

An Investigation into the Factors that Affect Performance of Youth Group Income Generating Projects in Kenya: A case of Taita District.

Humphrey Muriuki Njuki^{1*} Christine W. Mwangómbe² Oddillia Nabwire Okoth³ Makau Wa Mutua⁴

1. Deputy Director- Academic Affairs, Mount Kenya University, P.O. BOX 42702-80100 Mombasa Campus, Kenya

2. Chania Girls' High School, P. O. BOX P.O. BOX 2723 - 01000, Thika (Kenya)

3. Associate Lecturer, School of Business and Public Management, Mount Kenya University, P.O. BOX 42702-80100 Mombasa Campus, Kenya.

4. Head of Research and Development and Quality Assurance, Mount Kenya University, P.O. BOX 42702-80100 Mombasa Campus, Kenya

*hmnjuki@yahoo.com

Abstract

The mobilization of youth in Kenya and growth of youth group enterprise projects took centre stage in the last four years with the creation of Ministry of youth affairs and sports in the year 2005. The Department of Youth development was established in January 2007 with an aim of spearheading the general empowerment of the youths with key objectives being; promoting Youth-owned Small and Micro Enterprise (SME) projects, promoting thriftiness and self-reliance among the youth, promoting an entrepreneurial culture among the youth, and promoting marketing of Youth Products and Services. (The national youth policy 2007). The study aims at broadening understanding about the factors that influence performance of various youth group income generating projects in Taita district. It also aimed at giving remedial measures to the problems faced by youth group initiated projects so as to improve their performance and realize their goals. The objectives included identification of the extent to which youth group management/leadership skills affect the project performance; establishing whether the nature of project activities undertaken by the youth affect the overall performance; determining if the planning and control of funds affects the performance of the youth group projects; investigate whether the support given by the government and other organizations affects the performance of youth group projects. The study was limited to youth group initiated projects which are income generating in Taita district, Coast Province. A survey was conducted on sampled youth group projects in Taita district. The study concentrated on analyzing the factors affecting the overall performance of youth group initiated projects in Taita district. The groups were stratified according to their categories of projects/activity. From the targeted population a random sample of 60% was taken from each category to give a total sample of 35 projects. Data for the study consisted of primary data collected by use of questionnaires and secondary data based on youth group performance reports submitted to the respective group coordinators to the Provincial director in the Ministry of youth affairs, department of Youth development. The data was analyzed using statistical package of social sciences software and findings was presented in form of tables, charts and figures.

Keywords: Performance, Projects, Youth Development

1. Introduction

The mobilization of youth in Kenya and growth of youth group enterprise projects took centre stage in the last four years with the creation of Ministry of youth affairs and sports in the year 2005. The Department of Youth development was established in January 2007 with an aim of spearheading the general empowerment of the youths in order to reduce risk factors and promote positive factors. The department was founded on national aspirations as contained in the vision 2030, millennium development goals, the Kenya National Youth Policy 2007 and the Ministry's strategic Plan. The department coordinates the mainstream youth issues in all aspects of national development as stipulated in the National Youth Policy. The department of youth development has many sections one of it being the section of youth enterprise and management development. The main objectives of this section include promoting Youth-owned Small and Micro Enterprise (SME) projects, promoting thriftiness and self-reliance among the youth, promoting, an entrepreneurial culture among the youth, and promoting marketing of Youth Products and Services (The national youth policy 2007).

In Taita district, the youth groups operate income generating projects such as; rearing and selling of chicken (poultry), growing and selling horticultural produce (vegetables) from group owned farm plots, planting and selling seedlings from group owned tree nurseries, growing of cereals during the rainy seasons in jointly owned plots, operating tailoring business for the groups, building blocks making, tree nursery, garbage collection & cleaning, cattle and goats keeping, Carpentry, operating Boda boda, among others. In the district, youth groups

undertake almost similar activities and projects like the other youth groups in the country. The facilitation of the youth groups' projects and mobilization of the resources is coordinated by divisional coordinators (The national youth policy 2007).

In the development debate in Kenya, it has been argued that youth development is a major way of spear heading the general empowerment of the youth in order to reduce risk factors and promote positive activities. One way identified of empowering the youth was facilitating the development of youth employment initiatives and other income generating projects by the government through the ministry of youth affairs and sports. To achieve this goal the department of youth development was established with a sole focus of providing leadership, team work, facilitating youth mobilization into groups as well as mobilization and allocation of resources to enhance implementation of youth development projects (The national youth policy 2007).

However, despite the government effort to facilitate and promote the development of youth initiated projects; little has been achieved as witnessed from the performance of these projects. Some have ceased operating, others have stagnated and only a few of them seem to be self sustainable. To address this problem, the study investigated the factors that affect performance of youth group initiated projects and came up with recommendations that can help enhancement of performance and realization of the set goals.

2. Literature Review

2.1 Introduction

The origin of youth group projects in Kenya is varied in explanation and dates back when Kenya gained independence. Since then Youths in different communities have been forming "association" of youth to do a variety of things that might improve their livelihood by providing them with a more steady income. Most of these associations have registered themselves with the government as Community Based Organizations (CBOs). This allows them certain rights like the right to assemble, have a bank account, and function without harassment by the police. At the same time they elect leaders in the groups that include; a chairman, vice chairman, secretary, and treasurer just to mention but a few, depending on the group set up. This gives the group an organizing structure and a system for making decisions and coordinating the mobilization of resources for the groups' project.

Each of these associations is at a different stage of development. Some suffer from a lack of leadership, and may be dominated by members who are predatory opportunists. Others are highly functioning, have a strong sense of community, and have successfully started a money making venture that gives them both a steady source of income and a sense of accomplishment. For past three decades many non-governmental organizations (NGOs) have played a major role in supporting youth group initiatives in Kenya. However, the creation of Ministry of youth affairs and sports in the year 2005 has made it possible for government to take an upper hand in facilitating and promoting the development of youth initiated projects as a way of spearheading the general empowerment of the youths in order to reduce risk factors and promote positive factors. (The national youth policy 2007)

2.2 Performance

Performance is how well or badly something is done, or it can be how well or badly something works. According to Nickel *et al*, (2002), performance can be measured using performance indicators. Nickels (2002), argues that performance standards must be set that are understandable by all the groups in the organizations. The managers must communicate the expected standards in the organization. Incases where the expected performance is not met managers are required to take corrective action then give to the subordinate a corrective feedback to meet the set performance standards.

There are ranges of variables emerging that are recognized as having a positive impact on performance. They state the variable as commitment, empowerment, leadership, culture, and flexibility learning.(Torrington and Laura, 1998). Walton (1985), support Torrington and Laura by saying that commitment is thought to have better quality results of performance, lower turnover of employees, a greater capacity for innovation and more flexible employees.

2.3 Empirical Literature

2.3.1 Training.

2.3.1.1 Project management skills

Little and Mirrless (1982) define a project as a building block of an investment plan. According to them a project is any scheme, or part of a scheme for investing resource that can reasonably be analyzed and evaluated as an independent unit.

Project management skills are essential for project managers, and any other managers who manage complex activities and tasks, because complex tasks are projects. Project management skills are essential for any complex task, where different outcomes are possible, requiring planning and assessing options, and organizing activities and resources to deliver a result. Projects come in all shapes and sizes, from the small and straight-forward to

extremely large and highly complex. Chandra (2006) suggests that for a project to be of optimum use, it must go through its full life cycle, that is, from the initiation stage through to the project termination stage. A sustainable project no doubt goes through all such a cycle.

2.3.1.2 Leadership Skills

Leadership, a critical management skill, is the ability to motivate a group of people toward a common goal. To lead others in small groups, one should have particular competencies (knowledge, skills and abilities) that a person needs in order to lead at a particular time in an organization. These competencies depend on a variety of factors, including: Whether that person is leading one other individual, a group or a large organization; The extent of leadership skills that person already has; Whether the group or organization is for-profit or nonprofit, new or long-established, and large or small; The particular culture (or values and associated behaviors) of whomever is being led.

2.3.1.3 Business Management

Henri Fayol (1925) describes management as being a composition of five functions namely planning, organizing, leading, co-ordination and control.

Planning: - Planning involves identification of your business goal and the way to reach it. It involves the estimation of the costs that will be incurred and evaluation of the time required to attain the business goal. A business plan has to be documented and reviewed on a regular basis. A plan is worth it if the attainment of the business goal is feasible with the planned resources. Managers or business owners must communicate their plans to employees and accept their feedback.

Organizing: - It involves the assignment of tasks and allocation of resources throughout the business organization. It includes determining the primary goals of the business and strategies to reach them. Divide the activities into tasks and assign the tasks to suitable and deserving employees.

Leading: - Leadership is a management skill in itself. A true leader inculcates feelings of confidence, admiration in the followers and a sense of commitment towards their business. A leader, through his efficiency and effectiveness, influences the others to act efficiently and effectively. Transformation is the need of the day and such leaders ought to foster flexibility. Being innovative is important for a leader and it is again a skill. Delegation is an activity of leading. It is allocation and entrustment of responsibility. A leader not only dreams but also provides the employees with a framework for the fulfillment of his dreams.

Coordination and Control: - They are important for the success of a business. Coordination is the process of communication to track the activities towards the goal and make decisions about the next line of action. Control is better implemented in the form of prudent guidance given to the employees by their manager. Evaluations are necessary to evaluate business performance.

2.3.1.4 Customer care

According to Jamier L. Scott. (2002), "Customer service is a series of activities designed to enhance the level of customer satisfaction – that is, the feeling that a product or service has met the customer expectation." It is the provision of service to customers before, during and after a purchase. Its importance varies by product, industry and customer; defective or broken merchandise can be exchanged, often only with a receipt and within a specified time frame. Retail stores will often have a desk or counter devoted to dealing with returns, exchanges and complaints, or will perform related functions at the point of sale.

2.3.2 Nature of activities/projects

According to Little and Mirrless, (1982) project are building block of an investment plan. They add that project is any scheme, or part of a scheme for investing scheme resource which can reasonably be analyzed and evaluated as independent unit. Project can be broken down into parts for separate consideration. Each of those parts would then be small or big project. The project can be simple or complex. Schiffer and Beatrice (2001), assert that small firm might have more problems than large firms. These problems are related to economic of scale and entry costs and political influence. Economies of scale and entry costs, business obstacles may be particularly severe for small firms because they represent fixed costs that a large firm can absorb more easily. There are huge entry costs for small entrepreneurs who lack access to higher level of the administration and who could not bribe their way through the system.

Projects can be small or big. They can also be simple or complex. Business projects can be big or small or they can be simple or complex. Youth groups take part in mostly small and medium scale business. Small and medium scale business done by youth includes; rearing and selling of chicken, growing and selling horticultural produce (vegetable) from group owned farm plots, planting and selling seedlings from group owned tree nurseries, growing of cereals during the rainy seasons in jointly owned plots, buying and operating posho-mills for the group, operating tailoring schools for the groups, beekeeping, building blocks making, soap making, tree nursery, garbage collection & cleaning, water bottling, poultry, theatre and music, cattle keeping, Cereals selling, Carpentry, Boda Boda, beekeeping, goats, public bathrooms, pig farming, cattle farming, fish farming, cereals farming, tailoring, among others (Musimba et al, 2004).

According to Muturo (1997), most youth groups' initiated projects are on small scale because of the following: First, financial problem the groups experience initiating meaningful projects. The amount of money each member contributes towards the group, Kshs 50, or Kshs 100 per month, is too little for the youth to venture into projects that will be productive enough to give members monthly income. Second, political or administrative problems, the groups are either affected positively or negative, depending of their level of affiliation with and submission to the local politics. The running and functioning of most groups is very much influenced by the political administration of the area. Third, management problem - most youth in rural lack training on enterprise management. Therefore it is important to the women to be trained in relevant modern technology and management skills in order to be successful in their projects. Fourth, Problems of marketing and pricing of goods, there is much duplication in what youth groups are doing. Most of these are active in doing the same type of activities/projects. It therefore becomes difficult for them to sell or market their product or services.

2.3.3 Planning and control of funds.

Funds are sums of money available for a purpose. John and Graham (1995), expresses money as the life blood of business. They further explain that lack of money jeopardizes a firm's future. Any successful business requires a first class combination of a product for which there is a strong demand and efficient management and adequate cash. John and Graham state that failure of money management skills will probably result in closure of the business or sale of the same even if it has a good product. Good financial management will guarantee success. Sources of funds for starting an organization can be acquired from a variety of sources. There are both short-term and long-term financing. Short - term financing means borrowed capital that will be repaid with one year. Long term financing means or refer to borrowed capital to be repaid over a specific time period longer than one year (Nickels *et al*, 2002).

2.3.4 Government and other organizations support

According to Kotler and Armstrong (2006), marketing decisions are strongly affected by developments in the political environment. The political environment consists of laws, government agencies and pressure groups that influence or limit various organization and individual in a given society. The government develops public policy to guide commerce sets of laws and regulations that limit business for the good of society as a whole. Bennett (1997) defines policy as a set of ground rules and criteria to be applied when taking decision relating to a particular function or activity.

To promote the development of the youth group initiated projects, the government of Kenya created the ministry of youth affairs and sports in the year 2005. One of the departments created in this ministry is the department of youth development. The department of youth development has many sections one of it being the section of youth enterprise and management development. This department was created with the main objectives as; promoting Youth-owned Small and Micro Enterprise (SME) projects, promoting thriftiness and self-reliance among the youth, promoting, an entrepreneurial culture among the youth, and promoting marketing of youth products and services (The national youth policy, 2007). Supplementing the government role in supporting youth-owned small and medium size enterprise (SME) or projects are the Non- Governmental organizations (NGOs). These may be affiliated to the government or private local and international NGOs. Most of the NGOs support SMEs in rural areas by offering financial support, providing material resources, training group members on enterprise management skills, consultancy services as well as assisting in marketing of their products.

2.4 Gaps in literature review

Systematic empirical studies of factors affecting performance of youth group initiated projects in Taita district as well as other parts of Kenya are scarce. To address these gaps and shed new and important light on these issues, the researcher will investigate the factors affecting performance of youth group initiated projects in Taita district with the aim of giving remedial measures to the problems faced by youth group initiated projects so as to improve their performance and realize their goals.

3. Research Methodology

3.1 Research design

Churchill (1991) wrote that exploratory studies are important in increasing the researcher's familiarity with the problem, in gathering information about practical problems, in clarifying concepts, in formulating a problem for more precise investigation and in establishing priority for further research. Factors affecting the performance of different youth group initiated projects are almost the same. It is because of this, that an exploratory survey-based study of youth groups initiated projects was conducted to evaluate the validity of these factors.

3.2 Sample size and Sampling strategy

From the population a stratified random sampling technique was employed to select the youth group project for the study. The study was limited to sixty percent of the total population. This meant that out of the total population of 59, 35 youth project were sampled. This was appropriate because statistically this sample size was acceptable as it conforms to the widely held rule that a sample size should not be less than thirty for large

population i.e. $n \geq 30$. (Kothari *et al*, 1993). Also the larger the sample, the more likely its mean and standard deviation was a representative of the population mean and standard deviation (Mugenda & Mugenda, 1999).

3.3 Data collection instrument and procedure

Primary data was collected from primary source by use of structured and semi structured questionnaires, and interviews. A one week preliminary survey was undertaken so as to familiarize with the youth group activities as well as to identify research assistant and make arrangements with the respondents for the actual data collection. Secondary data based on youth group performance reports submitted by to the respective coordinators at divisional level to the provincial director was collected from the Ministry of youth affairs, department of Youth development provincial office.

3.4 Data analysis

The data collected from primary source was processed with aid of the Statistical Packaged for Social Sciences (SPSS) software to give means, standard deviations, and variances. Descriptive statistics such as frequency table, proportions and percentages was used. The measure for the independent variable was determined by use of Likert scale, which ranked how strongly each independent variable affected the dependents variable.

4. Findings

Taita district is dominated by community-based youth groups, whose main activities included tree planting, water projects, flour processing, textile design, and poultry farming. The groups are managed by three executives – chairperson, secretary and treasurer – on a rotational basis, which ensures that fairness and dynamism are incorporated. At the local competition level, the youth groups are highly rated but performed poorly in the national level. This was mainly suggested to have resulted from limited potential in terms of financial resources, minimal support from external partners and low-level knowledge in technical aspects of the main activities. Though, most groups seemed satisfied with what they had attained and were encouraged to maintain the standards without much intent to diversification.

The majority of the members in the groups (50%) had basic education of up to primary level; only 50% of the group members had post-primary qualifications. This potentially limited their perceptual capabilities in strategy design, implementation and sustainability. However, a total of 60% members had undergone some training either within or outside their business enterprises; 30% especially from newly launched groups had not accessed any training. Despite the fact that remedial and tailor-made training sessions were conducted for the members, the providers were not well resourced; predominantly, successive entrepreneurs from the locality 50% were consulted to provide such important and highly technical skills. This greatly inhibited the group resources' productivity and constrained innovation to a smaller scope. Some of the training programmes offered included business management, financial management, leadership skills studies and field practice. All these were administered through seminars and workshops, and open field days.

Concerning the impact of training on group performance, a large portion (60%) of the respondents felt that it was vital for members to undertake training on how to run their ventures to be profitable. This was followed by those (21%) who felt that training itself only had a moderate impact, 14% felt that training had low impact, while the rest (5%) thought that training employees was a misdirection of resources. Groups' funds sources were also a serious challenge that needed attention: the two main sources of funds were members' subscriptions (100%) and return from daily sales (100%). Support from youth enterprise fund and CDF, and NGOs stood at 38% and 19% respectively, while loans from micro-finance institutions were 6%. Evidently, this situation curtailed the members' potential in making major investment decisions and hardly diversified their operations into other areas of bigger returns.

The presence of government support and non-governmental organizations was to an extent remote to assist in quicker growth and large-scale production. Only two groups had accessed bank loans but were difficult for other for the reasons that touched on lack of collaterals, lack of knowledge on how to apply and poor strategy that hardly attracted bank interests. Regardless of the investment size, the group members felt that their resources were well managed by those appointed to the executive positions. Given the groups' situation of resources scarcity, external partners were of urgent need to up-lift the groups' diversification targets. However, this was not broadly available; some groups had access to the government ministries agencies (MOYAS) but received low-key support that would not translate into solid returns. From the government, the youth groups mainly wanted appropriate legislation on groups financing and incorporation into formal programmes (63%), and efficient usage of available resources meant to benefit the community-based projects, such as the CDFs (67%). On the side of NGOs the ones that were available also had the disadvantage of diseconomies of scale and would not extend any support to the youth groups.

Despite the fact that the groups had shown satisfaction with the already initiated performance standards, they further demonstrated that more was needed to boost their endeavors and create extra expectations. Among the intentions to boost the quality of the projects and activities included agitation for youth group legislation, self-

commitment to group ideals, soliciting for more external financial support and involving expatriates in the management of the groups and enterprises. The products and services that the groups produced for the market reached their target clients through direct interaction without any involvement of middlemen. Members preferred an all-time-hands-on management styles and none wanted to be excluded from the daily operations and running of the enterprises.

5. Summary , Conclusion and Recommendations

5.1 Conclusion

Well focused training programmes, adequacy of operational funds, availability of external funding support and the nature of projects or activities performed by the youth group enterprises greatly affected the overall performance of the groups in their key operational scope. Training would be of greater impact if professionals and curricula developers were frequently involved. Additionally, a broader scope of training methods and interactions determined the members' motivation to undertaking programmes within their capacity. Other than training, funding of group activities was of urgent need to make them vibrant and profit-making. This required the involvement of the ministry of youth affairs and sports, community based NGOs and other government agencies that dealt with rural development. Appropriate usage of available resources meant for community development were regarded top in providing long-term solution to the challenges that affected youth group projects in Taita District. Ultimately, the nature of activities that youth groups were involved in affected the enterprises' product/service marketability and operational continuity to the extent every person wanted endless involvement. However, some efforts were deficient in facilitating the critical role of qualified middlemen and promotional ability to increase sales and broaden market share.

5.2 Recommendations

It was noted that though training was offered to members of the different groups, the curricula were not well focused and standardized. Also, the trainers were not adequate in disseminating the intended and required information. To solve this situation there is need for the regional planners and development partners to design a well-structured and standardized curriculum based on realism and returns. Since external financial support was highly influential in broadening the investment of enterprises, it would be necessary for the youth groups to seek serious development partners to finance their operations and direct their performance to acceptable status. Moreover, the Kenyan government needed to intervene and support the groups if the intent of youth empowerment was to prevail. Lastly, for the groups to fully compete and not be limited to a smaller operational scope, the responsible partners have to find an entry point that would boost the overall nature of projects and activities. This should target initiating appropriate promotional strategies for the youth products/services, involvement of qualified middlemen to facilitate reaching wider markets, and quality designers to consistently evaluate competitiveness of the products.

5.3 Suggestions for Further Research

This research predominantly dwelt on factors that affected overall performance of the youth enterprise projects within Taita District. Despite the study's findings, more should be done on other related critical areas such as translation of strategy into practice and other areas that may spearhead the general empowerment of the youths in order to reduce risk factors and promote positive factors. In addition, funding strategies – especially those of youth enterprise development - fund should be well coordinated and dispersed to promote the development of the youth initiated projects. Finally, effort is required to investigate how to prepare the general operational environment in order to boost and motivate all kinds of entrepreneurs regardless of age differences within Kenya.

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