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The Influence of Group Dynamics on the Growth of Yedf-Funded Youth Group Based Enterprises in Nairobi County, Kenya

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Abstract:

This research work was conducted in Nairobi County in Kenya. The Youth Enterprises Development Fund (YEDF) was conceived in Kenya in 2006 with an aim encouraging the youth to actively participate in the country's economic growth through enterprise development. It was mandated to extend credit to the youth to start and grow their enterprises. Since most of the youth lack credit collateral the YEDF required them to form groups for them to start group enterprises where each member act as collateral for the group loan. Nairobi County is the smallest but the most populous of Kenyan counties with majority of the youth engaging in entrepreneurial activities in deed it has the highest uptake of the YEDF loans amounting to 2.3 billion and highest repayment rate of 48%. There were in total 255 group enterprises that formed the target population for this research work. A sample size of 156 group enterprises was arrived at and using a self-administered questionnaire data was collected where 121(77%) responses out of the sample were returned. The respondents were group leaders. The main group Dynamics aspects of interest were group leader characteristics and considerations made before joining the group. After analysis of data, it came out clearly that both group leader characteristics and considerations made before joining the group were significant in explaining the growth of youth group-based enterprises in Nairobi County. Group leader characteristics especially the, age and entrepreneurial experience played the greatest role followed by considerations made before joining the group. In deed group leader characteristics had r of 0.297 while for considerations made before joining a group had an r 0.229 showing one-unit increase in group leader characteristics and considerations contributed to 8.8% and 5.3% growth respectfully.

Keywords: Group leader characteristics, considerations made before joining a group, youth enterprises development fund, growth of youth group-based enterprises

1. Introduction

In order to encourage the youth to start entrepreneurial activities the government of Kenya conceived Youth Enterprise Development Fund (2006), Women Enterprise Fund (2007) and UWEZO fund (2013). The pioneer and most important of these funds is The Youth Enterprise Development Fund which was established in December 2006 by the government as an intervention measure to facilitate and catalyze the youth participation in enterprise creation and growth (Wahito, 2016). Given that majority of the youth lack collateral the government of Kenya introduced the group lending model where members are collectively responsible for repayment and group enterprises. Lending through the group is a constituency based loan that targets group projects which are start-ups or existing youth enterprises. Groups are required to submit their business proposals first after which appraisal and approval committees at divisional and district levels appraise and approve them. A maximum of Kshs. 100,000 is disbursed to the youth groups at the constituency level after which they graduate upwards to Kshs. 750,000 for groups but with a possibility of getting more.

Beckman (2006) found that of all new enterprises 90% of them start as group's as opposed to only 10% solo entrepreneurs this thus supersedes the lone hero entrepreneur myth (Gartner et 1989) hence a shift of attention to collective nature of entrepreneurship. An entrepreneurial team has been defined as two or more people with both financial and other commitments to enterprises' future and success. The members are interdependent and they have their common goals as enterprise success. Success of a group enterprise depends more on the social bond among members than a simple aggregation of individuals that form the group. For this reason, it is necessary to identify the factors that affect the group dynamics and attempt to understand both the positive and negative outcomes for the group cohesiveness. It is in line with the understanding the importance of the group that the group leader characteristics and considerations made by members before joining the said groups are regarded as important for this study.

1.1. Statement of the Problem

Studies have shown that a group of entrepreneurs rather than single entrepreneurs are able to deal more successfully with enterprises challenges given that members of the group skills, competencies, and experiences are complementary. Entrepreneurs can perform better when working in groups than working alone as groups provide specific social benefits such as mutual self-help and the creation of social networks. Entrepreneurial groups therefore should by necessity be a major catalyst of not only venture creation but also venture growth (Carland & Carland, 2012; Visintin & Pittino, 2014; Mwaura, Gathenya and Kihoro 2016). Other scholars have argued that group approach to funding is limiting and have been critical of the manner in which the group loans especially those disbursed by YEDF have been conducted. They point out that the groups break up soon after receiving group loans (Bwisa 2014; Waruguru 2018). Although the role of groups has received applaud by business researchers, other more recent scholars have pointed out that the danger of groupthink in groups, which often kill creativity. Group think occurs when group members are subjected to pressure to conform; this deters individual members of a group from criticizing the views and opinions of others. Groupthink is said to promote mediocrity, failure to conduct reality check which in turn affects decision making process and eventually affecting enterprises' performance negatively (Mullins, 2010; Drummond, 2009). These conflicting views on the role of groups on the influence of YEDF on the growth of Youth Group Based Enterprises held by scholars show the existence of a knowledge gap on the role of group dynamics on the growth of youth group-based enterprises.

1.2. Research Objectives

1.2.1. General Objective

The general objective of the study was to assess the relationship between group dynamics and the growth of YEDF-funded youth group enterprises in Nairobi County, Kenya.

1.2.2. Specific Objectives of the Study

- To determine the influence of Youth group leader characteristics on the growth of youth group-based enterprises in Nairobi County, Kenya.
- To determine the influence of group considerations on the growth of youth group-based enterprises in Nairobi County, Kenya.

1.3. Research Hypothesis

- Ho1: Group Leader characteristics have no significant influence on the growth of Youth group-based enterprises in Nairobi County.
- Ho2: Group considerations have no significant influence on the growth of Youth group-based enterprises in Nairobi County.
- Ho3: Group Dynamics has no significant influence on the growth of Youth group-based enterprises in Nairobi County

2. Literature Review

2.1. Theoretical Framework

2.1.1. Positive Youth Development (PYD) Model

This model is associated with psychologist and Biologist Gottlieb (1997) and Novikoff (1945) respectively in their studies of development processes. This model considers involvement of the youth in organization, decision making and program design as important and that group membership is an asset to the youth as it brings about relationships, opportunities, sharing and passing on of personal qualities (skills, competencies) and sharing of behaviors that young people need to keep away from. According to Kirby and Bryson (2002) engaging the youth make them feel as valued partners and improves self-worth and their entrepreneurial abilities. In deed as youth group members interact actively in decision making, they acquire transferable skills from such experiences which they use in running their enterprises, (Kirby & Bryson, 2002; Roth & Brooks-Gunn, 2003). The model is applicable to the study in that it provides insights on how belonging to a group enhances access to resources and brings about a positive and supportive environment. By belonging to a group, individual member benefits from group support system, opportunity to access credit and sharing of business experience, training and participation in funded groups. In addition, group members become assets to individuals as they act as collateral for individual members to get more credit. The study used this model to explain the influence of group dynamics in youth enterprise growth. This model has been used by other scholars among them Mbae (2018) in the study 'Determinant of Individual Member's Socio-Economic Empowerment of Funded Youth Groups in Embu County, Kenya'

2.1.2. Churchill and Lewis Growth Model

Church Hill and Lewis growth model (1983) points out that growth of an enterprise, has a predictable pattern of growth with a series of sequential progressive phases, which are existence, survival, success, and take-off and resource maturity. The model claims that each stage of growth is defined by characteristics, needs, problems and challenges that it is associated with. The model's first stage of existence it points that the enterprises encounter challenges of getting customers, cash deficits and runs without a formal management system and only aims to remain a float. (Churchill &

Lewis, 1983). Its main sources of finances are the owner, relatives and friends. This is the stage at which many enterprises die nevertheless there are those that survive to proceed to survival stage.

At survival stage, enterprises become workable business entities for they now have enough sufficiently satisfied customers and has formal systems. It is now keen on the relationship between revenues and expenses and mainly works towards breakeven. It is however still simple having only a few employees. The stage main goal is to survive. The next is the success stage the enterprises owners concern is whether to expand or keep the firm stable and profitable. This is the stage when the enterprises attain true economic health, sufficient size and product market penetration and has an average or above-average profits. The fourth stage also known as the take-off stage, is characterized by challenges of determining growth rate, performance and financing needs, greater delegation, improved organization effectiveness and efficiency. Its main concern is how to satisfy the great growth demands that high-equity debt ratio tolerance. Then comes resource maturity stage, owners' concern is management of financial gains (Churchill & Lewis, 1983) and is characterized by well-established organizational systems. This stage main is advantages big size, financial resources, and managerial talent. This model has been previously used by Kipsiele and Waiganjo (2015) in their study on Factors Affecting Growth of Youth-Owned Agro Based Small Business in Kenya: A Survey of Youth-Owned Small Agribusiness in Yatta Sub County as well as Wanyoko, (2013) in the study Influence of business incubation services on growth of Small and Medium Enterprises in Kenya.

2.2. Conceptual Framework

The study comprises independent variables which are group leader characteristics and considerations made before joining the groups that have a relationship with growth of youth group-based enterprises which is the dependent variable as demonstrated in the conceptual framework below

Figure 1: Conceptual Framework

2.2.1 Empirical literature on Group Dynamics

Group activities in Kenya originated from the Harambee concept after independence. It denotes coming together as a local initiative for development and growth. It is about pulling together to be able to do what many as individuals cannot do on their own. Groups are mainly founded on the principle of mutual aid between or among people with common interests. Kilavuka (2003)

Groups are said to generate a variety of human development outcomes such as increased self-esteem, increased participation and leadership skills which are all essential for enterprise growth in deed groups create a platform for decision making, especially financial decisions. Through groups values such as self-esteem and collaboration as well as transferable skills such as financial capabilities and good practices in the management of enterprises activities are transmitted. Belonging to a group is said to provide small business owners with a great opportunity to engage with people with whom they share experiences where and are able to share their challenges and to learn from their successes and their mistakes. Networking opportunities present themselves in groups making it possible for enterprise owners to pose questions and share advice. Though relationships established in groups members get a natural opportunity to promote their businesses through referrals and formation of mutually beneficial partnerships. In addition, they create a forum where new ideas are tested through brainstorming with fellow enterprise owners. They also provide members a chance to learn about themselves as through interacting with others, members are able to learn their strengths and weaknesses and hence are able to enhance their strengths and work on their weaknesses. Belonging to a group has also been said to help spark new ideas which help group members to get out of their comfort zone as it inspires individuals to try new ideas such as social media, marketing, and other techniques of growing an enterprise.

Scholars have shown a strong correlation between participation in groups and self-confidence and self-efficacy all of which are thought to be essentials of enterprises' growth (Florin & Wadersman, 1984; Zimmerman & Rappaport, 1988). While other scholars have pointed out that group activities encourage creativity among members as it coordinates participants' thoughts and actions (Senge, 1990). It has also been found out that from group leadership, members learn how to delegate (Roth-Brooks-Gunn-2003; Wilson et al, 2001). Studies by Sanjoy (2012) concluded that when groups are combined with savings and credit they are found to benefit members economically and enhance growth of group enterprises.

Groups businesses arise after borrowers coming together for a common cause of doing business as groups. According to Robinson (2001) individuals organize themselves in groups where they have weekly or monthly meetings at members' houses or a local community center. The group models do encourage a financial responsibility culture where peer-support leads to 99% rate of repayment (WorldBank, 2002). These groups contribute to social networks that give members business support by providing help to members when needed. Financial stakeholders assert that, group lending presents an excellent opportunity to extend low virtual bank accounts to a large number of currently un-banked low-income households in Kenya amongst who are majority of the Kenyan youth (FSD,2010). Extant literature shows that belonging to a group improves self-esteem, the likelihood of choosing future-oriented savings, enhances investment and enterprises' growth (Ghosal, 2013). Group lending has been perceived as a tool in the fight for the rights and the economic independence of disadvantaged in the society amongst whom the youth are. Indeed the Government of Kenya has recognized group lending as a strategic tool in poverty alleviation, due to its greater access to and sustainable flow of credit services hence reduction of dependency. In the group lending model, individuals are not lend directly instead lending happens to groups who are jointly liable for the single loan application.

2.2.2. Group Leader Personal Characteristics

Personal characteristics are demographic attributes that defines an individual at a given point in the time, they include among other attributes age, gender, level of education, religion, lifecycle stage and marital status. In a study by Ndubisi et al, (2003), age, gender, and work experience have been found to have impact on entrepreneurial success. In support to this Rengiah (2016) points out that individual personal characteristics such as, prior experience role models and social networks, age, education, gender, family background have been identified as determinants of enterprise growth, credit uptake and utilization. It has been found out by scholars the personal characteristics of entrepreneurs' influences growth or performance of SMEs (Namusonge,2010). Although there are many aspects of personal characteristics, this study will limit group leader personal characteristics to gender, level of education and age.

Thurik (2005) argued that gender is an explanatory variable for success in entrepreneurship; this has been supported by Verheul and Vanstel (2007) who indicate that men are more likely to have earlier entrepreneurial experience, better financial management practices and application of modern technologies in running their businesses and are more likely to have a risk taking propensity. Bowman-Upton (1990) found out that gender is a factor in risk taking, females were found to score lower on traits related to risk taking and higher on traits related to autonomy.

Ochieng and Mugambi, 2013 argue that men and women engagement in economic activities are differently defined in most African societies and this has implications on the demand,uptake and utilization of credit which has also been supported by other research studies on entrepreneurship which show that there are differences between male and female entrepreneurs (Carter & Rosa, 1998). These differences are compounded further by the differential power relations between men and women where women have little or no control of assets such as land and buildings that are often used as collateral the possible consequence is that demand for financial services may be different between men and women (Mpunga, 2004).

In Uganda in a study carried out by Ahaibwe(2014) entitled 'Creating Youth Employment through Entrepreneurship Financing: Is the Uganda Youth Venture Capital Fund on course?'whose objective was to find out the determinants of Uganda Youth Venture Fund uptake found out that 70% of the fund both by value and clientele was accessed by male youth which is a points to the fact that gender may determine the uptake and the growth of youth group based enterprises. In the same study it was found out that 61% of male youth had information on how to access the Youth Fund compared to 30% women of the female. These studies are suggestive that the gender of leader of the youth group can explain the growth of youth group-based enterprise.

Age has been linked by many scholars to entrepreneurship success or lack of it, indeed people aged 25years and 44 years are more likely to be involved in entrepreneurial activity than any other age group. (Reynolds et al, 2009).The rationale of positive impact of age on entrepreneurship is based on the view that the quantity of financial and human capital skills that one possesses and that are necessary for starting and conducting a business successfully increases with age (parker, 2018).According to Zeller (1997) financial services demand vary positively with age as it positively affect the decision to demand and use for credit for. In fact, according to Blanch flower (2004) success probability of self-employment increases with age as much as risk -aversion increases with age (Parker, 2018). The growth of an enterprise is function of group leader's ability to assess and take a business risk which has a relationship with individual's age. In this regard therefore it can be expected that age of a group leader can explain the growth of youth group-based enterprise. Studies have shown that success and failure of MSEs is determined to some extent by the entrepreneur's level of education no wonder studies have noted that investments in education enhances the growth of SMES. Education has been cited as a major factor that impacts positively on the enterprise growth (Reed et al., 2000). In deed the Baseline Survey (1999), points out the profits of enterprises appreciates or depreciates with levels of education increase. According to Ngwiri (2015) entrepreneur's high level of education enhances performance of enterprises. In this study it was found that the level of education influences 83.6%, of the quality of service given to customers by an enterprise, accounts for 82.5%, of profit increase, 81.8%, of customers increase and also improves employees' efficiency by 83.2% as well as improving employees' rate of satisfaction by 82.1%. In deed education improves the overall performance of an enterprise by 79.3%. Those with minimal education find it difficult to access credit as they are unable to process loans and to understand lending procedures, keep business records and to engage in various other enterprise managerial tasks.

3. Research Design

The current study adopted a positivist research philosophy which means that the researcher took an objective position in the collection and analysis of the research data. Positivism philosophy advocates that accurate and factual knowledge should be acquired only through senses by observing and trustworthy measurement. The study used survey cross sectional research design which enabled the researcher to collect both quantitative and qualitative information and test the influence of group dynamics on the growth of youth group-based enterprises in Nairobi County.

3.1. Study Population and Sample

The population of the study comprised of all the youth group-based enterprises in Nairobi County who have been registered with YEDF as beneficiaries between 2007- 2017. Preliminary studies revealed that there were 255 youth group-based enterprises that benefited from YEDF programs in terms of access to credit, access to market Entrepreneurship skills training and each of these groups had group leaders (YEDF status report (2018). From these youth-based enterprises the study sampled youth groups owning group enterprises as directed by the constituency youth officers in Nairobi County. Using Slovic formula $\{255 / (1+255 * 0.05^2)\}$ sample size of 156 subjects from a population of youth enterprises in Nairobi was arrived at. A margin of error of 0.05 was selected. A two-stage sampling was adopted by the study first, it was purposeful as only comprised youth group-based enterprises in Nairobi and for only those groups that have acquired more than one loan. Secondly, stratified sampling was later applied on strata based on Nairobi County constituencies.

3.2. Measurement of Variables

For the purpose of measuring growth, the researcher used, change in variety of products and services, change in number of customers, change in market share, change in assets, change in business returns. In measuring the dependent variable, a range in percentage growth was be used as recommended by Arasa *et al* (2012). To measure Group Dynamics the study used considerations made before joining the group such as demographic, entrepreneurial, and geographical while Group leader personal characteristics were measured using age, business experience and level of education and gender of the group leaders.

SN	Objective	Hypothesis	Type of Analysis	Interpretation
1	To determine the influence of Group Leader characteristics on the growth Youth group-based enterprises in Nairobi, Kenya County	Group Leader characteristics does not influence growth of Youth group-based enterprises in Nairobi County, Kenya	Pearson correlation Linear regression	If p-value is <0.05 reject the null hypothesis
2	To determine the influence of Group considerations on the growth Youth group-based enterprises in Nairobi, Kenya County.	Group considerations do not influence growth of Youth group-based enterprises in Nairobi County, Kenya.	Pearson correlation Linear regression	If p-value is <0.05 reject the null hypothesis
3	To determine the influence of Group Dynamics on the growth Youth group-based enterprises in Nairobi, Kenya County	Group Dynamics does not influence growth of Youth group-based enterprises in Nairobi County, Kenya	Pearson correlation Linear regression	If p-value is <0.05 reject the null hypothesis

Table 1: Hypothesis Testing

3.3. Statistical Measurement Model

Linear regression models were done on each of the variable separately after which a multiple linear model was run for both variables when combined influence on growth of youth group-based enterprises

Model 1 was on the influence of the X_i on the Y

$$Y = \beta_0 + \beta_i X_i + e \quad (i=1, 2,)$$

$$Y = \beta_0 + \beta_i X_i + \beta_2 X_2 + e$$

Y= Youth group-based enterprises growth

X_1 = Group leader characteristics

X_2 = considerations made before joining the group

4. Research Findings and Discussions

4.1. Group Leader Characteristics Descriptive Findings

Of the total respondents, 33.1 percent were female while the remaining 66.9 percent were male. This was clear indication of gender biasness against female gender in the choice of the group leaders. The male respondents were more than twice the number of the female respondents. The findings were that the highest education level of the enterprise owners was college education with a 39.7 % of the total respondent. Those with secondary school qualification only were 26.4 % while those who had attained university level education had a total of 26.4 % and the least was primary with 7.4%.

The findings established that majority of the respondents were aged between 30-35 years. This was 52.9% of the total number of respondents. Ages 25-29 had a 25.4%, 19-24 were 11.6 % while ages 18 years and below had the lowest percent of 9 %.

The study sought to find out the size of the youth groups. The groups that had 5-10 members were 45.5%% those with 11-15 members were 23.14% while those groups with 16-20 members were 19.01% and only 12.4%% of the groups had members who were above 20 in number. The study sought to find out the age of the groups. It was found out that, those that were between age 1-5 years were 53.3%% while those between 6-10 years are 33.88 % and those over 10years old were 10.74 %. It is clear that majority of the groups were 1-10 years old since their formation. The study sought to find out how frequent the meeting for the groups happened and found out that 19.83% held their meetings weekly while 5.79% held their meeting fortnightly and 58.68% held their meetings once per month with 15.7% holding their meetings as the need to meet arose. This finding show that majority of the groups met once per month at 58.68%. This is a long a period for members of a group who own an enterprise together to take before meeting.

4.2. Correlation Analysis for the Linear Relationship Between The Study Variables

To establish whether there exist a relationship between the dependent variable and the independent variable Pearson Product Moment Correlation coefficient was run whereby in the correlation analysis, the (r) was used to show if there exists a linear relationship between the study variables, and the (r^2) which indicates the coefficient of determination is used to show the goodness - of - fit. Group leader characteristics showed the moderately weak positive correlation with growth of youth group-based enterprises, ($r = 0.297$, p-value <0.001). Group dynamics, equally exhibited a moderately weak positive correlation with growth of youth group-based enterprises ($r = 0.229$, p-value = 0.011).

4.3. Regression Analysis of the Independent Variables and Dependent Variable

In order to determine the presence or absence of linear statistical relationship between the independent and dependent variables of the study the researcher applied multiple regression analysis. The two-null hypothesis of the study were tested using linear regression models. To do this this F- test was used to test the validity of the model, and the (r^2) was used to measure the goodness of fit of the outcome model. In order to be able to describe the results of the analysis as well as to vividly show the direction and depth of the relationships between and among the variables of the study regression coefficient was used

4.3.1. Hypothesis One: Regression Results for the Relationship between Group Leaders' Characteristics and Growth of Youth Group-Based Enterprises

The regression model of Y (Growth of Youth group-based enterprises) and X_1 (Group leader characteristics) was significant at the significance level is 0.001 and F- change of 11. 524. The study found out that Group leaders characteristics is statistically significant in explaining growth of the youth group-based enterprises in Nairobi County. The model is statistically significant meaning that Group leader characteristics do contribute to growth of youth group-based enterprises in Nairobi. Basing on the R squared results, Group leader characteristics explains R squared 8.8% of the variability of growth about its mean. A unit change in Group leader characteristics will lead to 0.297 changes in growth. The Adjusted R squared is positive (.081) meaning that group leader characteristics can be used to predict growth of an enterprise. R of 0.297 shows moderately positive correlation between group leader characteristics and growth of Youth group-based enterprises. The standard error of .85671 shows the deviation from the best line of fit. The study hypothesized H_01 : There is no significant relationship between Group leader characteristics and growth of the youth group-based enterprises in Kenya.

The study findings revealed the presence of a moderate positive relationship between group leader characteristics and growth of youth group-based enterprises in Kenya. ($\beta_1 = .282$ t=3.395, p-value <.001). To test the relationship the Regression Model fitted was $Y = \beta_0 + \beta_1 X_1 + e$.

The model is $Y = 2.121 + 0.297 * X_1$

X_1 = Group leader characteristics; Y= Growth of Youth group-based enterprises

The null hypothesis (H_01): Group leader characteristics significantly effects the growth of Youth group based enterprises in Kenya or (H_01 : $\beta_1 = 0$) is therefore rejected $\beta_1 = .282$, t= 3.395 p-value <.001) (leading to the conclusion that Group leader characteristics (X_1) significantly influences the growth of youth group based enterprises (Y).

Model Summary ^b										
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
					R Square Change	F Change	df1	df2	Sig. F Change	
1	.297 ^a	0.088	0.081	0.85671	0.088	11.524	1	119	0.001	0.606
a. Predictors: (Constant), group leader characteristics b. Dependent Variable: Growth										
Coefficients ^a										
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.				
		B	Std. Error	Beta						
1	(Constant)	2.121	0.258		8.223	0				
	Group leader characteristics	0.282	0.083	0.297	3.395	0.001				
a. Dependent Variable: Growth										

Table 2: The Relationship between Group Leader Characteristics and Growth of Youth Group-Based Enterprises Model Summary

X_1 = Group Leader Characteristics; Y = Growth of Youth Group-Based Enterprises

4.3.2. Discussion of the Findings on the Relationship between Group Leader Characteristics and Growth of Youth Group-Based Enterprises

Using the Pearson's Correlation Coefficient for Group leader characteristics and growth of youth group-based enterprises ($r=.297$ p -value <0.001), was significant at 0.05 level of significance. The Regression Analysis results showed that Group leader characteristics had positive influence on growth of Youth Group based enterprises in Kenya. For every unit increase in the extent to which there was Group leader characteristics the corresponding increase in growth of youth group-based enterprises by .282. The Group leader characteristics of YEDF does influence the Growth of Youth group-based enterprises among the YEDF- funded group enterprises in Kenya. The findings that there is a positive relationship between group leader characteristics and growth of youth group-based enterprises can be supported by Human Capital Theory by Schultz (1961) and Becker (1964) whose key constructs are knowledge (Schultz, 1961) and education and experience (Becker, 1964). This theory emphasizes on education and prior experience of the group leader (business leader) as critical components of an entrepreneur's/ leader's human capital, which is reflected in their managerial capability and know-how. The theory ideally suggests that the more the skills, the higher the education and the longer the experience the more focused the effort towards entrepreneurial activities leading to growth (Rengiah,2016). Empirically these findings agree with Gathenya (2012) in their study that found a significant interaction between the effects of both age and education on return on assets with a goodness of fit of 53% as age was found important in shaping entrepreneurs' attitude towards return on assets and return on equity that the study used as indicators of performance, Other scholars who agree with these findings include Ratemo, 2014; Martey et al 2013.

4.3.3. Hypothesis Two: Regression Results for the Relationship between Group Consideration and Growth of Youth Group-Based Enterprises

The regression model of Y (Growth of Youth group-based enterprises) and X_2 (Group consideration) was significant at the significance level is .011 and F - change of 6. 612. The study found out that Group considerations is statistically significant in explaining growth of the youth group-based enterprises in Nairobi County. The model is statistically significant meaning that Group consideration does contribute to growth of youth group-based enterprises in Nairobi. Basing on the R squared results, Group considerations explain R squared 5.3% of the variability of growth about its mean. A unit change in Group considerations will lead to 0.229 changes in growth. The Adjusted R squared is positive (.045) meaning that Group considerations can be used to predict growth of an enterprise. R of 0.229 shows moderately positive correlation between Group dynamics and growth of Youth group-based enterprises. The standard error of .87330 shows the deviation from the best line of fit.

The study hypothesized H_{02} : There is no significant relationship between Group considerations and growth of the youth group-based enterprises in Kenya.

The study findings revealed the presence of a moderate positive relationship between Group considerations and growth of youth group-based enterprises in Kenya. ($\beta_2=.299$ $t=2.571$, p -value <0.011). To test the relationship the Regression Model fitted was $Y = \beta_0 + \beta_2 X_2 + e$.

The model is $Y = 1.951 + 0.229 * X_2$

X_2 = Group considerations; Y = Growth of Youth group-based enterprises

The null hypothesis (H_{02}): Group considerations significantly effects the growth of Youth group-based enterprises in Kenya or (H_{02} : $\beta_2 = 0$) is therefore rejected ($\beta_2=.299$, $t= 2.571$ -value $<.0011$) (leading to the conclusion that Group considerations (X_2) significantly influences the growth of youth group-based enterprises (Y).

Model Summary ^b								
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson			
1	.229 ^a	0.053	0.045	0.8733	1.288			
a. Predictors: (Constant), Group dynamics								
b. Dependent Variable: growth								
ANOVA ^a								
Model		Sum of Squares	df	Mean Square	F	Sig.		
1	Regression	5.042	1	5.042	6.612	.011 ^b		
	Residual	90.757	119	0.763				
	Total	95.799	120					
a. Dependent Variable: growth								
b. Predictors: (Constant), group dynamics								
Coefficients ^a								
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	1.951	0.399		4.894	0		
	Group Dynamics	0.299	0.116	0.229	2.571	0.011	1	1
a. Dependent Variable: growth								

Table 3: The Relationship between Group Considerations and Growth of Youth Group-Based Enterprises Model Summary
 X_2 = Group Considerations; Y = Growth of Youth Group-Based Enterprises

4.3.3.1. Discussion of the Findings on the Relationship between Group Considerations and Growth of Youth Group-Based Enterprises

Using the Pearson's Correlation Coefficient for Group Dynamics and growth of youth group-based enterprises ($r=.229$ p -value <0.011), was significant at 0.05 level of significance. The Regression Analysis results showed that Group Dynamics had positive influence on growth of Youth Group based enterprises in Kenya. For every unit increase in the extent to which there was Group Dynamics the corresponding increase in growth of youth group-based enterprises by 0.299. The Group considerations of YEDF does influence the Growth of Youth group-based enterprises among the YEDF-funded group enterprises in Kenya. The findings that there is a positive relationship between Group considerations and growth of youth group based enterprises can be supported by psychologist and Biologist Gottlieb (1997) and Novikoff (1945) Positive Youth Development (PYD) theory which points out that because of youth groups involvement in organization, decision making and program design group membership is thus an asset to the youth as it brings about relationships, opportunities, sharing and passing on of personal qualities (skills, competencies) and sharing of behaviors that young people need to keep away from. In line with this, youth groups are said to improve their entrepreneurial abilities which they use in running their enterprises. Empirically the current study findings agree Kithinji (2017) found out that group cohesion had a strong and a positive influence of (0.83) on performance of women group enterprises in Meru county. The findings also agree with Sanjoy (2012) conclusion that when groups are combined with savings and credit, they are found to benefit members economically and enhance growth of group enterprises. Indeed, scholars are of the view that youth groups bring about business strength due the entrepreneur's network and prior successful entrepreneurial experiences (Wallerstein, 2006; Catalano 2004; Siegel 2013). The current study however disagrees with Mwaura (2017) that found Group Dynamics to be insignificant in explaining the performance of women group owned enterprises.

4.3.3.2. Multiple Regression Analysis on the Combined Influence of Group Dynamics and Group Leader Characteristics on the Growth of Youth Group-Based Enterprises

4.3.3.2.1. Correlation Analysis for the Linear Relationship between combined Study Variables

To establish whether there exist a relationship between the dependent variable and the combined independent variable Pearson Product Moment Correlation coefficient was run whereby in the correlation analysis, the (r) was used to show if there exists a linear relationship between the combined study variables, and the (r^2) which indicates the coefficient of determination is used to show the goodness - of - fit. Combined variables showed the moderately positive correlation with growth of youth group-based enterprises, ($r = 0.364$, p -value <0.000).

4.3.3.2.2. Regression Analysis of the Combined Independent Variables and Dependent Variable

In order to determine the presence or absence of linear statistical relationship between the combined independent and dependent variables of the study the researcher applied multiple regression analysis. The null hypothesis of the study was tested using multiple linear regression model. To do this F- test was used to test the validity of the model, and the (r^2) was used to measure the goodness of fit of the outcome model. In order to be able to describe the results of

the analysis as well as to vividly show the direction and depth of the relationships between the combined variables of the study regression coefficient was used

4.3.4. Hypothesis Three: Regression Results for the Relationship between Combined Variables of Group Dynamics and the Growth of Youth Group-Based Enterprises

The regression model of Y (Growth of Youth group based enterprises) and X_3 (combined group leaders characteristics and group considerations) was significant at the significance level is 0.000 and F- change of 9.003. The study found out that Group leaders characteristics and group dynamics combined is statistically significant in explaining growth of the youth group based enterprises in Nairobi County. The model is statistically significant meaning that Group leader characteristics combined with group considerations do contribute to growth of youth group-based enterprises in Nairobi. Basing on the R squared results, the combined aspects of Group dynamics that is group leader characteristics and group considerations explain R squared 13.2% of the variability of growth about its mean. A unit change in Group dynamics will lead to 0.364 change in growth. The Adjusted R squared is positive (0.118) meaning that group dynamics can be used to predict growth of an enterprise. R of 0.364 shows moderately positive correlation between group dynamics and growth of Youth group-based enterprises. The standard error of .83927 shows the deviation from the best line of fit. The study hypothesized H_{03} : There is no significant relationship between Group dynamics and growth of the youth group-based enterprises in Kenya.

The study findings revealed the presence of a moderate positive relationship between group leader characteristics and growth of youth group-based enterprises in Kenya. To test the relationship the Regression Model fitted was $Y = \beta_0 + \beta_3 X_3 + e$.

The model is $Y = 1.239 + 0.364 * X_3$

X_3 = Group dynamics; Y = Growth of Youth group-based enterprises

The null hypothesis (H_{03}): Group dynamics significantly influences the growth of Youth group based enterprises in Kenya or (H_{03} : $\beta_3 = 0$) is therefore rejected $\beta_3 = .282$, $t = 2.816$ p-value $< .006$ (leading to the conclusion that Group dynamics (X_3) significantly influences the growth of youth group based enterprises (Y). The study found out when both variables of group dynamics when combined their relationship with growth was found to be 0.364 but when looked at separately within model group leader characteristics and group considerations influence were found to be 0.269 and 0.275 respectfully which shows that the influence of group leader characteristics reduced from 0.297 when looked at separately to 0.269 when combined while that of group considerations influence improved from 0.229 to 0.275. The group leader characteristics and group considerations were found to be significant at .001 and 0.016.

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.364 ^a	0.132	0.118	0.83927	0.132	9.003	2	118	0
Model		Sum of Squares	df	Mean Square	F	Sig.			
1	Regression	12.683	2	6.341	9.003	.000 ^b			
	Residual	83.116	118	0.704					
	Total	95.799	120						
a. Dependent Variable: Growth									
b. Predictors: (Constant), group considerations, Group leader characteristics									
Coefficients ^a									
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.			
		B	Std. Error	Beta					
1	(Constant)	1.239	0.44		2.816	0.006			
	Group leader characteristics	0.269	0.082	0.283	3.293	0.001			
	Group Considerations	0.275	0.112	0.21	2.449	0.016			
a. Dependent Variable: Growth									

Table 4: The Relationship between Group Dynamics and Growth of Youth Group-Based Enterprises Model Summary

5. Summary and Recommendations

The study found a moderate positive and linear relationship between group leaders' characteristics and the growth of YEDF- funded group-based enterprises which was 0.297. It also found out that group leader characteristics explain only 8.8% variation in growth. The study rejected the null hypothesis as group leader characteristics were found to be significant in explaining growth of youth group-based enterprises at 5%. The study measured group leader characteristics using the demographic variables: age, gender, level of education and level of experience in business. The study found out that though all the indicators of group leader characteristics were significant in explaining growth of the youth group-based enterprises the age was the most significant with a 0.307 correlation with growth. In group leader

characteristics, age is significant while the other variables are excluded. Age explains 30.7% of the variability of growth around its mean. (i.e. how far is growth from the line of fit. The variable with the least influence on the growth of Youth group-based enterprises was gender with a -.040 relationship with growth.). The study found out that experience which was measured using the statement 'Number of years you have been in business' has a large contribution to growth' explained 15.9% of variability while highest level of education had a 0.045 correlation with growth of youth group based enterprises thus explaining only 4.5% variation around the line of fit. The study found a moderate positive and linear relationship between group dynamics and the growth of YEDF- funded youth group based enterprises which was 0.229. It also found out that group dynamics explains only 5.3% of the variability. The study found out that group Dynamics is statistically significant in explaining the growth of youth group based enterprises at 5%. The study also found out that the level of education and entrepreneurial character of the fellow members as considerations that individuals made before joining a group had the highest contribution to the growth of Youth group based enterprises with a correlation of 0.192 and 0.154 with growth of youth group based enterprises respectively.

The study found out when both variables of group dynamics when combined their relationship with growth was found to be 0.364 but when looked at separately within model group leader characteristics and group considerations influence were found to be 0.269 and 0.275 respectively which shows that the influence of group leader characteristics reduced from 0.297 when looked at separately to 0.269 when combined while that of group considerations influence improved from 0.229 to 0.275. The group leader characteristics and group considerations were found to be significant at .001 and 0.016. Group dynamics was found significant in explaining the growth of youth group-based enterprises.

In respect to group dynamics, the study recommends introduction of group formation basis, some members found themselves in the same group coincidentally no wonder to some being in a group added no value in causing growth. some groups were found to comprise many members, the consequence of which are wrangles and lack of cohesion it thus recommended that a ceiling for the size of the group to five members as those with not more than ten members were found to be doing better than those with more members. The study also recommends that age limit be expanded as those with over thirty years were found to grow their enterprises showing that the older the more focused, they get to their enterprise's growth. In respect to Youth group formation the youth should not coincidentally belong to a group instead they should consider the level of education of members, the business experience that members have and the age, those group with members who were above 30 years their enterprises were doing better than those whose members are predominantly below 30 years. The study also recommends that group size not to exceed 10 members and the most ideal are 5 members, the bigger the group the more the wrangles and the less the cohesiveness, this impacts negatively on the growth of group-based enterprise. The study also recommends that the group leaders must carefully be selected as it appears that the characteristics of the leader do determine the growth of the enterprise. The study for example found various characteristics of group leaders explaining growth as follows; Age 9.4%, experience 6.3%, education 1% and the least important as being gender which had no relationship with growth. The study had found that majority of the leaders as male but gender was found to play very minimal role in the growth of youth group-based enterprises. The study recommends further research on the role of group characteristics on the growth of youth group-based enterprises.

6. References

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