The Effectiveness of Entrepreneurial Education Programs in Kenya

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Abstract

There has been a shift toward placing an excessive amount of focus on financial, legal, and regulatory factors, as well as environmental variables, in entrepreneurship courses. The research team in this study set out to answer the question, "How does entrepreneurship training affect business performance in Bungoma County?" Because of its extreme poverty and high unemployment rate, Bungoma County was named a Millennium District in 2006. Stakeholders' attempts to boost entrepreneurs' capacity through a range of training programs have been attributed to a lack of entrepreneurial culture and entrepreneurial abilities among the indigenous people, who face the twin issues of extreme poverty and unemployment. To what extent these trainings impacted business performance was the focus of this research. This research built on Kirkpatrick's (2003) revised model for program evaluation and planning in training. The data from the study were analyzed using a correlational technique. Based on the results of the research, it is clear that the trainings did not significantly improve participants' MSE scores. There was no clear progression from micro to small to medium to large firms across the enterprise continuum, highlighting the need for enhancement to meet the specific needs of entrepreneurs and small business owners. There has to be a standardized method for the government and enterprise development agents to assess the effectiveness of training and make adjustments for the betterment of the sector.

Keywords: *Entrepreneurship Training, Entrepreneurial Culture, MSE Growth, Bungoma County.*

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A. INTRODUCTION

Entrepreneurship training is critical for developing entrepreneurial skills, attitudes and behaviors that are the basis for economic growth. Access and exposure to entrepreneurship within educational systems at different levels are important as they are the outreach to target audiences outside of traditional educational systems (World Bank 2014 &World Economic Forum 2009). Entrepreneurial competence development is a product of training provided to entrepreneurs to enhance their ability in managing their firms for growth. Entrepreneurs skilled in both technical and customer related areas are able to obtain and recombine resources into a bundle that is valuable, rare, and inimitable (Hisrich et. al. 2009 in Sangurah 2013).

The enterprises whose owner-managers and their employees have gained these skills therefore respond through enhanced performance, since they anticipate problems and solve them with certainty to steer their enterprises to grow. Improved performance/ growth is reflected in the key indicators of; increase in sales, the number of customers served, market size covered geographically, increase in capital investment, increase in branches opened and increase in the number of employees, among other indicators.

Although entrepreneurship education and training (EET) programs continue to mushroom, touting their promise and potential to promote entrepreneurial skills and attitudes (World Bank 2014), successive government development plans and sessional papers have revealed high MSE start-up mortality rates, low entrepreneurial index and poor credit repayment (KIPPRA (2009). On skills development, a high percentage of the Kenyan labor force has not attained basic education and skills or requisite technical skills and knowledge for improved productivity, competitiveness and innovation. The highest level of education acquired by the majority, of Kenyans is primary (over 86 percent), followed by secondary (25 percent) (KIPPRA 2009).

This structure of educational attainment led to policy changes in the 1980s with the introduction of the 8-4-4 system for a more technical approach to cater for the small enterprises and informal sectors' development (Tairus and Lager 2004). Similarly, the Government recommended that entrepreneurship training be introduced in technical institutions and university level as per Sessional Paper No 2 1992 and Sessional Paper No 1 1998 (GOK, 1992 and 1998). According to Obura (1996), the objectives of the 8-4-4 system of education failed to achieve its objectives due to under-funding hence its theoretical instead of the intended practical approach.

The informal sector/ MSEs remain the major employer in Kenya however, the level of management training accorded to the sector is still very low as pointed out in the Baseline Survey (1999) where the majority (85 percent) of entrepreneurs have not received business management training (GOK, 1999). The low levels of training by the firms were attributed mainly to lack of awareness of available training programs and lack of government support (World Bank, 2000). This lack of entrepreneurial skills has hoed back adjustment to and greater participation of Bungoma SMEs and entrepreneurs in the "new world of work" brought about by increased digitalization and fragmentation of production processes (OECD 2017). The scenario has resulted in high mortalities of MSEs and poverty levels.

In 2006, the joint UNDP/ROK research report on district poverty indices classified Bungoma as a millennium district owing to high poverty levels. Since the county is well endowed with human and natural resources, poverty was attributed to undeveloped entrepreneurial culture. The UNDP/ROK entrepreneurship development programs were launched on pilot basis in the county (UNDP/ ROK: 2006.). Massive trainings followed and we have not had information if professional training cycles are followed, nor reports on programs evaluation using standard models to ascertain if the intended goals are being achieved. This study therefore sought to answer the question; to whichextent has entrepreneurship training influenced enterprise performance in Bungoma County?

B. METHOD

The objective was to assess the extent to which training influenced enterprise performance. The study was based on the Kirkpatrick's Improved Model of Training planning and evaluation (Clark 2009: http://bdld.blogspot. com/ 2008/12/flipping-

kirkpatrick.html). Training is planned backwards to ensure there is a circular causality, as shown in Figure1 below.

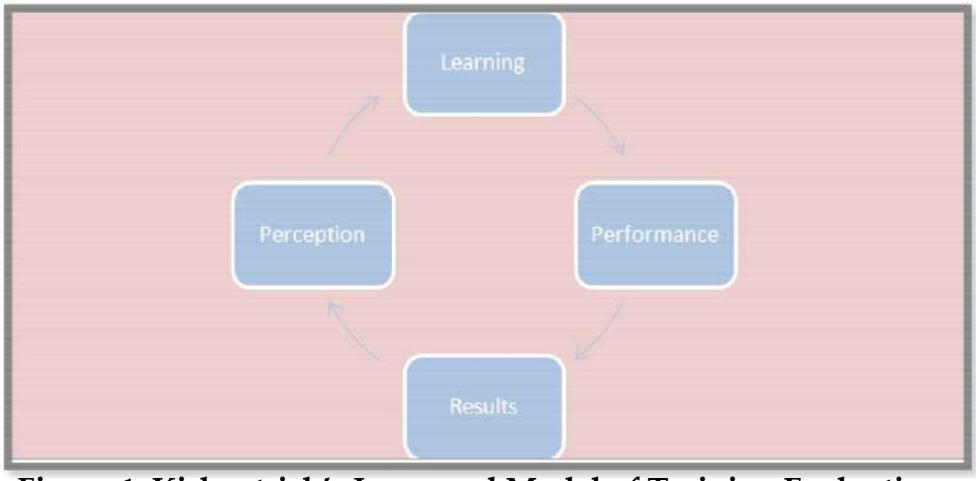


Figure 1: Kirkpatrick's Improved Model of Training Evaluation Showing a Causal Relationship

Source: Clark, D. (2008; 22), Flipping Kirkpatrick

The model has four levels of evaluation: reaction, learning, behavior and results. The reaction level measures satisfaction; what the trainees thought and felt about the training. Evaluation here focuses on the reaction of individuals to the training (Kirkpatrick 1998, in UN 2008; 12). Learning level evaluation measures the learning that occurred; the resulting increase in knowledge or capabilities. It assesses what has been learned as measured with end of course tests. The behavior level a measures the behavior change that is, extent of behavior and capabilities improvement and application). Evaluation at this level measures the transfer of what has been learned back to the workplace. The results level measures the effects on the institutional environment resulting from the trainees' performance; evaluation here measures the impact of the training on overall organizational results/growth (Kirkpatrick 1998, in UN 2008; 12). In the framework above, levels 1 and 2 form formative evaluation, whereas levels 3 and 4 are associated with summative evaluation (UN 2008; 13). The model emphasizes the need for evaluating training for impact and future program improvement. A survey research design was adopted. It is a popular and common strategy in business research where it is used to answer who, what, where, how much and how many questions (Saunders et. al., 2009: 144). Participants were entrepreneurs who had operated for two or more years and participated in three or more trainings. The target population was 450 entrepreneurs obtained from the trainers' and MSE facilitation officers' data banks in Bungoma County. The sample size for the respondents from the entrepreneurs was determined using the coefficient of variation formula developed by Nassiuma (2000 in Sangurah 2013). The study used coefficient of variation strategy because it is objective in sample size determination. See the formula:

$$n = \frac{NC2}{C2 + (N-1)\,e2}$$

Where: - n = sample size
N = population
e = tolerance level
C= coefficient of variation

A coefficient of variation less than 30% is recommended in determining the sample size. A sample size of 41 respondents participated in this study and individual elements in the study were selected using a simple random sampling technique. Primary data was collected using questionnaires, which were administered by the researcher. A pilot test was carried out in Kitale and the findings were used to improve the data collection instruments. Data for the study was analyzed using descriptive statistics and correlation analysis.

C. RESULT AND DISCUSSION

In response to the research question of whether or not training led to increased business performance or expansion, the results of the Pearson Correlation test at a significance level of 0.01 suggested that there was no significant association between the two variables. The p-values on the growth of capital invested ($r(41) = -.093$, $p > .05$) and the increase in the number of employees engaged in the MSE firms ($r(41) = .165$, $p > .05$), as well as the increase in the number of branches opened ($r(41) = -.080$, $p > .05$), show a weak relationship, even a negative one in some cases (Appendix 2 Tables). Changes in sales volume, units produced, profits, employee wage, supplier relations, quality improvement, and reduction in accidents and wastes at places of work all followed the same general trend. The p-values showed relatively low levels of association between the majority of the indicators of performance and growth; their range was from -.005 to.086, respectively. The outcomes of the study indicate, therefore, that the trainings did not lead to a significant improvement in the performance of the MSEs. This is evidenced by the fact that the MSEs did not graduate from micro and small sizes to medium and large sizes along the enterprise continuum.

D. CONCLUSION

This study therefore concluded that in order to enhance enterprise performance, training programs should be improved to address the specific needs individual of entrepreneurs and small business operators. The government and enterprise development agents need to apply a standard model to evaluate the impacts of training and improve them subsequently to help the sector grow.

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