth enterprise development fund and non-governmental organizations on many occasions, has provided capital in form of loans to the youth to start a business, but the survival of the businesses have not exceeded four years (Chelimo & Sophia, 2014). According to Miano and Bett (2018), the high collapse of the youth-led Micro enterprise is a result of lack of commitment, poor management skills and high competition from well-established businesses. Thus, financial knowledge may be a significant factor in determining the success of the youth enterprise, thus formed the foundation of the current study.

Globally, a study conducted in Vietnam established that about 15 percent of the youth-led small and medium-sized enterprises in the informal enterprises fail within six years under operation because of a lack of financial knowledge (Khuong, 2016). Also, Yunis, Hashim and Anderson (2019) found that between 15 and 25 percent of the youth-led micro enterprise in the informal

enterprises in Pakistan collapse within eight years under operation because of improper management of the credit and the debit. Besides, less than 60 percent of the youth-led small and medium-sized enterprises in the informal enterprises established in Malaysia becomes successful (Ismail & Mat Zin, 2017). Also, Ghani and O'Connell (2014) acknowledged that adequate frameworks for enhancing entrepreneurship incubation through dedicated budgetary allocations made youth entrepreneurship incubations a great success in Europe.

In Africa, Usama and Yusoff (2018) found that youth-led small and medium-sized enterprises in the informal enterprises in Nigeria face a lot of difficulties in managing their business and more than 40 percent fail. Also, a study in Ghana by Ofori (2018) found that more than 35 percent of the youth-led small and medium-sized enterprises in the informal enterprises collapse each year because of high debts level from the financial institutions. In South Africa, Maziriri and Mapuranga (2017) established that those enterprises that are owned by the youth do not guarantee survival for prolonged and about 30 percent collapse because of poor management of the books of account.

In Kenya, Oloo (2014) established that more than 55 percent of the youth-led enterprises collapse because of poor entrepreneurship skills, poor management of the debts and inadequate diversification in investment opportunities available. Besides, it is estimated that three out of five new businesses owned by the youth (60 percent) fail within the first few months of operation (Kenya National Bureau of Statistics, 2017). Also, Kiragu and Wasike (2019) reported that 46 percent of Kenya's micro enterprises end their operations within a year of founding because of the mismanagement of the internal finances. Lack of planning, improper financing and poor management have been posited as the leading causes of failure of small enterprises (Patrick, 2015). Therefore, the study was worthy of being conducted to examine the influence of financial knowledge and entrepreneurial success among the youth-led micro enterprise in the informal enterprises in Homabay town sub-county.

In Homabay county, youth-led enterprises have continued to perform poorly financially (Gimase, 2015). A study conducted by Omondi and Jagongo (2018) established that more than 40 percent of the youth-led micro enterprises ceases their operations within two years of action and the leading cause is poor management of the finances and lack of the skills to manage the available resources. Also, Joan (2019) reported that the survival of the businesses in Homabay County is very low, with the majority of them unable to pay for the debts from the financial institutions opting to cease its operations despite the Homabay county developing training programs to the youth on how to manage their businesses. Opiyo (2015) established that the poor performance of the business is caused by poor financial management and lack of proper training on maintenance of the books of accounts.

1.2 Statement of the Problem

In Homabay Town Sub County, there are less than 8 percent of the micro enterprise that are administered by the Youths (Ouko, 2018). According to Oloo (2014), more than 55 percent of the youth-led enterprises in Homabay town sub-county collapse within three years after the establishment. Besides, it is estimated that 60 percent of new micro enterprise owned by youth fail within four years after commencing operations (Kenya National Bureau of Statistics, 2017). Further, Atandi and Wabwoba (2016) noted that over 50% of the youth-led enterprises in the

informal sector are collapsing between 3 and 5 months of their establishments because of poor financial management. The persistent collapse of the youth-led micro enterprise in most of the counties in Kenya forms the foundations of the current study to examine whether financial knowledge affects entrepreneurial success.

However, the information about the influence of financial knowledge on entrepreneurial success among the youth-led enterprises in the informal sector in Homa Bay Sub-County remains scanty. For instance, Abdullah and Azam (2017) established that entrepreneurial success is determined by the working environment of the business and financial knowledge has an insignificant effect on the survival of the companies. Also, Staniewski (2016) reported that entrepreneurial success is determined by the entrepreneur's attitudes in serving customers and the level of creativity in diversification. Also, Bungule (2016) found that credit management practices lead to an improvement in sales revenues but negatively impacts the overall performance of the firms in terms of financial results and return on investments.

Nevertheless, Musie (2016) established there is a positive relationship between financial literacy and entrepreneurial success of the SME sector in Mpumalanga Province, South Africa. Further, Miano and Bett (2018) established that financial management positively influences the performance of the youth enterprise in Embu county. Therefore, lack of consensus among the previous studies formed the basis to conducting the study to establish the effect of the financial knowledge on entrepreneurial success among the youth-led micro enterprise in the informal enterprises in HomaBay Town Sub County and bridge the existing knowledge gap.

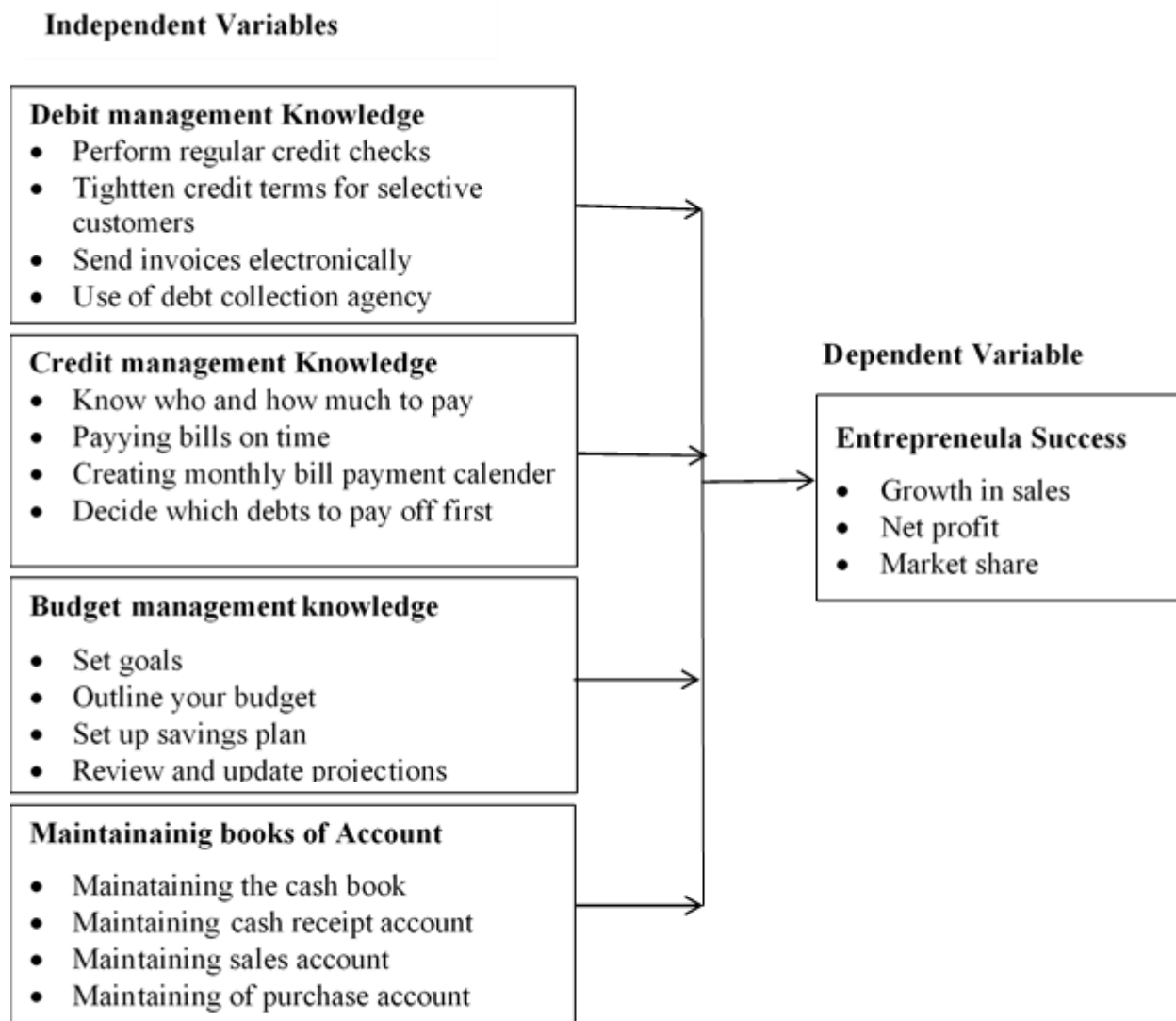
1.3 Research Objectives

- i. To establish the influence debit management knowledge on entrepreneurial success among youth-led micro enterprises in the informal sector in Homa Bay Sub-County, Kenya.
- ii. To establish the influence of credit management knowledge on entrepreneurial success among youth-led micro enterprises in the informal sector in Homa Bay Sub-County, Kenya.
- iii. To explore the influence of budgeting management knowledge on entrepreneurial success among youth-led micro enterprises in the informal sector in Homa Bay Sub-County, Kenya.
- iv. To determine the influence of maintaining the books of accounts on entrepreneurial success among youth-led micro enterprises in the informal sector in Homa Bay Sub.

1.4 Conceptual Framework

The conceptual framework shows a relationship between the dependent and independent variables. The dependent was entrepreneurial success while independent variable was the financial knowledge (debit management knowledge, credit management knowledge, budgeting management knowledge and maintaining the books of accounts). The relationship between the variables is as shown in Figure 1.

Figure 1: Schematic Relationship between Financial Knowledge and Entrepreneurial success



Source : Author (2020)

2.0 LITERATURE REVIEW

2.1 Theoretical Review

2.1.1 Knowledge Spillover Theory

Alfred Marshall developed the knowledge spillover theory in 1890. The theory assumes that knowledge spillover can be categorized into two aspects, internal and external. The internal aspect addresses the positive relations and impact of knowledge among individuals in the same setting, which results in the production of goods and services. On the other hand, the external aspect of knowledge spillover comes into play when the positive impact of knowledge is

between individuals within or outside of an organization. The theory focuses on individual agents with endowments of new economic knowledge as the unit of analysis in a model of economic growth, rather than exogenously assumed firms.

The theory further shows that the exchange of ideas among individuals is a crucial aspect of the success of a business unit (Braunerhjelm, Audretsch & Carlsson, 2009). Also, the theory shows that agents with new knowledge endogenously pursue the exploitation of knowledge. The theory further suggests that knowledge spillovers come from the stock of knowledge and there is a strong relationship between such spillovers and entrepreneurial activity (Ghio, Guerini & Lehmann, 2015). The theory further reports that knowledge spillover enhances a company to be a system distributed with active and current information that results in sustainable competitive advantage and higher performance level (Audretsch & Keilbach, 2005).

The theory was relevant to the current study since it elaborates more on an exchange of ideas among individuals, which increases the availability of the information to the employees to become more updated on the current information to enhance efficiency. The theory reveals that the knowledge spillover increases a company to be a system distributed with reliable and current information that results in sustainable competitive advantage and higher performance level. Therefore, the theory informed the variable of receivable and credit management knowledge in the present study.

2.1.2 Achievement Motivation Theory of Entrepreneurship

This theory was developed in 1967 by David McClelland while writing a book entitled “The Achieving Society.” The theory intends to establish the reasons as to why certain societies were economically successful as compared to others. According to McClelland (1967), entrepreneurs do things in a new and better way and make decisions under uncertainty. The theory further establishes that entrepreneurs are characterized by a need for achievement or an achievement orientation, which is a drive to excel, advance, and grow. According to the theory, the need for success is partially determined by the cultural practices of some societies, thus producing fewer individuals with achievement orientations. The theory similarly assumes that communities lacking achievement-oriented individuals are expected to have lower average incomes. This may be evident in some of the informal enterprises which tend to have minimum income as compared to other enterprises of the same but in the formal sector (McClelland, 1967).

The theory has been considered to have some strengths and credibility. For instance, Collins et al., (2004) have been able to confirm that there is a positive relationship between need for achievement and entrepreneurial entry and performance. Additionally, Steward and Roth (2007) have also shown that the need for success is stronger in entrepreneurs than in managers. This theory is thus applicable to the current study, especially in understanding the perception of young entrepreneurs towards financial knowledge. Hence, the researcher will be able to gauge whether a lack of enthusiasm in financial knowledge limits the financial sustainability or performance of the enterprises and thus affecting their success as entrepreneurs. Therefore, the theory informed the variable budgeting knowledge and cash flow plan in the current study.

2.1.3 Resource-Based Theory

Jay Barney developed the theory in 2001. It is a strategic management theory designed to explain why some firms perform better than others even when they occupy a very similar business environment. In explaining the differences between the performances, the theory lays more emphasis on the resources of the enterprises (Barney, 2001). The theory shows that competitive advantage comes from a firm's effective use of tangible and intangible resources or assets. Physical assets include plant, equipment, and even human resources, whereas intangible assets include things like trade secrets and corporate reputation (Barney, 2001). The theory further proposes that for a resource to make benefits, it ought to produce monetary value. McIvor (2009) suggested that an organization comprises of physical and intellectual resources that help to generate income and enhance sustainability.

Barney (2001) indicated that the resources that might be important for entrepreneurs include unique information, leadership capabilities, education and experience (explicit and implicit knowledge) embodied in the entrepreneurs or their social networks, all of which may help to make their ventures challenging to imitate. As such, financial knowledge can be categorized as an essential resource among entrepreneurs. Thus, the theory applied to the current study and informed the variable banking service knowledge among young entrepreneurs and how it is affecting their entrepreneurial success.

2.1.4 Expectancy Theory of Motivation

Victor H. Vroom proposed this theory in 1964. The idea behind the theory was the motivations which triggered decision making among individuals. The expectancy theory of motivation explains the behavioral process of why individuals choose one behavioral option over the other. This theory explains that individuals can be motivated towards goals if they believe that there is a positive correlation between efforts and performance, the outcome of a favorable performance will result in a desirable reward, a reward from a performance will satisfy a critical need, and/or the outcome satisfies their need enough to make an effort worthwhile.

Besides, Vroom (1960) argued that unethical employees tend to get motivated and comfortable working in an organization where leaders are also dishonest and such kind of employees lack values and norms and would not mind if they get a promotion which they have not worked for it. Further, the theory establishes that motivational factors include recognition in which the hardworking employees need to be praised and recognized for their positive contributions to the achievement of the goals of the company. The employees take responsibility and accountability for the work done and the tasks should be meaningful, exciting and challenging for the employee to perform and get motivated.

The components of the theory, which include expectancy, performance (instrumentality) and valence (outcome), have a crucial influence on the decisions made by entrepreneurs (Rao, 2000). In the case of an entrepreneur, financial performance is a critical outcome expected in starting an enterprise or a business. As such, interests in financial knowledge may be directed towards having an outcome of financial liberation in the business. It may also dictate the different sources of financial knowledge that one may explore to be equipped with the financial skills necessary to improve the success of the organization. Hence, the theory finds its application in the current study.

2.2 Empirical Review

Mbembe, Mutegi and Were (2019) examined the factors affecting accounts receivables management in pharmaceutical distributors in Nairobi county. The target population was all pharmaceutical distributors in Nairobi County and their senior finance staff as the respondents. Stratified random sampling was used to select a sample size of 129 distributors. The study used primary data which was collected by the use of semi-structured questionnaires and analyzed through SPSS. The findings of the study revealed that poor accounts receivables management as one of the pharmaceutical challenges and risks leading to bad debts and delays in collection. Also, the study established that competent staff enhances customer relations and makes it easier for staff to handle accounts professionally. Since credit policies help in ensuring customers discipline in making payments, the study recommended that all pharmaceutical distributors should develop credit policies that declare their credit terms and consequences of default. The study also suggested that all pharmaceutical distributors should adopt information technology in the processing of invoices.

Njeru (2014) examined the effect of credit financing on the profitability of small and medium-sized enterprises in Nairobi City county. The study adopted a descriptive research design. The target population was Micro enterprise licensed to operate in Nairobi County. The study utilized both primary and secondary data. Primary data was collected through questionnaires that were administered through interviews. The study found that credit financing had a positive effect on the profitability of Micro enterprise in Nairobi County. The study found that avoiding the accumulation of debts is paying the bills and other expenses on time without accumulating them so much. Also, legal formation and age were all found to have a positive and significant effect on profitability. The respondents were found to finance their assets substantially using credit. The study recommended that Micro enterprise entrepreneurs need to develop a bill payment calendar to ensure that they do not forget to pay the bills. Besides, the study suggested that financial lending institutions establish less stringent collateral requirements to increase Micro enterprise' access to credit finance.

Besides, Akande and Oluwaseun (2014) sought to ascertain the comprehensiveness of budgeting practices adopted by entrepreneurs in Lagos state and investigate whether the budgetary system influences small business financial performance. A multi-stage probability sampling technique was used. A sample of one hundred and twenty entrepreneurs was selected from a list of 4,585 registered Micro enterprise in Lagos state as at the end of March 2014. A non-parametric statistical test; Chi-square was used to test the formulated hypothesis. The result of the study showed that there is a significant relationship between budgeting practices and small business financial performance hence increases the chances of entrepreneurial success in the long term. The study suggested that entrepreneurs must have a clear financial goal in mind, which will assist in shaping a broader business strategy for the year.

3.0 RESEARCH METHODOLOGY

The descriptive and explanatory research design was utilized in the study. The descriptive study design was utilized since the researcher was interested in collecting data based on the respondents' opinions. Besides, the explanatory design was also deemed ideal for the study, considering that the researcher aimed at explaining the casual relationship of the variables. The

target population comprised of youth entrepreneurs in HomaBay Town Sub County. There are 1,050 registered youth-led micro enterprises in HomaBay Town Sub County (Homa Bay County report, 2019). .. The unit of observation were business managers of the 1050 Micro enterprise in HomaBay Town Sub County. The sample size was 290 that was computed by using Yamane (1967) simplified formula.

4.0 RESEARCH FINDINGS AND DISCUSSIONS

4.1 Descriptive Statistics

4.1.1 Descriptive Statistics of Debit Management Knowledge

The descriptive statistics of debit management knowledge is presented in Table 1

Table 1: Descriptive statistics of debit management knowledge

Statement	Strongly Agree	Agree	Undecided	Disagree	Strongly Disagree	Mean	SD
I usually perform a regular credit checks for the debtors	6.00%	10.50%	2.60%	58.80%	22.10%	3.81	1.08
I have tighten the credit terms for selective customers	10.10%	20.60%	4.50%	45.70%	19.10%	3.93	1.29
I mostly send the invoices electronically to the debtors	9.00%	12.40%	3.40%	41.60%	33.70%	3.79	1.28
I uses the debt collection agency	6.40%	14.20%	4.10%	51.70%	23.60%	3.72	1.16
There is making of priorities of debt collection in the enterprise	11.60%	10.10%	9.70%	40.40%	28.10%	3.63	1.30
Average						3.78	1.23

Based on the descriptive statistics presented in Table 1, 80.90% (58.80% +22.10%) disagreed that they usually perform a regular credit check for the debtors, 16.50% (6%+10.50%) agreed and 2.60% were undecided. The mean score of the statement was 3.81, with a standard deviation of 1.08. This implied that most respondents disagreed with the statement and their opinions did not vary much from the mean. Further, 64.80% disagreed they have tightened the credit terms for selective customers, 30.70% agreed and 4.50% were undecided. The mean score of the statement

was 3.93, with a standard deviation of 1.29. Moreover, 75.30% of the respondents disagreed that they mostly send the invoices electronically to the debtors, 21.40% agreed and 3.40% were undecided. The mean score of the statement was 3.79 with a standard deviation of 1.28. Furthermore, 70.30% disagreed that they mostly send the invoices electronically to the debtors, 20.60% agreed and 4.10b% were undecided. The mean score 3.72 with a standard deviation of 1.16. Moreover, 64.50% disagreed that priorities of debt collection in the enterprise, 25.70% agreed and 9.70% were neutral. The mean score of the survey question was 3.63 with a standard deviation of 1.30.

4.1.2 Descriptive Statistics of Credit Knowledge Management

The descriptive statistics of credit knowledge management is depicted in Table 2

Table 2: Descriptive statistics of credit knowledge management

Statement	Strongly Agree	Agree	Undecided	Disagree	Strongly Disagree	Mean	SD
I pay my bills on time each month	2.60%	7.90%	9.70%	35.60%	44.20%	4.11	1.04
I have created a monthly bill payment callender	5.20%	10.10%	7.90%	42.30%	34.50%	3.91	1.14
There is a priority in the payment of the debts from the creditors	5.60%	4.10%	6.70%	51.30%	32.20%	4.00	1.03
I know who and how much I owe the creditors	3.90%	8.90%	10.90%	51.80%	24.60%	3.94	0.99
The business maintains the records of any payable transation made	3.00%	6.00%	5.20%	50.20%	35.60%	4.09	0.96
Average						4.01	1.03

Based on the descriptive statistics presented uin Table 2, 79.80% (35.60% + 44.20%) of the respondents disagreed that they pay bills on time each month, 10.50% (2.60%+7.90%) agreed and 9.70% were neutral. The mean score of the statement was 4.11 with a 1.04. This implied that most of the respondents disagreed with the survey question and their opinions did not vary much since the standard deviation was small. Moreover, 76.80% disagreed that they have created a monthly bill payment calendar, 15.30% agreed and 7.90% were undecided. The mean score of the statement was 3.91 with a standard deviation of 1.14. Moreover, 83.50% disagreed there is a

priority in the payment of the debts from the creditors, 9.70 agreed and 6.90 were undecided. The mean score of the statement was 4, with a standard deviation of 1.03. In addition, 76.40% disagreed that they know who and how much they owe the creditors, 12.80% agreed and 10.90% were undecided. The mean score of the survey question was 3.94, with a standard deviation of 0.99. Lastly, 85.80% disagreed the business maintains the records of any payable transaction made, 9% agreed and 5.20% were undecided. The mean score of the statements relating to credit knowledge management was 4.01 with a standard deviation of 1.03.

4.1.3 Descriptive Statistics of Budget Management Knowledge

The descriptive statistics of budget management knowledge is presented in Table 3.

Table 3: Descriptive statistics of budget management knowledge

Statement	Strongly Agree	Agree	Undecided	Disagree	Strongly Disagree	Mean	SD
There is tracking of incoming and outgoing incomes	4.50%	9.70%	5.20%	59.60%	21.00%	3.83	1.02
I have set up a savings plan	7.10%	8.60%	5.60%	29.20%	49.40%	4.05	1.24
I regularly review and update projections	3.00%	11.60%	13.90%	53.90%	17.60%	3.72	0.99
I have set goals that I need to to achieved	3.40%	7.50%	7.50%	41.60%	40.10%	4.07	1.04
I uses the 50/20/30 plan. (50 percent of the incoming on necessities, saving 20 percent and using 30 percent for you operation	6.40%	7.90%	6.70%	53.90%	24.70%	4.02	1.31
Average						3.94	1.12

Based on the results presented in Table 3, 80.60% (59.60%+21.00%) disagreed there is tracking of incoming and outgoing incomes, 14.20% (4.50%+9.70%) agreed and 5.20% were undecided.

The means score of the statement was 3.83 with a standard deviation of 1.015. This implied that most of the respondents disagreed with the survey question and their views did not vary much since the standard deviation was small (1.02). Most of the respondents (78.60%) disagreed they have set up a savings plan, 15.70% agreed and 5.60% were undecided. The mean score of the statement was 4.05, with a standard deviation of 1.24. Moreover, 71.50% disagreed they regularly reviewed and updated projections, 14.60% agreed and 13.90% were undecided. The mean score of the statement was 3.72, with a standard deviation of 0.99.

Further, 81.90% disagreed that they have set goals that they need to achieve, 10.90% agreed and 7.50% were undecided. The mean score of the survey question was 4.07, with a standard deviation of 1.04. Lastly, 78.60% disagreed they use the 50/20/30 plan (50 percent of the incoming on necessities, saving 20 percent and using 30 percent for the operation), 14.30% agreed and 6.70% were undecided. The mean score of the statement was 4.02, with a standard deviation of 1.31. The average mean of the survey question was 3.94, with a standard deviation of 1.12. This implied that most of the respondents disagreed with the survey questions of budget management knowledge and their opinions did not vary much from the mean score. This was supported by a small standard deviation of 1.12 that was obtained.

4.1.4 Descriptive Statistics of Maintaining Books of Account

The descriptive statistics of maintaining books of account is depicted in Table 4.

Table 4: Descriptive statistics of Maintaining Books of Account

Statement	Strongly Agree	Agree	Undecided	Disagree	Stronly Disagree	Mean	SD
I mainatain the cash book to examine the inflow and outflow of the cash	6.70%	12.00%	12.70%	43.10%	25.50%	3.69	1.17
I maintain the cash receipt account to record all the sales made through cash	3.70%	6.40%	10.50%	28.10%	51.30%	4.17	1.09
I maintain the Income Statement to examine the bnet profit/ loss	6.70%	9.40%	9.00%	52.80%	22.10%	3.74	1.11
I maintain the purchase account to record all the purchase made	3.40%	10.90%	11.00%	32.20%	42.60%	4.04	1.13
I maintain the sales account to record all the sales made	4.90%	9.00%	8.60%	58.40%	19.10%	3.78	1.02
Average						3.88	1.10

Based on the findings in Table 4, 68.80% (43.10%+25.50%) of the respondents disagreed that they maintain the cash book to examine the inflow and outflow of the cash, 18.70% (6.70%+12.00%) agreed and 12.70% were undecided. The mean score of the statement was 3.69 with a standard deviation of 1.17. Furthermore, 79.40% disagreed that they maintain the cash receipt account to record all the sales made, 10.10% agreed and 10.50% were undecided. The mean score of the survey question was 4.17, with a standard deviation of 1.09. Further, 74.90% disagreed they maintain the income statement to examine the net profit/ loss, 16.10% agreed and 9.00% were undecided. The mean score of the survey question was 3.74 with a standard deviation of 1.11. Moreover, 74.80% disagreed they maintain the purchase account to record all the purchase made, 14.30% agreed and 11.00% were undecided. The mean score of the statement was 4.04 with a standard deviation of 1.13. Finally, 77.50% disagreed they maintain the sales account to record all the sales made, 13.90% agreed and 8.60% were undecided. The mean of the statement was 3.78 with a standard deviation of 1.02.

4.1.5 Descriptive Statistics of Entrepreneurial Success of the Enterprises

The descriptive statistics of entrepreneurial success of the enterprises is shown in Table 5

Table 5: Descriptive statistics of entrepreneurial success of the enterprises

Statement	Strongly Agree	Agree	Undecided	Disagree	Stronly Disagree	Mean	SD
The net income of the enterprise has been above the average in the last two years	4.90%	9.00%	5.20%	41.60%	39.30%	4.01	1.12
The market share of the enterprise has been higher than those of other Micro enterprise in the sub county	6.70%	12.70%	7.50%	58.10%	15.00%	3.62	1.10
I have expanded my business and opened other outlets in the last one year	3.70%	9.00%	6.70%	37.50%	43.10%	4.07	1.09
The flow of cash within the business is unstable.	2.20%	4.50%	4.90%	49.40%	39.00%	4.18	0.89
The enterprise has introduced new products and diversification to increase the revenue	7.50%	9.00%	7.10%	63.70%	12.70%	3.65	1.06
Some business lines have been closed.	7.90%	6.70%	6.00%	43.80%	35.60%	3.93	1.18
Average						3.91	1.07

The results from Table 5 show that 80.90% (41.60%+39.30%) disagreed the net income of the enterprise has been above the average in the last two years, 13.90% (4.90%+9.00%) agreed and

5.20% were undecided. The mean score of the statement was 4.01 with a standard deviation of 1.12. This implied that most of the respondents agreed with the survey question and their opinions did not deviate much from the mean. Further, 73.10% disagreed the market share of the enterprise has been higher than those of other micro-enterprise in the sub-county, 19.40% agreed and 7.50% remained undecided. The mean score of the survey question was 3.62 with a standard deviation of 1.10. Moreover, 88.40% disagreed the flow of cash within the business is unstable, 6.70% agreed and 4.90% were undecided. The mean score of the survey question was 4.18 with a standard deviation of 0.89. Furthermore, 76.40% disagreed the enterprise has introduced new products and diversification to increase the revenue, 16.50% agreed and 7.10% were undecided. The mean score was 3.65 with a standard deviation of 1.06. Lastly, 79.40% disagreed some business lines have been closed, 14.60% agreed and 6.00% remained undecided. The mean score of the survey question was 3.93 with a standard deviation of 1.18.

4.2 Correlation analysis

The researcher conducted a correlation analysis to examine the association between the independent variable and the dependent variable. Thus, the correlation analysis is presented in Table 6

Table 6: Correlation Analysis

		Entrepreneurial Success	Debit Management Knowledge	Credit Management Knowledge	Budget Management Knowledge	Maintaining Books of Account
Entrepreneurial Success	Pearson Correlation	1.000				
	Sig. (2-tailed)					
Debit Management Knowledge	Pearson Correlation	.716**	1.000			
	Sig. (2- tailed)	0.000				
Credit Management Knowledge	Pearson Correlation	.723**	.598**	1.000		
	Sig. (2- tailed)	0.000	0.000			
Budget Management Knowledge	Pearson Correlation	.878**	.484**	.652**	1.000	
	Sig. (2- tailed)	0.000	0.000	0.000		
Maintaining Books of Account	Pearson Correlation	.828**	.663**	.524**	.428**	1.000
	Sig. (2- tailed)	0.000	0.000	0.000	0.000	

The correlation results from Table 6 shows that debit management knowledge was positively and significantly associated with the entrepreneurial success of the enterprises ($r=.716$, $p=.000$). Also, credit management knowledge and entrepreneurial success of the enterprises was positively and significantly associated ($r=.723$, $p=000$). Moreover, the results show that budget management knowledge was positively and significantly associated with the enterprises' entrepreneurial success ($r=.878$, $p=000$). Finally, maintaining books of account and entrepreneurial success of the enterprises was positively and significantly associated ($r=0.828$, $p=0.000$).

4.3 Regression analysis

4.3.1 Model Fitness

The model fitness is presented in Table 7

Table 7: Model Fitness

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.901a	0.811	0.808	0.176743

The results from Table 7 shows that debit management knowledge, credit management knowledge, budget management knowledge and maintaining books of account were found to be satisfactory in explaining the entrepreneurial success of the enterprises. This was supported by the coefficient of determination, also known as the R square of 0.811(81.1%). This implied that debit management knowledge, credit management knowledge, budget management knowledge and maintaining books of account explain 81.1% of the variations in entrepreneurial success.

4.3.2 Analysis of Variance

Table 8 provides the results on the analysis of variance (ANOVA).

Table 8: Analysis of Variance

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	35.197	4	8.799	281.682	.000b
	Residual	8.184	262	0.031		
	Total	43.381	266			

The results indicate that the overall model was statistically significant. The results imply that debit management knowledge, credit management knowledge, budget management knowledge and maintaining books of account good are good predictors in explaining the entrepreneurial success of the enterprises. This was supported by an F statistic of 281.682 and the reported p-value of 0.000 which was less than the conventional probability significance level of 0.05. Therefore, debit management knowledge, credit management knowledge, budget management knowledge and maintaining books of account are significant in predicting the entrepreneurial success.

4.3.3 Regression Coefficients

The regressions of coefficient results are presented in Table 9.

Table 9: Regression Coefficient

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	0.507	0.118		4.296	0.000
	Debit Management Knowledge	0.127	0.051	0.117	2.481	0.014
	Credit Management Knowledge	0.189	0.063	0.169	3.020	0.003
	Budget Management Knowledge	0.641	0.063	0.661	10.093	0.000
	Maintaining Books of Account	0.293	0.043	0.326	6.787	0.000

Dependent Variable: Entrepreneurial Success of the Enterprises

The regression model was;

$$Y = 0.507 + 0.127X_1 + 0.189X_2 + 0.641X_3 + 0.293X_4$$

The results from Table 9 shows that debit management knowledge was positively and significantly related to entrepreneurial success ($\beta=.127$, $p=0.014$). Credit management knowledge and entrepreneurial success were also positively and significantly related ($\beta=.189$, $p=0.003$). Further, the results found that budget management knowledge was positively and significantly related to entrepreneurial success ($\beta=.641$, $p=0.000$). Finally, maintaining books of account and entrepreneurial success was positively and significantly related ($\beta=.293$, $p=0.000$). The results concur with the findings of Njeru (2014), who found that credit financing had a positive effect on micro-enterprise profitability in County. Moreover, Ismail (2017) found that effective usage of accounting information increases the performance among Malaysian Bumiputra small and medium non-manufacturing firms. In addition, Abdul-Rahamon and Adejare (2014) established a strong positive relationship between accounting records keeping and the performance of small scale enterprises.

5.0 CONCLUSIONS

The study concluded that debit management knowledge was positively and significantly associated with entrepreneurial success. The regression results showed that a positive relationship existed between debit management knowledge and entrepreneurial success. Moreover, the study concluded that debit management knowledge entail credit checks for the debtors, credit terms for customers, nature of sending invoices to debtors and way of debt collection.

It is concluded that credit management knowledge and entrepreneurial success was positively and significantly associated. Regression results showed that credit management knowledge and entrepreneurial success were positively and significantly related. The study concluded that management knowledge included the payments of bills on time, creating a bill payment calendar,

development of a priority in the payment of the debts, knowing the amount owing to creditors and maintaining the records of any payable transaction.

The study concluded that budget management knowledge was positively and significantly associated with entrepreneurial success. Regression results showed that budget management knowledge was positively and significantly related to entrepreneurial success. Budget management knowledge entail tracking of incoming and outgoing incomes, having a savings plan, regularly reviewing and updating projections, setting goals and using of a plan.

The study concluded that maintaining books of account and entrepreneurial success was positively and significantly associated. The regression results showed that maintaining books of account and entrepreneurial success was positively and significantly related. The maintaining books of account include maintaining the cash book, cash receipt, Income Statement, purchase account and also the sales account.

6.0 RECOMMENDATIONS

The study recommended that youth-led micro enterprise in the informal enterprises in HomaBay Town Sub County should usually perform a regular credit check for the debtors, tighten the credit terms for selective customers, send the invoices electronically to the debtors, use the debt collection agency and make priorities of debt collection.

The study recommended that youth-led micro enterprises should pay their bills on time, create a monthly bill payment calendar, develop priority in the payment of the debts from the creditors and also know who and how much they owe the creditors. The businesses should maintain the records of any payable transaction made.

The study recommended that the enterprises should be tracking the incoming and outgoing incomes, set up a saving plan, review and update projections regularly. The businesses need to set goals that they need to achieved and further can use the 50/20/30 plan (50 per cent of the incoming on necessities, saving 20 percent and using 30 percent for the operation).

The study recommended that informal enterprises should maintain the cash book to examine the inflow and outflow of the cash, maintain the cash receipt account to record all the sales made through cash and also maintain the income statement to examine the net profit/ loss. The businesses should retain the account purchase to record all the purchase made and further maintain the sales account to record all the sales made.

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