

ENVIRONMENT VARIABLES AND PERFORMANCE OF START UP ENTERPRISES IN URBAN TOWNSHIPS IN WEST POKOT COUNTY, KENYA

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ABSTRACT

The number of individuals considering self-employment as a career option is on the rise due to the high levels of unemployment in Kenya presents many new entrepreneurs with a challenge of both growing and managing the business startups. That notwithstanding, not many business startups operate beyond their third birthday and therefore the purpose of this study is to help determine diverse challenges affecting performance of business start-ups affecting performance of business startups in urban townships in Kenya and in specific West Pokot County. The study sought to specifically determine the influence of skills and competence, technology, legislation and competition on the performance of business startups. The specific objectives to guide the study included, to establish how skills and competence of the entrepreneurs affect performance of business start-ups in West Pokot county, to find out the effect of legislations on performance related to business startups in West Pokot county, to determine the degree to which technology is a challenge to the performance of business startups in West Pokot county and to examine the relationship that exist

between competition as well as performance of business start-ups in West Pokot county. The target population was drawn from business start-ups in three major townships in West Pokot County that is Kapenguria, Sigor and Kacheliba. The study adopted a census survey in the three townships and adopted a descriptive survey technique where questionnaires were utilized in the collection of primary data. The raw data obtained was then tabulated, coded and then processed by use of Statistical package for Social Science (SPSS). From the study it is evident that business environment had a significant and positive influence on the performance of the performance of small scale enterprises in West Pokot County, Kenya. Improved and endowment of relevant skills and competency of entrepreneurs, favour legislations by both national and county governments, use of modern technology and capacity building of entrepreneurs and regulated and healthy competition spurs the growth and performance of start-ups in West Pokot County.

Key Words: *environment variables, performance, start up enterprises, urban townships, West Pokot County, Kenya*

INTRODUCTION

In Kenya for example Technology Start-ups faces financial difficulties thus affecting their performance. Business environment is thus paramount because, like other living organisms, businesses tend to adjust to their environment for example compensating for weak demand, taking advantage of existing legislations, substituting for missing infrastructure, or self-finance when banks are unfriendly (Giuseppe, 2009). Government policy is also a critical component of business environment everywhere in the world, especially in the countries of Africa, which

gained their independence at a moment when many believed that the Governments must drive development (Giuseppe, 2009). Understanding the policy process is, therefore, essential to understanding how business has evolved in Kenya. Business in Kenya majorly comprises trade in agricultural produce, real estate, manufacturing industries, tourism sector, export and import of goods and services. The remarkable lack of youth employment from West Pokot County plus Kenya in general definitely has as well as will have ever-increasing impact in as far as economic growth of the country is concerned. In addition, there are hopes in relation to peaceful along with secure improvement towards an open and a society that is more democratic.

Lack of crucial resources such as electricity, information skilled labour and inaccessibility to credit limit the development of opportunities for self-employment. Besides, students who graduate from various schools are unable to obtain formal employment due to lack of necessary skills. However, the Government of Kenya (GoK) recognises the need to create opportunities for post primary or secondary school graduates who cannot proceed to university level. Therefore, the Government has taken measures to revitalize youth polytechnics and technical training institutes to offer market driven courses for citizens in order for them to start and drive the small businesses that they start in addition to that the skilled citizens require financial services to start up their enterprises (Government's Policy Framework for Education and Training, 2012).

Performance of Start-up Enterprises

A business/enterprises startup means an instance or an act of setting in operation or motion a business enterprises. (Merriam Webster, (2013). Business performance has been looked at in terms of; goal attainment, resources utilization, reputation and multi-dimensional measurement techniques of business performance Abdel-Kader & Wadongo, (2011). Despite the fact that scores of entrepreneurs become successful over the early entrepreneurial start up hump, such accomplishment does not promise long term success. Scarborough & Zimmerer (1998) went ahead and emphasized that the lack of ability to make entrepreneurial evolution from a start-up entrepreneur to a director in business can translate into issues. After the preliminary start of the business, the requisite for growth is usually management style that is radically different. Expansion involves delegating authority as well as relinquishing any kind of hands-on participation in the daily running of the business something majority of the business people fails to achieve. Similarly, Hanushek and Woessmann (2008) posit that entrepreneurs more often than not very good at starting up a business, but poor in the operation and management of the same for the believe they have the capacity to run it well.

A conclusion was made by Hanushek and Woessmann (2008) was that majority of entrepreneurs thrive as starters but are not skilled enough at the running or even management of the business. Most small business are set up by a sole trader or a small group of entrepreneurs who possess the idea of coming up with a specific product or in the provision of a particular service as indicates The European Federation of Accountants (2004). therefore the entrepreneurs may not

possess the skills as well as experience requisite for business planning , marketing , customer relation , financial reporting plus financial management . Affliction from the outlined issues may result in the business collapse especially where small scale businesses are involved. The perception widely held the world over is that small businesses have a high failure rate. It's widely perceived that throughout the world small businesses have a high rate of failure.

As reports The European Federation of Accountants (2004) that US Small business Administration had observed that 50% of the small scale businesses do collapse in the in the first year of operation while 95% fail within the first five years of operation. Some of the shortcoming in as far as small businesses are concerned would involve avoidance of some pitfalls that subject the business to failure and engage in apt marketing practices such as profiling of the targeted customers, profiling of competitors, plus assessment of consumers tastes as well as preferences as point out Holland (1998). In general there exist numerous actions that an entrepreneur can put into practice in order to avoid failure of the business and some of the actions include market research, business planning as well as delegation of management aspect to others.

SMEs, according to The National Micro and Small Enterprise baseline survey in Kenya, (1999), are the forces that drive the economy. The business sector provides employment to more than five million Kenyan workforce as well as contributing to about 18.4% of the GDP as evidenced by the by the data from the Ministry of Trade. The survey in addition shows that there were just about 1.3million MSEs thus generating employment to the tune of 2.3 million people. An approximated 26 percent of family units got involved in various categories of non-primary business oriented activities and about two thirds of MSEs in Kenya are situated in the rural settings which make up over 80 percent of the total population (National Baseline Survey, 1999). Albeit this , numerous constraints continue to be experienced by the SME sector such as inhibitive legal and regulatory environment , restricted market access, inadequate access to information, laughable skills plus technology, pitiable quality products , insufficient business skills, deficiency in institutional framework, as well as incomplete linkages with large enterprises (national baseline Survey, 1999).

Environment Variables

The environment of the business is best defined as the total sum of all the things which are external to the firms as well as industries which influence business operation, Bayard(2010) .According to Arthur (1999) business environment encompasses the climate or set of conditions political, economic, social technological and legal which ,poses a threat and opportunities to the business.ILO (1998) recommended that an assessment of the policy, legal plus regulatory environment is principal for the reason that small business start ups lack managerial as well as monetary resources to handle multifaceted procedures ,erratic monetary policies and harsh Government regulations. Beck,(2005) emphasized that the heart of the business environment view is not a prerogative of SMEs alone but also the large ,medium as well as the small

businesses environment .Dethier (2010) illustrated that the business environment affects the general economy through its influence on incentives to start grow the businesses. Klapper .(2009) found out that those countries that registered high firm entry levels present entrepreneurs with a secure political climate , efficient form of business registries ,condensed red tapes as well as business enterprise that has simplified legal forms.

Further The ILO (2005) described business environment as those particular elements that are external to the business enterprise itself. Consequently, the assessment focus in relation to the business environment was on the small business enterprises that considered three perspectives namely, the policy, legal plus regulatory framework, economic settings as well as the markets. Data has been compiled by many researchers pertaining to what they perceive to be the most salient issues affecting business, for instance research into causes of business failure by the European federation of Accountants (2004) brought to the fore the distinction that exist between internal factors (those that are directly related to the business in question) in addition to the external factors (those factors that affects the trading environment where the firm conducts its operation). Conclusions made were that the most frequently established causes of failure in regard to small business comprise of external price environment plus inflation , rates of interest , wage costs , moribund markets , rates of taxes , bad debts as well as delayed payment in addition to market competition .

In relation to internal business matters, the European Federation of Accountants (2004) indicted that most prevalent occurring internal factor in failure of business is related to poor management .Similarly, the Small Business Research Centre (2008) remarked that the most prevalent causes of failure that is internal is ‘bad management’. Affirming that a general feature of internal concern is the ‘one person’ issue, whereby the majority if not the entire senior management duty is vested in one particular person who may lack the right range of skills, or may fail to get time for appropriate application. The entrepreneur in this kind of scenario usually of a one person business uses the skills of one person to carry out all the management functions such as marketing, sales, financial control, resourcing, planning and purchasing.

The Role of Jua Kali Sector in Kenya

The informal sector (Jua Kali) has contributed a great dealing addressing the challenges related to reduction of poverty as well as unemployment in the country. Essentially it creates low capital jobs plus t helps in development of a pool of semi skilled as well as skilled workers who forms the basis for future expansion of industries. Currently, the sector employs over four million Kenyans. Jua Kali sector is involved in the manufacture of a wide range of items (Wesley Kiprotich, 2004).

Indimuli and Mukami (2012) stated that most governments in Africa generally and particularly in Kenya started embracing the Jua kali sector, and even started extolling its advantages to the

masses. According to government officials, the sector offered an alternative means of survival for many people. Jua kali helped keep people out of trouble and hence reduced crimes; it provided people with a sense of purpose and meaning in their lives; it reduced political pressure on the government to provide jobs and services to the people; and it earned the government extra revenue in the form of taxes paid by the Jua kali workers and foreign exchange earned through exportation of Jua kali products.

The informal sector the world over, has been acknowledged as the most significant source of employment, poverty reduction as well as wealth creation plus promotion of a more vibrant and pluralistic societies (World Bank 2002). In the present day, informal sector plays a noteworthy role in the economic development of the nation. Small scale businesses are by and large considered as the driving force in regard to, creation of job as well as poverty reduction in the developing countries they have been the vehicles through which fastidious economic growth plus rapid industrialization has been realized (Harris & Gibson, 2006).

West Pokot County

West Pokot County is found within the Rift Valley region of Kenya. It is to the East of the Republic of Uganda as well as Trans-Nzoia to the south, Baringo to the South East, Elgeyo Marakwet to the South East as well while Turkana lies to the North and North East. The county is made up of four sub-counties specifically Pokot North, West Pokot, Pokot South and Pokot North. The County has a total number of 13 divisions, 61 locations plus 222 sub locations. The county headquarter is found in Kapenguria town. West Pokot is made up of four constituencies explicitly, Kacheliba, Kapenguria, Sigor and Pokot South, with total of twenty wards. The main economic activities in the area under study include farming, pastoralism, mining, commercial businesses as well as tourism (West Pokot county integrated development profile, 2013).

The trade industry in West Pokot County is characterized by low levels of trade growth and development. Most businesses are in early growth stage and are small in nature, it is also worth noting there are some of unique factors impeding growth and performance of business start-ups in West Pokot county that include poor infrastructure, unavailability of trading premises, soaring levels of poverty plus low right of entry to credit facilities. Shortage of trading premises is especially evident in selected townships within the county such as Kapenguria, Sigor and Kacheliba which illustrates the few number of businesses start-ups in those townships, otherwise has huge potential for growth in trade owing to its strategic location and many existing opportunities.

STATEMENT OF THE PROBLEM

Studies on business start ups has been done mainly focusing on cultural setting of western countries Jennings (1994). In Kenya many studies have been done but none has been done in West

Pokot county despite the increasing number of business start ups that are being born now and then this informs one of the objectives of this study. Business startups that have impressive performance in term of growth and profitability augment their capability to effective contribution to development that is sustainable , employment creation as well as poverty mitigation (Okpara & Wynn, 2007). Business performance entails the ease at which the businesses attain their set goals through continuous realignment of strategies (Porter 1991). Policy formulators at both regional and national levels agree that business starts ups are increasingly turning out to be important in relation to employment, development of innovation plus wealth creation Nieman, Hough & Nieuwenhuizen, 2003). The Informal sector in Kenya contribute over 15% towards the Gross Domestic Product(ROK 2005) and despite the significant role played by the business start ups in Kenya, those startups have failed to realize their full potential in regard to terms of sales revenues as well as profit(ROK2005), due to many challenges that do affect their performance. Most business startups fail to attain the maturity stage and if they happen to reach that stage the do not survive the challenges associated with transition. A 2004 U.S bank study cited lack of sufficient capital as one of the challenge that affects performance of startups. Derisory business skills , restricted linkages especially with large enterprises , insufficient access to technology as well as skills , partial access to services that offers financial services plus inadequate access to markets are some of the challenges pointed out affecting business startups in Kenya (Wanjohi , 2008;GoK , 2005). Provision of finance ,linkages as well as equipping entrepreneurs with business plus technical skills ,access to markets are the requisites measures for growth of business start ups as recommends Wanjohi (2008). There is evidence of studies that have been done on small medium enterprises for example Tim Mazzarol, Thiery Volery, Noelle Doss, Vicki Thein (1999) in Australia. Said Mohammed (2010) in Somaliland, Wanjohi (2008) in Kenya, but still, there little information on business environment affecting performance of business startups especially in West Pokot County, The study sought to investigate the business environment that affects performance of business startups in West Pokot county.

GENERAL OBJECTIVE

To establish the environment variables affecting performance of start-up enterprises in West Pokot County, Kenya

SPECIFIC OBJECTIVES

1. To establish how skills and competence of entrepreneur's affects performance of business start ups in West Pokot County Kenya
2. To find out the effects of legislations on performance of business start-ups in West Pokot County Kenya
3. To determine the extent to which technology is a challenge to the performance of business start-ups in West Pokot County Kenya

4. To examine the relationship between competition and performance of business start ups in West Pokot County, Kenya.

THEORETICAL REVIEW

Theory of Multi-Dimensional Performance

The theory by Borman and Motowidlo (1997) related to multi-dimensional performance distinguishes the concepts of contextual performance as well as task. Task performance according to him refers to proficiency of an individual to perform activities which in turn would make contributions to the technical core of the institution. The fore mentioned contribution is either direct or indirect. On the other hand contextual performance is taken to mean the activities that do not in any way contribute to the technical core but rather support social plus psychological environment of the organization whereby organizational goals are made pursuit. Performance that is appropriate comprises not only of behaviours such as being a member who is reliable in an organization, but also coming up with suggestions on how to make improvements in work procedures (Borman & Motowidlo, 1993).

The three fundamental assumption that are linked with the differentiation that exist between task as well as contextual performance are activities significant for task performance differ between jobs while activities involved in contextual performance are comparatively alike across jobs; task performance is directly correlated to skill, but contextual performance is allied to personality as well as motivation; task performance is more recommended plus constitute in role behaviour, while contextual performance is considered flexible in addition to extra role (Motowidlo & Schmit, 1999). In many start ups not only in Kenya the owners do not make a distinction between the two categories of performance when they are assigning duties to their staff members consequently affecting the overall performance of the entities, whereas the two types of performance are crucial care should be taken to avoid conflicts of roles as far as the technical skills and competencies are concerned because task performance is largely influenced by task performance.

Theory of Performance Management

Mabey (1999) approved performance management system model in the shape of performance management cycle. The foresaid cycle is made up of five elements which advocates on how the an organization performance management system implementation should be done. Performance management cycle elements include: measuring the performance, objectives setting, performance; in addition to objectives and activities amendment (Mabey, 1999). Lack of adequate skill and competence among the owners and employees of business start up hinders performance in general of those enterprises in that regard the managers cannot adequately manage the performance of both staff members and that of the enterprise in general, as a matter

of facts no business environment will favour unprepared mind this means to capture all aspects of the ever changing business environment the business owners must always measure, evaluate and control performance for them to catch up with business environment dynamism.

Goal Setting Theory

Edwin (1968) proposed a goal setting Theory suggesting individual goals that have been formulated by an employee serves a vital role in motivating him/her for better-quality performance .the reason behind superior performance is the fact that the individual keep following their goals .In case the goals are not realized then they can up their game in order to improve their performance or have the goals modified to make them realistic in nature .If the performance registers an improvement then it will reflect the attainment of the aims set out by performance management system (Salaman,2005).Before coming up with the relevant goals a critical analysis of the business environment both internal and external must carried out in that process various risks must be identified and plans be made on how to mitigate them in advance by so doing performance of startups can be enhanced greatly.

Expectancy Theory

Expectancy theory, suggested by Vroom (1964) is anchored on the hypothesis that behavior of individuals in an organization is pegged on the satisfaction drawn from goals that are set by them rather than those that have been imposed. The individuals tend to modify their behavior geared towards the realization of the set goals. The theory lie behind the notion of performance management for it is considered that performance is greatly predisposed by the expectations regarding future events (Salaman, 2005).This theory clearly illustrates on how the business owner can anticipate either poor or good returns on their investments in their startups, a rapidly changing business environment will provide a rough sea for any single business to navigate for example a sudden change in a particular technology may lender a business redundant but an expected positive change such as lowering of Corporation taxes may enhance the performance of business startup in one way or the other.

EMPIRICAL REVIEW

Skills, Competence and Performance

A study was done by Jabbouli and Zahari (2014) to investigate the core competence influence on the efficacy regarding the organization performance in several small but private banks in Iraq. The outcome showed that the core competence were appropriate in the improvement of organizational Performance .The study findings also confirmed that core competence can be quite useful in the improvement of organizational performance efficacy as far as various bank are concerned .Managers of the banks under survey as well become conscious of the significance of

core competence as well as human resource as a resource that is intangible to achieve a competitive advantage. Nonetheless, the focus of the study solely rested on small banks, the gap that the current study is out to fill. Another study by Chen and Tsou (2012) on the effects of skills and competence on firm performance established that the relations that exist between the human resources as well as technology may have an influence on the ability Information Technology to improve performance effectively.

As a whole, the findings point out at the weakness of the organizational performance of the start-ups that were placed under survey owing to lack of special training programmes that act as a guide to the managers on the development path and improvement of performance by way of making the most of the benefits derived from core competences. Another study hints managers with more education as well as training are more prone to be a success in small and medium scale sector (King & McGrath, 2002). Robb & Fairlie (2008) noted that businesses that were owned by Asians as compared to the those owned by the whites in USA are 10% not likely to collapse, 2.6% more apparent to make profits plus more probable to take on new employees as compares to white firms. The disparity that exists implies that Asian –owned firms register more success.

Technology and Performance

Nkuah, Tanyeh & Gaeten (2013) studied on effect of technology on small as well as medium enterprises performance (SMEs) in Ghana. The main focus of the study was SMEs in Wa Municipality. The study used quantitative research approach where probability sampling procedure where in particular the stratified plus simple random sampling were utilized to come up with eighty entrepreneurs drawn from Wa Municipality. The most important findings from the study showed that there exist considerably, positive relations stuck between definite attributes of performance as well as technology. The finding of the study revealed significant relationship do exist between the use of technology and performance although the sampled business enterprises sampled both small and medium operated within the central business district of Wa Municipality. However, the study only focused on businesses that were within the town location; a gap the current study seeks to fill.

Minh (2012) investigated on the determinants of SME performance in Vietnam. The study utilized a database of SMEs from World Bank Enterprise Survey (2009). The database included small, medium and large enterprises. The scope of the data collected was extremely wide although in measurement of SMEs performance determinant the data in question was limited. Attributable to the characteristics of the data, the study failed to aim at an in-depth for a specific issues though in general pictures of SMEs performance that was inclusive of exogenous as well as endogenous variables. To assess the influence brought by the use of technology on financial characteristics of SMEs for example credit worthiness plus profitability the binominal logit

model was utilized. The study adopted discriminant as well as cluster analysis to make a contribution to the findings.

The study showed that in general, businesses in Vietnam depended on technology for profitability and expansion. Nevertheless, this was not applicable to Central North where it was very easy for the growth of small business. However, the research study concentrated on predetermined list of SMEs from World Bank records, a gap the current study seeks to fill. . Important to the small manufacturers businesses, however, is the use of technology to compete where economic liberalization as well as increasing global amalgamation of countries that are developing (Romijn, 1998). The fundamental assumption was in regard to a one-time injection of enhanced technology would sufficiently strengthen the competitive position of enterprise that are small in the economy (Sethuraman, 1977; Harper, 1984). Contrary to this view, others believe that the nature of competitiveness ought to be derived from small enterprises capacity or ability to soak up as well as improve process plus product technology on a continuing basis (Romijn, 1998).

Legislation and Performance

A study by Kaplan, Piedra and Seira (2011) in Mexico investigated the effect of legislation on businesses. The study adopted a longitudinal research design. The study constructed a counterfactual state of affairs that showed how fast new firms could have been formed devoid of any business registration reform. The set-up utilized two control groups namely industries that were not qualified for it and municipalities that did not embrace the reform. The thought was that controlled municipalities as well as industries are first-rate proxies of what could have happened in treatment industries in addition to municipalities in the nonexistence of reform. The research study found out that entry regulations that have been simplified led of informal type of firms change to a formal economy. The study thus concluded that legislation affects performance of the businesses. Nevertheless, the focus of the study was in the established type of industries and not start-ups and therefore this study seeks to address that gap.

Studies made by Bruhn (2011, 2013), used national employment data that was quarterly collected by the Mexican government in the year between 2000 and 2004 plus the fact that diverse regions began the implementation of business registration reform referred to as Systems of Fast opening of Firms(SARE) that happened at different times to spot on the effects the changes had on the performance of business in as far as the informal economy was concerned .As found out by Bruhn (2011) reforms helped in registering a rise in the number of registered businesses by 5% due to the fact that former wage employees start off businesses . Bruhn(2013) made a separation of informal business owners into two clusters :those whose characteristics were comparable to formal business owners and those that had characteristics akin to wage workers. An estimate was then done on the impact brought about by the reforms had on the performance experienced by the two groups.

The study was able to establish that municipalities that had a high rate of pre-reform hindrances to formal kind of entrepreneurship, the reform brought about 14.9% of informal business owners whose characteristics compared to those of formal business owners to change to formal economy; at the same time it caused 6% of informal business owners who had the same characteristics with those of wage workers to shift to wage employment. The outcome of the findings suggest that the informal type of economy has diverse types of business owners who act in response to the reforms differently. The study thus concluded that indeed legislation affects business performance. However, the studies focused on occupational trend as an aspect of business performance, a gap the current study seeks to fill.

Competition and Performance

Ghimire & Abo (2013) did a study on how competition affects Ivorian SMEs: constraining factors and performance. Collection of data was done which was drawn from SMEs operators in rural as well as in urban areas. The study adopted the methodology, descriptive statistics, cross-tabulations as well as dependency tests of chi-square plus Cramer's value. Furthermore, joint-plots or correspondences analyses were calculated and helped in displaying the relationship that exists between the variables that are most pertinent and SME performance. The study adopted structured questionnaires which were sent out to respondents. The study targeted a total of fifty managers of SMEs. Only 36 out of 50 questionnaires sent to rural areas of Abengourou as well as urban areas of Abidjan were returned. The calculated percentage revealed that firms that possessed a high competition tags as well as medium competition tags achieved performance of 61% and 83.3% respectively. It was therefore observed that competition indeed affects performance of SMEs. The study findings this kind of phenomenon is more recurring in as far as micro-enterprises are concerned as compared to small or medium enterprises. The study however had more its focus on established SMEs and therefore this study is geared towards filling that gap.

Azende (2012) carried out a study on competition and performance of small as well as medium scale ventures in Nigeria. This study focused on SMEs in Nasarawa as well as Benue states. Standard deviation plus means scores were utilized in presentation and analysis of the primary data acquired through administration of questionnaires. Correlation was adopted in order to help verify whether there existed any similarity with the inherent problems identified. The testing of the hypotheses one dealing with competition and performance was done by means of using simple percentages along with mean scores while hypothesis two which majored in competition as well as financial accessibility was tested using chi-square. The findings revealed that predominant SMEs were facing high competition which in turn affected their financial accessibility hence performance. However, the study linked competition to financial accessibility, a gap the current study seeks to fill.

RESEARCH METHODOLOGY

Research Design

Kothari (2004) defines research design as the framework that explains how the problem under study will be investigated to solve it. A cross-sectional descriptive survey design will be adopted in order to provide an outcome that is clear as well as characteristics that are linked with it at a specific point in time. The relevance of descriptive survey in this particular study is the essence that it does not require several rounds of monitoring but rather focuses on one point in time. The suitability of this design lies in the fact that it involves collection of cross-sectional data at a point in time.

Target Population

Mugenda (1999) defines population as the entire group of events or objects that possess a common observable characteristic. The research study derived the population from business start-ups owners and managers in Kapenguria, Sigor and Kacheliba Townships in West Pokot County. The focus of this study in terms of population of interest are various business start-ups in West Pokot County in three townships of Sigor, Kapenguria and Kacheliba. Several categories of Business start-ups were considered and they included Salons, Chemists, Wholesalers Motor garages, Hotels, Retailers, Matatus, Vendors, Bars Day-care facilities, and butcheries. In each of these Business start-ups the researcher talked to two people; the Proprietor and one senior staff or Manager, hence the total population was 482.

Sampling Design

A small fraction of a population is referred to as a sample that has been identified for observation as well as analysis. Sampling on the other hand, is a premeditated way of coming up with subjects for observation to facilitate scientists enable scientists infer conclusions concerning a population (Kothari 2004). Owing to the large number of business start-ups, sampling was done at a rate of 0.5%, hence the study's sample size was 241.

Data Collection Instruments

Primary data was gathered using questionnaire that is semi-structured. The questionnaire in this study was given a preference because the study assumed that the respondents in this study were literate and capable of answering questions posed adequately. Questionnaire according to Kothari (2007) is the most suitable instrument in collection of data because large amount of information is gathered within a short period of time. Confidentiality of the source is guaranteed by way of secrecy at the same time ensuring standardization (Churchill 1991). For the reasons stated therefore this study chose questionnaire as the appropriate instrument to collect data.

Data Collection Procedures

Once the letter of introductory from the University to conduct research on business start-ups was obtained, questionnaires were delivered to the start-ups owners. The researcher employed drop and pick later type of approach of collecting data and kept an eye on the process to make sure that non-participants didn't fill the questionnaires or got interviewed. Filling of the questionnaire was done and the needed assistance sought.

Data Analysis and Presentation

Several stages were used when conducting the analysis of data which include data clean-up plus explanation. Secondary data was analysed using content analysis. Coding of primary data was then done while checking on any kind of errors and omissions (Kothari 2007)The findings were then presented through use of tables , means as well as percentages .tabulation, coding and processing of responses in the questionnaires were performed using statistical Package for social science (SPSS) program in order to analyse the data. Open ended responses were listed up to get proportions appropriately and report the responses using descriptive narrative.

RESEARCH RESULTS

Skills and Competence of Entrepreneurs and Performance of Start-ups

78% of the respondents indicated that there have not been trainers of their staff including the owner since the inception of business operations while 22% indicated that there were. Out of the 22%, 56% indicated that the trainers have not been significant to the survival and performance of their start-up business. This indicates that the trainers were either not informed or never trained on the relevant skills and knowledge necessary for the enterprises to perform.

The study indicated that core skills possessed by a business owner determine business profitability, determine business sales and staff turnover in the business as indicated by a mean of 3.55, 3.87 and 4.11 respectively. The owners and/or managers agreed that the training possessed by a business owner determines business profitability, business sales and staff turnover as portrayed by a mean of 3.88, 3.46 and 3.71 respectively. This shows that core skills and competences of an entrepreneur are critical in the performance of any start up and need proper trainings for capacity building and enhancement of abilities to manage, run and transform their ventures.

Legislations and Performance of Start-ups

85% of the respondents indicated that national and local legislations affected to a large extent the performance and survival of their enterprises while 15% indicated otherwise. It was realized that local county laws to a large extent did influence the profitability, sales and staff turnover of

their businesses as indicated by a high mean of 4.51, 3.47 and 4.01 respectively while to a great extent did the national government laws affect the running and performance of the start-ups in terms of profitability, sales and turnover as indicated by a mean of 3.87, 3.28 and 3.99. This indicates that local county laws influence more on operations and profitability of the start-ups than the national government provisions and laws.

Technology and Performance of Start-ups in West Pokot County

34% of the start-ups were found to have adopted ICT in the running of their enterprises while 66% had not. Those that had adopted ICT indicated that technology enabled them to improve communication, linkages, efficiency and easy of doing business.

It was established that automation and the level of ICT adoption by the small business start-ups influenced positively and significantly on their performance as indicated by a mean of more than 3. This shows that the respondents were aware of the positive effect of adopting ICT in the performance and growth of their businesses however their rate of uptake was minimal.

Competition and Performance of Start-ups in West Pokot County, Kenya

55% of the respondents indicated that uncontrolled competition from established businesses and influx of more enterprises into the region has significantly affected the survival and performance of their start-ups in the area.

It was deduced that internal and external competition significantly influence the profitability and sales of start-ups as indicated a mean of more than 3 while staff-turn overs being minimal for small scale businesses are not significantly affected by neither internal nor external competition.

CONCLUSIONS

From the study it is evident that business environment had a significant and positive influence on the performance of the performance of small scale enterprises in West Pokot County, Kenya. 89.1% of all changes in performance of business starts in the county were explained by changes in business environment indicated by skills and competences of entrepreneurs, legislations, technology and competition both internal and external. Skills and competence of entrepreneurs has a significant and positive influence on the performance of start-ups. Legislations favouring start-ups have a positive influence while unfavourable legislations have a negative effect on performance of start-ups in West Pokot County. Improved use of modern technology coupled with capacity building of entrepreneurs to embrace it, leads to improved performance of the firms while regulated and healthy competition spurs growth of start-ups while unregulated one is detrimental.

RECOMMENDATIONS

The study recommended that the MFIs, stakeholders, banks, government agencies needs to work on improving skills and competencies of the entrepreneurs.

The management needs to integrate with the general staff to learn the weaknesses and challenges in the system or structure of the organization and come up with necessary amendments or corrections. It was also recommended that for the ventures to perform, local county government should have consultations with the stakeholders before coming up with by-laws and also create favourable laws that can make the business environment attractive, thriving and profitable.

For the technology to boost the performance of their businesses, they should be sensitized on its roles and significance and provided with the necessary facilities to enable them acquired the equipment, services and skills.

It was also recommended that for competition to be healthy and assist the start-ups to flourish, it should be monitored by government agencies to ensure smuggled goods don't gain into the market and go at a lower price and unscrupulous entrepreneurs may also influence competition at their own gain.

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