

**STRATEGIC RENEWAL, SOCIAL MEDIA ENTREPRENEURSHIP
AND PERFORMANCE OF YOUTH OWNED AGRO-PROCESSING
SMALL AND MEDIUM ENTERPRISES IN SELECTED COUNTIES
IN KENYA.**

FRANCIS K. KARIUKI

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DECLARATION

Declaration by the candidate

This thesis is my original work and has not been presented for a conferment of a degree in any other University or for any other award.

Francis Kabui Kariuki

B400/1515P/14

Signature.....Date.....

Declaration by the supervisors

We confirm that the work reported in this thesis report was carried out by the candidate under our supervision and has been submitted with our approval as University supervisors.

Dr. Beatrice Ombaka
Department of Human Resource Development
School of Business
Karatina University

Signature.....Date.....

Dr. Teresia Kyalo
Department of Business and Economics
School of Business
Karatina University

Signature.....Date.....

DEDICATION

I dedicate this work to my family whom I denied lots of time while engaged with research thesis. They offered patience and understanding that has motivated me to complete this thesis.

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ACRONYMS AND ABBREVIATIONS

ANOVA	Analysis of Variance
CSCW	Computer supported cooperative work
GDP	Growth Domestic Production
HCI	Human Computer Interaction
ICT	Information Communication Technology
IT	Information Technology
KAM	Kenya Association of Manufacturers
KIPPRA	Kenya Institute for Public Policy Research and Analysis
KNBS	Kenya National Bureau of Statistics
MFI	Medium finance Institutions
OS	Organizational structure
RMTSM	Resource Mobilizing Theory of Social Media
SMEs	Small and Medium Enterprises
SMT	Strategic Management Theory
SNT	Social Network Theory
SET	Social Exchange Theory
UNDP	United Nations Development Programme
WB	World Bank
YEDF	Youth Enterprise Development Fund
YOE	Youth Owned Enterprises

ABSTRACT

Strategic renewal emphasizes on establishing a set of activities that an organization undertakes to alter its resource pattern and strategic course. In Kenya, despite the critical role played by SMEs in the country, research has shown that 90% of most business startups fail in their third year and especially those owned by the youths. The general objective of the study was to establish the influence of strategic renewal on performance of the youth-owned agro-processing SMEs in Kenya and to determine the moderating effect of social media entrepreneurship on the same relationship. Specifically, the study sought to establish the influence of organization structure, examine the influence of capacity building, determine the influence of entrepreneurial networking on performance of youth owned agro-processing small and medium enterprises in selected counties in Kenya. Further, the study sought to examine the moderating role of social media entrepreneurship on the relationship between Strategic renewal and performance of youth owned agro-processing small and medium enterprises in selected counties in Kenya. The study was anchored on strategic management, social exchange, resource mobilization and social network theories. To achieve these objectives, the study adopted a positivist philosophy and a descriptive research design. The target population of the study were 287 owner/manager youth owned agro-processing SMEs in Kenya registered by the Ministry of Trade and Industry in the four (4) County governments of Nyeri, Kirinyaga, Murang'a and Nyandarua. All 287 owner managers participated in the study thus it was a census as the whole population was used. Primary data was collected using a semi-structured questionnaire. Data was analyzed using descriptive and inferential statistics with the aid of SPSSV23. The study established that organizational structure $R^2 = 0.136$ and $P=0.000$, capacity building $R^2=0.498$ and $P=0.000$, and entrepreneurial networking strategies, $R^2= 0.092$ and $P=0.000$, all had a statistically significant influence on performance of youth-owned agro-processing smss in Kenya. On the moderating influence of social media entrepreneurship, R^2 changed by 23.2% (from 50.9% to 74.1%), indicating that social media entrepreneurship had moderating effect on the relationship between strategic renewal and performance of youth owned agro-processing SMEs in Kenya. This study concluded that social media entrepreneurship has a moderating influence on the relationship between strategic renewal and performance of youth owned agro-processing smes in Kenya. SME owners have thus to seek and establish networks outside their business circles and that, youth owned agro-processing smes develop mechanisms that enable them to review and renew their operational strategies. Further, the government and other stakeholders should develop policies that will enable youth smes adopt new strategic alliances with large organisations.

CHAPTER ONE

INTRODUCTION

Overview

This chapter gives the background of the study, statement of the problem, objectives of the study, research hypothesis, justification, scope, limitations of the study and the operational definition of terms used in this study.

1.1 Background of the Study

In today's ever-changing economic environment, it is of importance to outline a strategy that is not only focusing in a long-term perspective, but also one that can adapt to the current market (Grant & Jordan, 2012). Nevertheless, there are companies that struggle with market adaptation since they have been operating successfully for a long period of time since people and businesses are not entirely comfortable with changes (Helfat, Finkelstein, Mitchell, Peteraf, Singh, Teece & Winter, 2007). Environmental changes, new entrants, loss of competitive advantage or rapid growth are some of the factors that might require a company to renew itself in order to survive (Helfat *et al.*, 2007).

Research has clearly indicated that most Small and Medium Enterprises (SMEs) globally do not engage in strategic planning (Holmes & Zimmer (2014). This is at odds with much of the strategy literature that dictates that enterprises must actively plan for the future to compete effectively and survive (Noble, 2010). Accordingly, SMEs owner-managers have been accused of being strategically myopic and lacking the long-term vision as to where their company is headed (Helfat *et al.*, 2007). The concern is that by neglecting strategic planning, SMEs may not achieve their full performance and growth potentials, and therefore their survival could be placed at risk (Rhodes & Kates, 2015). Consequently, considerable research effort had been expended on identifying 'barriers' that hinder planning in order that these may be overcome or else mitigated to encourage strategic planning in SMEs.

The formulation of strategy in SMEs had been the theme of many academic researchers. Some studies have examined the link between planning and performance in SMEs Holmes and Zimmer (2014), while others such as Orwa (2007) have explored the difficulty of

defining planning and strategic planning, and its dimensions, such as planning formality and performance in the small firm context.

Strategic renewal is a concept that is used to describe the process of aligning an organizational's competences to changes in the external environment. One of the most important parts of strategic renewal is the change and adjustment in strategic direction that has the potential to determine the long-term competitiveness of a firm (Sammut-Bonnici & McGee, 2014). Referring to strategic renewal as the phenomenon that includes the process, content and outcome of renewal or replacement of organizational attributes, this indicated a firm's ability to alter its long time prospects. Companies may undertake strategic renewal to refresh or replace their organizational attribute when they realize that its functionality may be weakened in the future.

Further, strategic renewal focuses on improving performance and refers to recovery of profits from a loss situation. Therefore, when a firm experiences losses top management team must respond in an effort to ensure firm's survival. A faltering firm will most likely continue to decline and may eventually fail if its top management team lacks the ability to respond successfully to external and internal factors causing decline. To achieve a successful turnaround, the management team must first stem a firm's decline and select an appropriate strategy for recovery (Situma, 2006). Hill and Jones (2001) suggested that there are seven main causes that stand out in circumstances that cause organizational performance to decline which include poor management, overexpansion, inadequate financial controls, high costs, the emergence of powerful new competitors, unforeseen shifts in demand, and organizational inertia. Normally one of them, a combination if not all of these factors are present in a decline.

Not only does strategic renewal act as a set of activities that a company undertakes to alter its resource pattern and strategic course, it's also a tool that improve its overall economic performance (Mezias, Grinyer & Guth, 2001). According to Orwa (2007), a number of informal entrepreneurs are not conversant with the laws and rights which hinder robust business decisions for proper growth. These challenges are responsible for the lack of sustained growth in the informal sector in the four Counties (Migiro 2006; Opiyo &

K'Okumu 2006). The global technological change in ICTs currently offers the informal sector an opportunity to tap into international markets, but youth have to first embrace change and new ways of doing things if they are to benefit from such an opportunity

Capacity building as an antecedent of strategic renewal. It refers to the effort to generate knowledge, skills and expertise in order to enhance analytical capacity that may assist in increasing productivity and sustenance. Capacity building strategies help in determining the business's competitive advantages (Holmes & Zimmer (2014). The ability to deal with economic, capacity building, social challenges, and engage in responsible and ethical business practices, provide high quality product and services, as well as develop methods and measures that determines if the SMEs meet the needs of its customers or whether services have not been effective (Sammut-Bonnici & McGee, 2014). Afande (2015), the areas of capacity building for SMEs include all forms of Marketing, Computer skills, Taxation, Product development, Leadership, Communication, Materials and Production, Quality Control, Accounting, Finance, Economy, Foreign Trade, Sales, Networking, and Interpersonal relations. The context of a business determines the training needs. Age, Size, Ownership, and type of activities may determine the type(s) of capacity building needed by an enterprise. According to Nwankwo and Okorie (2015), the following measures enhance the development of human capacity building: Electronic training off-the-job training, vocational entrepreneurship training, on-the-job training, Entrepreneurship education, Government policies and programs, financial institution. According to Susomrit and Coetzer (2013), Cost benefits analysis of training needs, training products awareness, unique design and delivery, flexibility and being informal may improve the participation of SMEs in training.

Muhoho (2016) advances that there is need for systematic and structured studies to understand the relationship between strategic planning process and performance in SMEs. Although some researchers have made contributions towards this strategic planning process in SMEs, there is still no conclusion as to the relationship between strategic planning process and performance of SMEs. The aim of this study is to fill the research gap by providing more evidence on strategic planning process effect on SMEs. Karami & Tang (2019) asserts that SMEs entrepreneurs may fail to apply strategic planning practices

as compared to managers in large organizations, which implies that there is a difference in strategy implementation process present in small firms.

Kenya Vision 2030 (RoK, 2008) envisages a vibrant manufacturing sector as one of the key sectors meant to make the economy industrialized by the year 2030. However, the Agro-processing sector has recorded poor performance in the past contributing a dismal 14.2% to the country's value addition (Kippra, 2013). This phenomenon not only paints a gloomy picture of the sector, as one of the key pillars of economic growth, but also threatens to slow down the realization of Vision 2030 dream. The agro-processing SME firms outperformed large industries in terms of growth and job creation (Kippra, 2013). These SME's in the country are likely to perform even better when they fully embrace and get committed to their strategic renewal.

Gathogo (2013) further posited that despite their importance to the economy, SMEs in Kenya have been performing poorly, with some having to close down due to their inability to remain competitive and profitable. In 2013, SMEs formed over 70% of the manufacturing sector in Kenya (KIPPRA, 2013), and experienced a declined growth of 3.4% in 2014, as compared to 5.6% in 2013 (Republic of Kenya, 2015). In 2015, manufacturing SMEs' growth continued to decline to 3.1% (KAM, 2015).

Therefore, strategic planning practices have been for a long time designed for implementation by large firms. This process had been otherwise adopted by most SMEs in countries like Germany and Britain. This is because of their positive impact on organizational performance (Morton, 2016). In Africa, SMEs strategic planning constitutes an important path to successful business operations. Because of the highly competitive environment in Nairobi Kenya, the practice of strategic planning is also equally important to SMEs, as it is for large organizations (Kombo, Murumba and Makworo, 2015). Awale, Namusonge and Warren (2016) contends that the SME sector has witnessed minimal adoption of strategic planning practices. Moreover, the few SMEs that embrace strategic planning process adopt informal, unstructured and non-emergent strategic plans. However,

the degree of formality varies depending on the complexity, size and requirements of the businesses.

There is little which is known about the strategic planning process within SMEs. Previous studies on strategic planning research have focused on large multinational firms (Beaver, 2013). These processes are often complex, involve multiple actors and are frequently the result of politics (Kelmar & Noy, 2010). Although strategic planning in large corporations worldwide had been well documented, the influence of strategic planning in the performance of SMEs had not been extensively investigated by academic researchers.

1.1.1 Strategic Renewal

Strategic renewal is a type of strategic change that specifically emphasizes the refreshment or replacement of strategic attributes (such as goals, products and services, resources and capabilities among others) of an organization that have the potential to substantially affect its long-term prospects (Agarwal & Helfat, 2009).

A number of studies have linked networking with strategic renewal in organisations. SMEs can innovate and achieve efficient growth of their businesses only through creating and maintaining a network of partners (Naudé *et al.*, 2014). Networks are important especially to SMEs with limited resources as they are dependent on the others firms' resources (Mäläskä, Saraniemi & Tähtinen, 2011). Networking seems to have a positive impact on growth it is a source of benefits (Beaver, 2013). The network is a special type of organizational form, which exists above the level of individual companies.

1.1.2 Social Media Entrepreneurship

Since the arrival of social media and online networking, the importance of entrepreneurial networking has significantly increased. Entrepreneurial networks have received significant importance in the management research (Barroso-Méndez, Galera-Casquet, & Valero-Amaro, 2015). For getting better performance, entrepreneurial orientation (Naudé *et al.*, 2014) and entrepreneurial networks, both are considered to have a significant impact. Social media has become an Internet phenomenon in recent years and according to Evans and McKee (2010), the advent of the Social Web was clearly a game-changer, on numerous fronts. New technologies have great impact in an organization by contributing towards changing social environment, facilitating knowledge sharing and developing new ideas.

Social media is a good example of new technology making impact on today's organizations (Neff, 2012). Due to the changing world of information technology, studies show that consumers are turning away from the traditional sources of advertising such as radio, television, magazines, and newspapers and are opting to use social media platforms where they have considerable control over their media consumption (Neff, 2012).

Further, SMEs, have demonstrated ability to innovate as an important ingredient because it improves their own competitiveness. Small businesses are characterized by limited resources: capital, human and technology (Davis & Vladica, 2006). Consequently, they face more barriers to adoption of IT and are less likely to adopt IT than large businesses, which prevent them from improving their efficiency and effectiveness, and from gaining competitive advantage. In African countries like South Africa, Nigeria, Congo and Zambia, the number SMEs engaging with computers or other direct data access equipment in use of social media for marketing their businesses is shifting from individual task development purposes to business oriented purposes which have lowered the cost of communication and coordination between and within business entities. It has also affected market sales volume positively (Barba-Sanchez, Martinez-Ruiz & Jimenez-Zarco, 2007).

SMEs are now turning to social networks as a worthwhile communication tool and if used adequately can significantly improve their online presence in the form of effective promotion (Maymann, 2008). To achieve success with the online marketing, marketers need to have a presence in the environment that their customers inhabit (Maymann, 2008). Mark Zukerberg, co-founder of Facebook supports this by saying that advertising is fast changing and youth owned agro-processing SMEs businesses need to understand the usage of Internet technologies in order to remain relevant (Maymann, 2008). Therefore, social networking allows businesses to gain access to resources that might otherwise not be available to them. It aids the development of a firm's worthiness, increase the customer and supplier contacts, and bring to light where resources and funding are available, promote innovation and help in the cultivation of strategic partnerships (Zontanos & Anderson, 2004). Besides, owing to the flexibility of social networking tools. Simon (2012), states that businesses can realize different benefits such as access to different audiences,

improved customer service, improved products and services and adoption of favorable pricing practices. In addition, Rasiah (2006) argues that pressures of SMEs to appear online through social media are particularly intense. Tan and Macaulay (2007) adds that social media is important to SMEs because it helps in developing the efficiency on the way business operations are carried out.

1.1.3 Small and Medium Enterprises

Small and medium enterprises (SMEs) have historically been the main players in local economic activities, especially as large providers of employment and hence, a generator of primary or secondary sources of income for many households. SMEs are important engines for development of economies and communities in many countries of the world (Khan & Abasyn, 2017). The development of SMEs becomes a necessary intervention to enhance the local economic development. Abosede, Obasan and Alese (2016) argue that vibrant SMEs are crucial to the process of overcoming poverty, inequality and unemployment. SMEs play a crucial role in people's effort to meet basic needs and help marginalised groups, such as female heads of households, disabled persons and rural families. Ueasangkomsate and Jangkot (2017) point out that the development of SMEs is interrelated to local economic development. SMEs are an engine to address the challenges of poverty, inequality and job creation. In Europe, more than 90% of businesses are SMEs, and they contribute more than 53% to the employment sector (Czarniewski, 2016). In sub-Saharan African countries, SMEs contribute 90% to the employment sector (Karadağ, 2016). Thus, the development and growth of SMEs has received attention from many governments around the world as a key tool for job creation, poverty alleviation, wealth creation, revenue generation and crime reduction. SMEs dominate the business sector in Sub-Saharan Africa accounting for 60% of the total number of enterprises (Peprah, Mensah & Akosah, 2016).

Many SMEs face the constraints of technological backwardness, lack of human resource skills, weak management systems and entrepreneurial capabilities, unavailability of appropriate and timely information, insufficient use of information technology, poor product quality. As a result, there exists a low level of performance (Asian Productivity Organizational, 2011). Strategic orientation of SMEs is one of the most critical factors for

their success. However, the SMEs in developing countries are considered less strategically oriented than those of developed countries (Herath & Mahmood, 2013). In addition, past studies indicate that the SMEs sector in Kenya is characterized by high mortality rate (GoK,2005); three out of five fail within the first few months of operation (GoK, 2013); over 60% fail each year (KNBS, 2007); and most do not survive to their third anniversary (Ngugi, Johnsen & Erdélyi, 2010).

The strategic importance of the small and medium enterprises (SMEs) in the nation's economic development has been well established. SMEs create employment opportunities, stimulate entrepreneurial capabilities and innovation, and contribute significantly to the gross domestic products (GDP) (Herath & Mahmood, 2014). However, SMEs are also susceptible to the dynamic and hostile economic changes. Studies have shown that many SMEs failed due to their inability to cope with this uncertainty in the environment. One of the key issues highlighted was the lack of managerial and entrepreneurial capabilities (Abu Bakar, Mahmood & Ismail, 2015). Therefore, SMEs need to be more resilient in this business environment where competitive rivalry has multiplied in its magnitude. These include the need to refigure their strategic orientation in the form of strategic improvisation and entrepreneurial orientation in order to benefit from the rapid changes and to gain and maintain competitive advantage.

Traditionally, agriculture and industrialization were considered to be two completely different fields (Goedhuys, Janz & Mohnen, 2014). However, agro-processing today has been viewed as important process in agricultural sector. The reason behind this is that it aids in value addition of agricultural output. Organizations involved in agro-processing must be in a position to innovate constantly in order to increase on their efficiency. Their performance is dependent on their innovative capability. Through innovation, they are in a position to improve the quality of their products. Innovative capability in agro-processing can also be in terms of developing new processes that enhance efficiency (Mahsud, Yukl & Prussia, 2012).

Agro-processing activities have the potential to contribute to sustainable livelihoods through food availability, improved income resulting in increased profitability,

employment, social and cultural well-being from limited land (World Bank Report, 2013). Agro-processing is suited to developing countries context because food-processing plants are not always scale dependent. The demand for processed, healthy and quality food is increasing owing to growth in urbanization and the middle class. In the agro-processing sector, the potential for growth that remains untapped is huge (World Bank Report, 2013). Through vertical integration of farming activities, retailers and wholesalers are likely to reduce transaction costs while ensuring sustainability of smallholder farming enterprises (Jagwe & Machethe, 2011).

1.1.4 Youth Owned Enterprises

According to James (2017), Youth Owned Enterprises (YOE) are businesses run by young people. Recently, entrepreneurial development as a way of job creation, empowerment and economic development has drawn increasing policy and research attention. However, systematic attempts to study entrepreneurship by the youth are inadequate based on the general tendency to either lump the youth in the rest of the population or to ignore their unique determinations to eke a living via enterprise business activities. Youth enterprises can only be of value when they grow. Most authors have fronted various factors that affect growth of YOE. For instance, Smelser and Lipset (2018) suggested that access to financial support, skills and business development and government identification and promotion are the panacea of business growth and development. In Asia, Hansen (2017) suggested that sound government policy can help in expansion of youth entrepreneurship. For instance, Vietnamese government has invested in promotion of YOE through establishment of sound policies. In the United Kingdom, mostly government has come up with policies to develop YOE by increasing access to financial support so that they may continue to impact positively on the economy of the country. In Asian countries, governments usually work in collaboration with large companies, credit and financial institutions to provide a business-friendly environment for startups to grow and be sustainable.

In African counties, it is now considered a reality that there are immense reasons to promote youthful entrepreneurship. While caution is required so that entrepreneurship is not seen as an instant cure for joblessness, Smelser and Lipset (2018) agrees that there are many

benefits associated with youthful entrepreneurship. There is also the direct effect on easing unemployment when youthful business people hire fellow youths (Smelser & Lipset, 2018). Consequently, youth enterprise could help address some of the socio-economic problems emanating from joblessness. For example, in Nigeria YOEs account to 55 percent of formal agro-processing activity and 45 percent of individual jobs. In South Africa YOEs provided more than 45 percent of total employment and 20 percent gross domestic product (GDP) in 2014 (OECD, 2017). In Botswana YOEs employs majority of youth and women which youth accounts for 39 percent.

The promotion of YOEs is therefore fundamental to the achievement of MDGs in Africa by focusing on developing decent and productive work for youth. This has a significant effect of bringing back the alienated and marginalized youth into the economic mainstream thereby addressing some of the socio-psychological problems and delinquency which occur due to joblessness (Smelser & Lipset, 2018).

In Kenya, YOEs has played a significant role in providing valuable goods and services (OECD, 2017). This has resulted into the revitalization of the local industries and raised the degree of competition in the economy, thereby bringing gains to consumers in rural Kenya (Hansen, 2017). In addition, YOEs have created connections between youth entrepreneurs and other economic actors via sub-contracting and franchising (White & Kenyon, 2014). The YOEs contribution to the Kenyan economy is widely acknowledged as they cut across all sectors of the economy and provide many employment opportunities and generate widespread economic benefits (GOK, 2014).

The status of Kenyan young people just like in most developing countries especially in the Sub-Saharan Africa (SSA) still faces a lot of challenges especially that of unemployment. Recent statistics in Kenya indicated that, those under the age of thirty-five form 80% of the Country's, employment rates were lowest among those without post-secondary education at 15%. By comparison, 32% of those with post-secondary education were unemployed. Youth form about 60% of the total labor force in the country, but a majority, about 65% is unemployed. In Kenya currently, 750,000 young people graduate from various tertiary

institutions, and only 25% are able to access employment, the rest, 75% have to bear the burden of unemployment (Kimando, Njogu & Kihoro, 2012).

Statistics show that in Kenya, businesses employing between 1 to 99 people account for about 48 percent of all businesses; with a majority of these being managed or owned by the young people (25-34 years) (Saleemi, 2022). In Kenya, three out of five of these businesses fail within the first Three years of operation and those that continue 73 percent fail before the fifth year. This failure of enterprises performance is marked by poor return and bankruptcy proceedings (Saleemi, 2022), having noted how important the contribution of SMEs sector is in Kenya; despite their poor performance. Leadership must be increased to effectively respond to the challenges of creating productive and sustainable employment opportunities in the country amongst the youths (Kariuki, 2013).

Young entrepreneurs, once established, are particularly active in high-growth sectors (Global Entrepreneurship Monitor, 2011). It had been found that self-employed youth have higher “life satisfaction” than unemployed youth in the same age group and are more likely to hire fellow youths. Youth unemployment around the globe has become a major challenge in the 21st century. According to the World Youth Report (2012), approximately 88 million youth around the world are unemployed and also some are underemployed. According to International Labour Organizational (ILO) report by Elder and Sparreboom (2013), the long-term impact of youth unemployment could be felt for decades. The report projected that 73.4 (12.6%) million young people were out of work in 2015 an increase of 3.5 million between 2007 and 2013.

1.1.5 Agro-processing SMEs Sector in Kenya

In Kenya, SME agro-processing enterprises are defined as enterprises with fulltime employees not exceeding 100 or annual sales turnover not exceeding Ksh 150 million (RoK, 2012). The small and medium scale enterprise plays a major role in the growth and development of the Kenyan economy in line of creating employment, poverty reduction, and investment distribution as stipulated in the Kenyan economic report (2013). The SME’s sector is fast growing employing 42% of the working population and accounting

for 75% of all modern accomplishments in Kenya as at 2011. According to the Kenyan economic survey 2011, out of 503,000 jobs created in the year 2010, 440,400, or 80.6 percent were in small and medium enterprises, with only 62,600 or 12.4 percent being created in the formal sector (RoK, 2011).

The performance of SME's in the agro-processing sector is still dismally low. The 2013 economic reports observed that while the number of employees in the agro-processing small and medium enterprises increased between 2010 and 2011; there was a decline with respect to employees in agro-processing medium and large enterprises. The agro-processing value added contribution made by SMEs also increased, though the contribution is still low, accounting for 14.2 per cent yet two thirds (67%) of agro-processing firms are small and medium enterprises (Kippra, 2013) This dismal performance is likely to slow down the path of economic development as envisioned by vision 2030 strategic plan. Recent studies in Kenya acknowledge that the small and medium scale enterprises are engaged in strategic management to boost their performance, however, majority of these firms encounters a lot of difficulties and some are kicked out of the market before they reach five years (Awino, 2013; Gakure & Amurle, 2013; Okwachi, Gakure & Ragui, 2013).

1.1.6 Performance

Performance of SMEs is a widely researched area. Yet there is no consensus on the way the performance should be measured because the major issue with SMEs is informality (Gakure & Amurle, 2013). The financial records are not properly maintained, and even if the accounts are maintained, they are not audited; therefore, the question of reliability of the accounts can never be resolved. Secondly, the other measures that are commonly used are informal and are based on perception of the respondents who are mostly entrepreneurs or the employees. Usually, performance is measured in terms of perception of the owners regarding increase in the sales, increase in profits, increase in assets, increase in customer base. Therefore, mostly questionnaires are used to measure the performance based on the perception of the entrepreneur.

The performance of SMEs is dependent over several factors including; access to finance, entrepreneurial orientation, market orientation, quality management, supply chain, training of employees (Almomani et al., 2019) entrepreneurial networking and many more. Studies carried out on all these factors have been conducted inconclusively and findings of the different studies are not consistent. Majority of the studies support the argument that entrepreneurial orientation and entrepreneurial networking are very important for gaining performance (Jiang et al., 2018).

Small and medium scale agro-processing is an important segment in the SME sector. Small scale production is characterized by high labor involvement, which can help to reduce the high levels of unemployment. Most of these enterprises do not require intensive capital investment, thus are easier to set up and operate than the large agro-processing enterprises (Tarus & Nganga, 2013). Therefore, not only does organizational performance state the ability of an organization to fulfill its mission through sound management, strong governance and a persistent rededication to achieving results, it also indicated effectiveness of the organization in fulfilling its purpose (Almomani et al., 2019). Thus, it can refer to something either completed, or ongoing. High organizational performance is achieved when all the parts of an organization work together to achieve great results, with results being measured in terms of the value they deliver to customers. Further, studies on SMEs business performance estimation normally utilize a blend of mixture of approaches, both financial and non-financial. However, challenges usually emerge as supervisors or owners are not willing or resist to give a robust performance data (Brynjolfsson & Hitt, 2011).

1.2 Problem Statement

In a world of continuous and rapid change, the process of strategy implementation along with organizational renewal is crucial in order to maintain a competitive position. These changing and occasionally conflicting circumstances require organizations to implement timely adjustments in order to succeed with their strategies (Huff, Huff & Thomas). Although researchers have argued that not all turnaround cases are a success story, Hambrick and Schechter (1983) studied two hundred and sixty cases of turnaround and only fifty-six had managed to recover over a four-year period. This suggests that turnaround

strategy especially in an operating competitive business environment is not easy (Hopkins, Mallette & Hopkinse, 2013).

The impetus of this study is that not all SME's in Kenya are engaged in strategic renewal (Gakure & Amurle, 2013) and there is a gap existing in literature where past studies globally have largely ignored the above. Several scholars in Kenya have conducted researches on the strategic management practices among the SME's (Awino, 2013; Gakure & Amurle, 2013; Okwachi et al., 2013). Awino (2013) studied the challenges facing implementation of differentiation strategy in Mumias Sugar in Kenya while Gakure and Awino (2013) studied strategic planning practices in ICT firms. Okwachi et al., (2013) examined the effects of business models in strategic plans implementation in SME firms. Atikiya (2015) examined the effects of competitive strategies on performance of manufacturing firms in Kenya.

SMEs in the agro-processing sector in Kenya are facing several challenges, which, as pointed out by Gathogo (2013), include lack of innovative capacity, slowness to embrace new technology, constraints in accessing capital, and inadequate management capacity. Further, in 2014, Kenya's manufacturing SME sector's share of exports to the global market was 0.02%, which compared unfavorably with that of South Africa at 0.03%, Malaysia at 1.3%, and Singapore at 2.4% (KIPPRA, 2014).

The 2018 economic survey of the Kenya National Bureau of Statistics (KNBS) indicated that the manufacturing sector's share of the GDP shrank from 11% in 2013 to 10% in 2014, 9.4% in 2015, and 9.1% in 2016 to a further decline of 8.4% in 2017. Further, the World Bank showed that large scale manufactures operating in Kenya registered stagnation and declining profits (Otiso, 2017). A recent review of the manufacturing industry's performance from 2013-2017 indicated that manufacturing's contribution to the economy contracted more than any other industry during the five years (Kariithi & Kihara, 2017). In spite of this, there has been limited knowledge of how the performance of the youth owned agro-processing SMEs are influenced by various factors, hence the need to fill this knowledge gap.

Youth owned enterprises (YOEs) play an important role in income and employment creation as well as poverty alleviation. Generally, YOEs contribute many new jobs opportunities, income generation and economic development. In order to grow, YOEs need organizational support. However, statistics show that three out of five of the youth run small enterprises fail within the first three years of operations in most counties in Kenya including Baringo County and those that continue 73 percent fail before the third year (Odhiambo, 2014). This is because YOEs are notoriously volatile and experiences a high degree of business closure and shrinkage. Although the factors influencing performance of YOEs have been studied, the concentration has been on general factors such as access to finance, markets and competition with inadequate attention to strategic renewal factors. For example, Atikiya (2015) studied the effects of financial support on the cost of operation of YOEs in Kenya and reported that lack of financial support imposed a great impact on cost of operation and therefore a threat to viability and growth of YOEs. Chigunta (2014) identified lack of business information communication skills as a key barrier to youth's entrepreneurship.

This research sought to establish the relationship between strategic renewal and performance of youth owned agro-processing SMEs using social media entrepreneurship as moderating factor. This is because while most of above studies have contributed to the understanding of various aspects of strategic renewal, not much had linked the social media entrepreneurship as moderating factor.

1.3 Objectives of the Study

The general objective of the study was to to establish the relationship between strategic renewal and performance of youth owned agro-processing SMEs using social media entrepreneurship as moderating factor in selected counties in Kenya.

1.3.1 Specific objectives

This study sought to address the following specific research objectives;

- i. To establish the influence of organizational structure on performance of youth owned agro-processing small and medium enterprises in Nyeri, Kirinyaga, Murang'a and Nyandarua Counties.

- ii. To determine the influence of capacity building on performance of youth owned agro-processing small and medium enterprises in Nyeri, Kirinyaga, Murang'a and Nyandarua Counties.
- iii. To determine the influence of entrepreneurial networking on performance of youth owned agro-processing small and medium enterprises in Nyeri, Kirinyaga, Murang'a and Nyandarua Counties.
- iv. To examine moderating role of social media entrepreneurship on the relationship between strategic renewal and performance of youth owned agro-processing small and medium enterprises in Nyeri, Kirinyaga, Murang'a and Nyandarua Counties.

1.4 Study Hypothesis

- HO₁: Organizational structure has no significant influence on the performance of youth owned agro-processing small and medium enterprises in the selected counties in Kenya.
- HO₂: Capacity building has no significant influence on the performance of youth owned agro-processing small and medium enterprises in the selected counties in Kenya.
- HO₃: Entrepreneurial networking has no significant influence on the performance of youth owned agro-processing small and medium enterprises in the selected counties in Kenya.
- HO₄: Moderating role of social media entrepreneurship has no significant influence between strategic renewal and performance of youth owned agro-processing small and medium enterprises in the selected counties in Kenya.

1.5 Importance of the Study

Within this study, the researcher wanted to explore the influence of strategic renewal phenomenon on performance of youth owned agro-processing SMEs moderated by social media entrepreneurship. More specifically, the challenges and opportunities of strategic renewal in agro-processing youth owned small and medium enterprises in Kenya was investigated. This area attracts increasing attention from scholars and policy-makers alike.

Despite their low profile status, SMEs in Kenya have played and continue to play a vital role in the economy by providing employment opportunities to a significant number of the population. Over 70% of the total number of people employed in Kenya were employed in this sector and in 2016 SMEs contributed eighteen per cent (18%) to the country's GDP (ROK 2016). SMEs are therefore a major source of livelihood for a significantly large proportion of the population in Kenya.

Despite the business potential attributed to ICT adoption, small and medium scale enterprises which dominate the economies of developing countries do not have ICTs readily available to them, especially the computer-based ones, and most of those involved in informal sector enterprises lack awareness of their potential (Chiwere & Dick, 2008). ICTs seem like a far off and out of reach dream; many participants in the informal sector think the Internet is not relevant to them, possibly stemming from the general lack of awareness of its benefits

As Moyi (2003) observes, more critical constraints, such as illiteracy, poor information and telecommunications infrastructure among informal sector traders, deserve more priority. Small business enterprises continue to use simple tools and technology in their operations and thus remain small (Migiro, 2006). However, the adoption of Social media in the informal sector and specifically by SMEs in Kenya is low and thus youth enterprises are not enjoying the full benefit of social entrepreneurship and thus need for study to fill this gap. Finding of this study are important to SME owners in seeking and establishing networks outside their business circles and developing mechanisms that enable them to review and renew their operational strategies. Further, the findings will assist the government and other stakeholders to develop policies that will enable youth SMEs adopt new strategies and strategic alliances with large organisations.

1.6 Scope of the Study

This study focused on youth owned agro-processing small and medium-sized enterprises (SMEs) Nyeri, Kirinyaga, Murang'a and Nyandarua Counties. This study focused on the

concept of strategic renewal and social media entrepreneurship in the agro-processing SMEs sector of Kenya and therefore did not provide any analysis on other sectors of the economy. The study was conducted in Nyeri, Kirinyaga, Murang'a and Nyandarua Counties thereby providing a geographical delimitation. The research touched upon the global emergence of social entrepreneurship but for analytical purposes the study only focused on Nyeri, Kirinyaga, Murang'a and Nyandarua Counties.

1.7 Limitations of the Study

The study findings were limited to the youth owned agro-processing SMEs and therefore may not be applicable to the large enterprises because they operate under different environmental settings.

The findings may be applicable to all agro-processing youth owned SMEs in the selected counties in Kenya who are the subject of the study in this case. This may be applicable only to some particular set of the organizations as it only considered the small and medium enterprises excluding the large enterprises.

Therefore, the study was based on the experience of agro-processing youth owned entrepreneurs hence the questions asked were historical and in most cases relied on the individual's memory which may at times fail. But through use of various tools in data collections, this limitation was overcome.

1.9 Definition of Terms

Agro-Processing Industry- Agro-processing industry refers to the subset of agro-processing that processes raw materials and intermediate products derived from the agricultural sector. Agro-processing industry thus means transforming products originating from agriculture.

Entrepreneurship: The capacity and willingness to develop organize and manage a business venture along with any of its risks in order to make a profit. Entrepreneurial spirit is characterized by innovation and risk-taking. An essential part of a nation's ability to

succeed in an ever changing and increasingly competitive global marketplace (Osunde, 2014).

Firm Performance: In this study, firm performance is satisfaction of stakeholders and can be represented by increase in profits and sales value. The process of measuring an organizational's outputs or implementation against its intended goals and objectives (Kuria & Memba, 2016).

Organizational structure; refers to how the people in an organization are grouped and to whom they report. It is a system that outlines how certain activities are directed in order to achieve the goals of an organization. These activities can include rules, roles, and responsibilities. The organizational structure also determines how information flows between levels within the company.

Performance: Performance is a major construct in strategy because almost every researcher attempts to relate their constructs to organizational's performance (Osunde, 2014). Barnat (2012) views performance as an "economic outcomes resulting from the interplay among organizational attributes, actions and environment. Performance is mostly measured in financial terms (Barnat, 2012) and it encompasses three specific areas namely: (1) financial performance (profits, return on assets, return on investment); (2) market performance (sales, market share); and (3) shareholder return (total shareholder return, economic value added)

Resource Mobilizing: Resource mobilization refers to all activities involved in securing new and additional resources for your organizational. It also involves making better use of, and maximizing, existing resources. Resource mobilization is often referred to as New Business Development. The figure below shows how New Business Opportunities which are intended to mobilize resources form part of an organizational's overall function

ROI: Return on investments refers to the rate of return and helps in understanding how much profit or loss the investment has earned.

Small and Medium Enterprises: These are businesses whose personnel numbers range from 1-50 and whose capital outlay is less than kshs. 5,000, 000 (Gathungu & Baariu,

2018) which according to the literature, has no universally accepted definition. According to World Bank (IFC, 2012), an SME is a registered business where small businesses employ between 10-50 people, has a total annual sale of between 100,000 to 3 million USD while a medium enterprise employ between 50-300 people, has a total annual sale of between 3 million to 15 million USD. Most definitions of SMEs are based on the number of employees since it is easier to collect information about employees than any other criteria used to define SMEs.

Social Entrepreneurship: Social entrepreneurship involves the application of the mindset, processes, tools, and techniques of business entrepreneurship to the pursuit of a social and/or environmental mission. It embodies the enterprising spirit of the private sector and uses the power of economic markets to generate and deliver solutions to social problems (Jiao, 2011).

Social Exchange: is that people make decisions by consciously or unconsciously measuring the costs and rewards of a relationship or action, ultimately seeking to maximize their reward. This theory focuses on face-to-face relationships and isn't meant to measure behavior or change at a societal level.

Social media: a group of Internet-based applications that build on the ideological and technological foundations of Web 2.0 and that allow the creation and exchange of User Generated Content (Kaplan & Haenlein, 2010). Web-based and mobile technologies allow dialogue between individuals, communities and organizations.

Social Network: social networking is the use of Internet-based social media sites to stay connected with friends, family, colleagues, customers, or clients. Social networking can have a social purpose, a business purpose, or both, through sites like Facebook, Twitter, LinkedIn, and Instagram. Social networking has become a significant base for marketers seeking to engage customers.

Strategic entrepreneurship: involves simultaneous opportunity -seeking and advantage seeking behaviors (Hitt, 2001).

Strategic renewal: is a set of activities that a company undertakes to alter its resource pattern and strategic course in order to improve its overall economic performance (Mezias et al., 2001). A form of corporate entrepreneurship where companies redefine the ways to compete with competitors and / or redefine the markets (Covin & Miles, 1999). Strategic renewal influences company's long-term perspective and is the foundation for future development (Agarwal & Helfat, 2009).

Strategy implementation: This is the process that turns strategies and plans into actions in order to accomplish strategic objectives/goals. It focuses on the processes through which strategies are achieved. Questions addressed are who, where, when and how, the organizational objectives will be achieved (Barnat, 2012).

Strategy: Strategy is a choice of a unique and a valuable position which is rooted in system of activities that are much more difficult to match. (Porter, 1996). Jonas (2000) defines strategy as a plan of action that allows the organizational to accomplish her mission in terms of goals, objectives and purpose.

Structure: It is a set of building blocks that can be used to configure an organization (Griffin, 2013). It refers to the hierarchical arrangement of duties and responsibilities, lines of authority, communications and coordination of activities in an organization.

Web 2.0: A new way in which end-users and software developers exploit the World Wide Web. Web 2.0 is a platform where content and applications are no longer created by single individuals but they are constantly modified by all users in information sharing and collaborative way (Kaplan & Haenlein, 2010).

Web- blogging: a discussion system where the users post messages in World Wide Web and discuss on it (Kaplan & Haenlein, 2010).

Youth: A youth is defined as all individuals who have attained the age of 18 years but have not attained the age of 35 years who are involved or engaged in business activity (ROK, 2013).

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter consists of reviews from secondary data that other researchers have collected from other journals, statistical reports, and primary data. Besides, it also outlines the literature and relevant literature, theoretical reviews regarding the variables on social media entrepreneurship and the chapter also presents a proposed conceptual framework that was formulated based on the relationship between dependent variable and independent variables. More so it brings in to the fore the state of knowledge and gaps that the study addresses and help in understanding how the constructs influence agro-processing youth owned SMEs performance. The chapter further presents the conceptual framework used to address knowledge gaps and the hypotheses of the study.

2.2 Theoretical Review

For organizations to prosper, they should continuously innovate to rapidly address the ever changing environments. If resources a SME owns are to improve its performance, their creativity and ability to innovate within rapid changing environment should be applicable. This study was pegged on following theories key among them are the Strategic Management Theory, Social Exchange Theory, Social Network Theory and Resource Mobilizing Theory of Social Media. The study links the SMT, SET, SNT and RMT to provide an inclusive explanation of organizational structure ,capacity building, networking, social media and their influence on agro-processing youth owned SMEs. These theories are discussed below;

2.2.1 Strategic Management Theory

Strategic Management Theory was first introduced by Porter (1996). The theory gives direction on strategic management practices. The theory informs objective one and four of the study which deals with strategic planning and customer focus by providing guidelines on strategic planning and strategic thinking. It states that strategic management incorporates the concepts of strategic planning and strategic thinking. The theory stresses the need for diverse management practices and perspectives being integrated to ensure set goals and objectives are attained in the context of the ever growing and competitive world economy. Further, theory directs that companies should make long term goals by assessing

potential futuristic opportunities and threats. An organization is also supposed to develop the capabilities of gaining a competitive advantage against its competitors by mobilizing their resources and allocating the resources strategically. The theory majorly focusses on what measures companies can make now to bring about a desirable future performance (Gray & Karp, 1994).

Additionally, the theory provides direction by giving guidance to companies on how they can strategically specify their objectives, come up with policies and company culture, and develop ways of achieving the goals and objectives by tapping on their available resources. According to Porter (1996), three major principles have to be incorporated in strategic management practices to facilitate the success of the organization, the first principle is to ensure the organization creates for itself a position in the market that is both unique and valuable at the same time, the second principle for organizations is to decide on what not to do in order to make trade-offs and lastly the third principle states that organizations should create fit, by aligning their activities together in a way that they support the chosen strategy. The theory has been critiqued in that it overly constrains managerial discretion in an environment that is very dynamic. Further, some critics go so far as to suggest that committing to a strategy may limit a firm's ability to respond to a changing environment when companies "make future decisions on obsolete data" (Cameron & Green, 2019). The theory was relevant to this particular study as it connected with the study objectives, giving guidance on how owner managers can incorporate strategic management practices for improved performance of their organizations.

2.2.2 Social Exchange Theory

Given that all social media are dependent on users providing content, an understanding of the motives of why individuals participate appears fundamental. Social exchange theory was originated from sociology studies exploring exchange between individuals or small groups (Emerson, 1976). The theory mainly uses cost-benefit framework and comparison of alternatives to explain how human beings communicate with each other, how they form relationships and bonds, and how communities are formed through communication exchanges (Homans, 1958). The theory states that individuals engage in behaviors they

find rewarding and avoid behaviors that have too high a cost. In other words, all social behavior is based on each actor's subjective assessment of the cost-benefit of contributing to a social exchange information, such as gender, clothing preferences, and ethnicity. Slowly, as the relationship progresses, one starts to share his or her feelings; in the deepest level, one will expose his or her goals, ambition, and beliefs (Altman, 2009).

In the social world online, we may be able to design social networks in a way to separate these different layers of information. By default, certain information will be disclosed to the public, while private and semi-private information could be confidential; There might be ways to determine the levels of relationships from the mode and frequencies of communication, which could be all tracked online easily through online social media sites. A recent privacy lawsuit against Facebook highlighted the importance following the layered rules of social penetration in order (Cameron & Green, 2019). This theory was relevant to current study since the adoption of social media depends on its benefits to the SMEs, and if it elicits the needed outcome for example improved marketing, improved customers and increased level of income.

2.2.3 Social Network Theory

Social network theory views social relationships in terms of nodes and ties (Shafi, Sarker & Junrong, 2019). Nodes are the individual actors within the networks, and ties are the relationships between the actors. There can be many kinds of ties between the nodes. In its most simple form, a social network is a map of all of the relevant ties between the nodes being studied. The network can also be used to determine the social capital of individual actors. These concepts are often displayed in a social network diagram, where nodes are the points and ties are the lines.

The social network approach had its origin embedded in the mathematical graph theory and had a long and distinguished history in the social sciences and psychology where it had been used to investigate human social organizational (Scott, 2000). The main strengths of the approach are the potential to address population-level or cross-population-level problems by building up complex social structures from individual level interactions. SNT

studies individual users and the relationship between these users (Shafi *et al.*, 2019). In the theory, weak ties refer to casual relationships whereas strong ties refer to close relationships. The relationships between the nodes in social network sites enable one to understand individuals' choices in their relationships with others. In online social network, there are vaster weaker ties among the nodes.

Stutzman (2006) asserts that the power of social network theory stems from its difference from traditional sociological studies, which assume that it is the attributes of individual actors that matter. Social network theory produces an alternate view, where the attributes of individuals are less important than their relationships and ties with other actors within the network. According to Krause, Croft and James (2007), this approach had turned out to be useful for explaining many real-world phenomena, but leaves less room for individual agency, the ability for individuals to influence their success; so much of it rests within the structure of their network. This theory was applicable since SMEs depend on networks for acquiring goods and marketing. This study sought to establish the moderating role of social media entrepreneurship and therefore this theory was applicable in relation to the variable.

2.2.4 Resource Mobilizing Theory of Social Media

In this study, Resource Mobilizing Theory of Social Media (RMTSM) by Eltantawy and Wiest (2011) was employed with a major focus on how social media as a network resource, affect firm's performance. This theory borrows from the work of scholar on RMTSM such as Buechler (1993) which state that resource such as time, money, organizational skills, and certain social or political opportunities are very central toward success in any social movements. The RMTSM asserts that business organizationals with access to and effective use of social media have competitive advantage over the others who are indifferent to such networking resource (Icha, 2015). Proponents of this theory argues that resource social media can be well used by owner-managers of medium enterprises to inform their customers about their offerings and create a two-way communication, and benefit of social media which influence the performance of their businesses (Stephan & Galak, 2010) employee performance in terms of knowledge, skills, ability, qualification, productivity and motivation level (Ashraf, 2014). In addition, the RMTSM show how business must

look on communication media and their impact by understand the nature and characteristics and changing buying patterns of their customers in the modern society, as social media focuses on the modernizing technology that encourage their business process which will transform their relationship with customers. The current study sought to find out the moderating role of social media entrepreneurship and since the theory supports that social media can be used to mobilize resources, this was applicable in this study.

2.3 Empirical Literature Review

This section presents empirical Review of literature based on the study variables.

2.3.1 Concept of Strategic Renewal

Large organizationals have felt strong pressures for change and the source of these pressures have been new technology which has resulted in increasing globalization of markets, deregulation of industries, and a shift of firms from public to the private sector; they also come from the rise of new organizational forms such as strategic renewal (Baden-Fuller & Volberda, 1997).

Accordingly, strategic renewal is a set of activities that a company undertakes to alter its resource pattern and strategic course in order to improve its overall economic performance (Mezias et al., 2001). Ravasi and Lojcono (2005) argues perspective renewal as corporate transformation, in order to underline the pervasive effects that such process had on the strategy, structure, systems and culture of a company. Mezias et al., (2001) also observed how increasing environmental hostility or a deteriorating competitive position may induce managers to initiate a renewal process, searching for a more favorable combination of resources and capabilities, and to foster proactive behavior across the organizational.

2.3.2 Organizational Structure

Besides top managers possessing the responsibility regarding strategy and control, lower level managers assist with this task by providing information and operational knowledge Menz (2012). Therefore, the process of strategic renewal can be directly affected by the organizational structure and the managers within it. Miller and Friesen (1983) agrees that strategy-making processes and organizational structure are highly interdependent. Organizational structure is referred to be the formal configuration among individuals and groups concerning the allocation of responsibilities, tasks and authority within an

organizational (Greenberg, 2011). Organizational structure can be more or less centralized or decentralized in its design. Miller and Friesen (1983) argue that centralized structures are informal and rather simple and therefore the modes of strategy making are usually exclusively intuitive and individualistic. Decentralized structures, on the other hand are more formal, integrated and specialized in its design and in terms of strategy making, the mode is based upon intended rationales.

Wu, Hao, Kasper, and Muehlbacher (2012) studied the influence of organizational structure on the performance of SMEs in Austria and China. The research adopted a survey research design and considered 90 Austrian and 71 Chinese firms. The collected data was analyzed using partial least squares and bootstrap methods. Findings indicated that organizational structure had a greater effect on organizational learning than on innovation in China, while in Austria, results indicated that organizational structure has a positive effect on managerial and technical innovation within small firms. The study was however not conducted within Kenyan context; hence, the findings may not be replicated in the current research.

Asieh (2015) investigated the relationship between organizational structure and job innovation in employees of an industrial company in Iran. A sample of 313 employees of an industrial company was utilized. The findings revealed a negative relationship between centralization and innovation. High levels of centralization caused protest, disruptive approaches, and inhibited the development of new ideas. The study also indicated a negative correlation between complexity and innovation. The study further points out that the lack of employee recognition limits job innovation within the Iranian industrial firms. The study, in general, indicates that structure is a significant predictor of job innovation. This study focused on innovation among employees, whereas the current study intends to determine the effect of organizational structure on organizational performance.

Agwu (2018) conducted an analysis of the impact of strategic management on the business performance of SMEs in Nigeria. The study applied a descriptive research design, using a questionnaire, with data being collected from 120 owners of SMEs in Lagos, Nigeria.

Findings indicated that structure had a positive, but not significant influence on SMEs' transaction volumes. The research examined business performance using financial measures, whereas the current study assessed organizational performance using both financial and non-financial measures.

Maduenyi, Oluremi and Fadeyi (2015) in their study on impact of organizational structure on organizational performance concluded that the organizational structure has a direct impact on both financial and non-financial performance within an organization. Wu et al., (2012) in their study of organizational structures of corporations in Austria and China found that organizational structure influences performance both directly and indirectly. They further argued that many businesses ought to persistently alter their organizational structures to achieve superior performance in the marketplace. Achieving superior business excellence is critical objective of many business organizations, and effective strategy formation and implementation have been identified as the key elements that must align with the organizations' structure at all instances.

Maduenyi (2015) argued that the performance effect of an organizational structure strategy change is moderated by changes in the business environment and they arrived at a conclusion that to attain the desired level of superior performance by an organization compared to their peers in an industry, adequate attention is required to have the structure to remain aligned at all times to the prevailing environment's dynamics. In their conclusion they stated that an ideal organizational structure should create a good recipe for superior performance over their peers in the industry. In order for businesses organizations to consistently succeed in meeting their customers' needs and attaining their strategic objectives, there is a necessity for such organizations to constantly change the approaches to the organization of work and resources which consequently leads to organizational change.

Kihara (2016) argued that an organization that can embrace a blend of multiple structures at the same time will always tend to maximize aggregate performance outcomes compared to their peers in the marketplace who fail to embrace the dynamic organizational structures

that are aligned to the market needs and the complexity of their business organizationals. They further stated that the type of the organizational structure adopted by an organization should enable such organizationals to continuously stay responsive to the very dynamic and complex business environments that they operate in.

In their research study, Invernizzi and Romenti (2012) argued that the organizational structure needs to accommodate the central and strategic role that communication takes in an organization's decision making process and that communication can no longer be limited to merely communicating images, but rather it should enter the decisional and productive processes of an organization, be it strategic or operational, and that it should get increasingly more association with managerial methodologies, products, services, and in the final analysis and quality of products and outcomes at the aggregate organizational level.

Yeboah (2015) analysed the determinants of SME growth in Ghana. The findings of the study indicated that organizational structure, control and command fostered SME growth in Ghana. The study was however limited to Ghanaian general SMEs, whereas the current research examined agro-processing SMEs in Kenya.

Kihara, Bwisa, and Kihoro (2016) studied the relationship between strategy implementation and performance of agro-processing Small and Medium firms in Thika Kenya. The study was guided by a logical philosophy and relied on a mixed research methodology. The study collected research data from 115 SMEs, using self-administered questionnaires. Findings showed that structural adaptations of the SME firm are positively related to performance. Results also indicated that formalization, centralization and specialization enhance the performance of agro-processing firms.

2.3.3 Capacity Building

A past review by Ogundele, Akingbade and Akinlabi (2012) revealed that, the skill required by an entrepreneur can be classified into three main areas namely, technical skills, business management and personal entrepreneurial skills. The authors went further to state that

technical skills involve such things as writing, listening, oral presentation, organizing, coaching, being a team player and technical know-how. Business management skills include those areas involved in starting, developing and managing an enterprise. In addition, they asserted that personal entrepreneurial skills differentiate an entrepreneur from a manager. Skills included in this classification are inner control (discipline), risk-taking, being innovative, change oriented, persistent, and a visionary leader among others

A research carried by Kihara et al., (2016) found that the level of entrepreneurial skills in Malaysia is still moderate and needs more entrepreneurship development training programs in areas, such as creativity enhancement and innovation, the skill to make business accounts, creating promotions and advertising skills, skill to set the right price and selling skills. The researchers also agreed that training and entrepreneurial education contributes to increase of knowledge, skill and experience required to make businesses more robust and competitive. The government and its agencies are responsible for providing appropriate entrepreneurial training to fulfill entrepreneurs' needs.

A study by Rahman et al., (2011) identified the development of generic skills in Malaysia. The results showed that the respondents' generic skills are moderately high and the researchers suggested that the entrepreneurs should further acquire generic skills because these skills help individuals to perform effectively in their workplace and later contribute to the firm. Ogundele et al., (2012), argues that for the sake of capacity building, managers involved in developing the effective training programs for their employees in order to equip them with the desired knowledge, skills and abilities to achieve organizational goals will ultimately create a good working environment within the organizational. This struggle by the top management not only improves the employee performance but also creates positive image of the firm globally (Jiao, 2011).

Further, training had direct relationship with the employees' job performance. Similar findings were reported by Jagero, Komba and Mlingi (2012); Saeed and Asghar (2012), However, Jagero et al., (2012) posited that while training is a factor in job performance, it

is the combination of factors such as working environment, employee skills and knowledge, motivation and rewards, communication flow and organizational culture that significantly improve employees' performance. Similarly, Daniels (2010) posited that training is not a panacea; it cannot eliminate core problems like low capitalization or a product line that does not meet customers' needs. Although training can provide extraordinary improvements in the organizational, the key to getting the best return on investment from training is to view it strategically rather than tactically.

Further, Oforegbunam and Okorafor (2010) argue that the performance level of most SMEs in Nigeria had been most unsatisfactory, as the problems of delay and high cost in service delivery have become a norm rather than exception. The possible reason for this may include, that most of employees may not have received adequate training and exposure to perform the functions they are assigned to. However, in order to realize the objective of profit maximization by SMEs, the personnel involved in their operations must be adequately trained to enable them be alert in their responsibilities, more importantly given the over-bearing effects of competition from the very large firms and from SMEs operating in Asia, made possible by globalization (Oforegbunam & Okorafor, 2010).

Regionally, Kenya ranks lower than some of the countries with whom she competes for business (Ferrell & Fraedrich, 2015). In that case, Kenyan firms are not as competitive as some firms from comparable countries and in order to safeguard interest of Kenyan firms, these identified bottlenecks need to be addressed. Employees are more willing to discuss ethics issues and to support the quality initiatives of their company if the organizational communicates a commitment to ethical conduct. Indeed, those who work in an ethical organizational climate are likely to believe that they must treat all their business partners' respectfully, regardless of whether they operate inside or outside the organizational. It becomes essential for them to provide the best possible value to all customers and stakeholders (Ferrell, & Fraedrich, 2015).

In regard to capacity enhancement, Daniels (2010) posit that this can be implemented by adopting a variety of strategies; including the provision of technical assistance and training, fostering of field-to-field support networks, enhancement of strategic partnerships,

development of innovative programming approaches and methodologies, documentation and dissemination of best practices. Areas of technical concentration will include best practices, maximizing the effectiveness of behavior change programming through the development and dissemination of centered approach guidelines and tools; improving capacity to implement high impact programs like adoption of quality (Kihara et al., 2016).

In a study carried by McCarthy, Grady and Dooley (2011) they emphasized that managerial ability is a major enabler of change; therefore, the new human resource management needs to strengthen leadership and managerial abilities among managers to ensure delivery of better entrepreneurial management. McCarthy *et al.*, (2011) further state that effective leadership is a key component of good public administration and is also an important variable that leads to improvement of management capacity and performance in organizations and furthermore argues that age of globalization, decentralization, and knowledge-based economies have to reshape public service leadership to face emerging challenges.

Therefore, the role of leadership among SMEs cannot be overlooked as it greatly influences day to day operations of the SMEs and subsequently their performance (Wanjiru, 2013). As a result, leadership had been the key interest of entrepreneurial and management studies for the two decades and had gradually become a topic of increased concern. The increase in focus had resulted from the fact that leaders provide directions and they have to encourage their followers to accomplish tasks (Kihara, 2016). Despite this, the general business difficulties are that leadership deficiencies have led to wrong costly business decisions (Kihara et al., 2016).

Moreover, leadership in SMEs is associated with the capability of one or several individuals at the top of the organizational. Due to the small structure of the SMEs, the nature of leadership employed by the management highly determines its performance. Leadership plays vital role in formulation of the firm's strategy in maximization of profits and ensuring the smooth flow of operations. However, more often than not, personal goals of a leader affect the strategies in place at the business (Kelchner, 2016). Leadership plays a central role among SMEs and significantly influences the day to day operations of the

SMEs and subsequently their performance (Wairimu, 2012). So as to prosper, the SMEs require practitioners with knowledge, skills, and education appropriate for their operations (Atamian & VanZante, 2010). SMEs leadership suffers from limited leadership expertise and operational practices appropriate for small business management (McCarthy et al., 2011) that will help ensure their prosperity. Teng, Bhatia & Anwar (2011) consequently noted that there was the need for a better understanding of leadership among small business to lower their failure rates for continued economic wellbeing.

In the recent turbulent times caused by globalization, SMEs main agenda should aim in ensuring they have strong leaders at the helm, together with a clearly articulated leadership development strategy that ensures a strong pipeline of future leadership (Kassim & Sulaiman, 2011). Various factors determine the effectiveness of leadership in SMEs. To begin with, is the skills and experience of those heading up the organizational, as well as the individuals with people management responsibilities? The second factor is associated with the size of the business and the structures that emerge as the organizational develops while the final factor impacting leadership and management in SMEs is the external context in terms of the external market (Haron, Ismail & Oda, 2015). All these ought to be well evaluated so as to ensure enhanced leadership skills in the organizationals.

Further, Agbim (2013) identified the planning and budgeting skills, detecting changes, maintaining good customer relations and ensuring maintaining of correct financial records as the managerial skills related to SMEs. Seven specific managerial skills may be drawn from these four management functions: Establishing goal, allocating resources, managing conflict, communication skill, measuring performance, taking action and self-control. Shehu *et al.*, (2013) examined the relationship of owner/manager knowledge, competitive intensity, complexity of marketing, technical competence, firm size with the mediation of advisory services on the performance, using structured questionnaire on 198 agro-processing SMEs operating in Kano State. The regression result indicated significant relationship between owner/manager knowledge and performance. This study established relationship between owner/manager knowledge and SMEs performance but did not pay attention to the skill or performance level.

Additionally, Agbim (2013) argued that proactive strategy promotes the adoption of a more advanced entrepreneurial position. Knowledge, which can be considered the most important strategic resource, is among the resources generated by entrepreneurial learning capability. The ability (entrepreneurial learning) to share this knowledge is the most important factor in achieving and sustaining entrepreneurial success. Entrepreneurial learning capability does not only lead to the development of management skills but also to entrepreneurial success in terms of improved efficiency, cost reductions, higher productivity and it also triggers personal entrepreneurial skills. Enterprises with higher learning capability are more sensitive to changes and tendencies in the market. They are usually more flexible and answer more quickly than their competitors to such changes because entrepreneurial learning provides for the creation of new useful Knowledge for making decisions in the enterprise, allowing for more complete adaptation to the environment and increased efficiency capabilities.

Moreover, Kihara (2016) established that adoption of quality influences the growth of SMEs in that customers are guided in provision of available tastes and preferences based on quality. Further, Wairimu (2012) in his study argued that determinants of growth of agro-processing SMEs in Kenya established that interest rate, fuel cost, business skills and political instability were major factors found to influence SMEs growth into large business enterprises. Hence, this study aimed to focus on the specific conceptual skills of managers as a need to business performance.

2.3.4 Entrepreneurial Networking

The performance of the SMEs is dependent on the position of firm in the closed entrepreneurial network. The SMEs in the network benefit the firms in the closed network because of the advantages of resources established in their network. Entrepreneurial network is developed in years because of the cooperation of the entrepreneurs among them through their collective efforts (Zaheer, Gözübüyük, & Milanov, 2017). The purpose of every firm in the network is to get maximum benefit through the collective efforts. Resource dependency theory support this argument for developing competitive advantage through the closed network (Zaheer et al., 2017). The main issue in its understanding is that closed

entrepreneurial network assists firms to achieve certain competitive advantages because of the shared resources, however, such networks restricts the SMEs to consider the latest technologies and practices, which are compulsory for survival, and are utilized by the competing firms. The major issue of closed entrepreneurial networks is redundancy in information sharing (Zaheer et al., 2017).

The social network is defined as the interrelationship between the entrepreneurs (ego) and their contacts (alter/s) for business purposes. The terms social network and informal network discussed in entrepreneurship researches are often used interchangeably. This concept of network and its focus lies on the person who had the relationship with ego and thus, social network research utilizes the relationship either directly or indirectly between the ego and their alter(s). Alters comprise family members, friends, relatives and business contacts. With the vulnerability of the business environment today, the social network is considered as a weapon to secure important resources for SME firms (Fombrun, 1982).

Networks are strategic for development and expansion of new ideas and innovations because innovation is key to the creation of a firm's competitive advantage. Networks provide access to resources, knowledge and skills required for the development and exploitation of new business opportunities. Business innovation and competitive advantages don't arise in isolation from other companies (Agbim, 2013)). The success of the relationship fundamentally depends on how well the two parties exploit resources owned by other companies.

Further, networking acts as the major factor for the entrepreneurs and it had enhanced the performance of the business growth and networking activities targets to provide the assistance to entrepreneur. These networking activities are in the form of shared experiences and role models, information, support, and motivation. Development of inter-organizational network had influenced the performance of the entrepreneurs which in turn produces the effective growth of small business. Entrepreneurial competencies have enhanced the performances of business by using the networking process (Hoyos-Ruperto, 2013).

Furthermore, networking forums are crucial for SMEs because lack of resources limits the possibilities for SMEs to invest in new equipment and, hence, they often depend on the different actors in the network which have the right resources (Kowalkowski, Witell & Gustafsson, 2013). From the environment outside the company, different resources can be obtained because environment is constantly changing, and adapting the company to these changes is necessary. The limited resources of SMEs need to be complemented by external resources (Agbim, 2013). Due to networking capabilities of suppliers, SMEs get access to valuable resources.

Therefore, the benefit of business network is that any positive effect (such as innovation and improvement) may be distributed among all participants, directly or in-indirect relationships. The truth is that strong players in the network are those who have made investments in the past and have the ability to mobilize their own resources and those of others. Those players have the final word on the network. SMEs are an important group in the market. The business network approach allows to firms exploit the potential of the network to solve problems of strategic customers, establish long term relationships with them, and gain a competitive advantage. SMEs cannot use business network approach for all of their customers due to prohibitive coordination costs. Therefore, it is important to choose appropriate customers (Cowbrough, 2011).

However, these studies mostly focused on clusters in developed countries, and studies on the impacts of networks on growth in clusters in rural areas of less developed countries, particularly those in Sub-Saharan Africa, are scarce. Industrial clusters in Kenya-Sub-Saharan Africa are quite different from those in developed countries, as they are mostly stagnant (Mano, Iddrisu, Yoshino & Sonobe, 2012) and can be classified as static or survival clusters. Therefore, results from developed countries cannot be applied to the survival clusters in rural Africa.

Not only is it time consuming and difficult for SMEs to develop all the resources necessary to successfully commercialize a business idea alone, they normally rely on external contacts for accessing scarce and specialized resources that the firm needs in order to become established and grow (Giudici, Guerini & Rossi, 2013). The effects of social

networking are widely studied and understood to positively affect entrepreneurial opportunities (Gaudici et al., 2013). The importance of social networking in the survival and success of small and medium enterprises cannot be over emphasized and this had been an area that had received very little research attention. Social networking enables entrepreneurs to assemble diverse resources and information. These social networking include the personal network which the entrepreneur had with certain individuals, and the cultural dimension with an overall inclusion of the family and community. Nevertheless, there is still rarity in studies at the present times dealing with the impacts of social networking usage in the success of a business in Kenyan context. There are different local and worldwide studies directed on the impact of online networking advertising on firm performance, Srinivasan, Bajaj and Bhanot (2016) considered the effect of online networking marketing techniques utilized by SME ventures on client procurement and maintenance. The study found that online networking support impacts strong influence on brand trust, which thus, affect client acquisition and client retention. It was likewise found that there is a solid positive relationship amongst sales and measure of time spent on social media and that online networking marketing techniques impact customer acquisition and retention and to increment in market share.

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Interactions between companies allow for an economic advantage from the outside world the environment surrounding the company is a resource of potential cooperation and mutual benefit. Ongoing mutual interaction provides stability in a world that is unpredictable (Håkansson *et al.*, 2009).

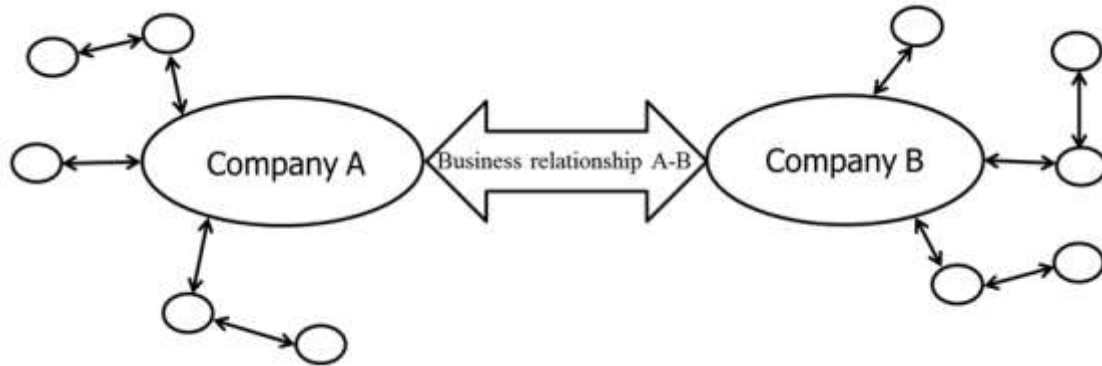


Fig.2. 1 – Connection of business relationships: complex questions. Source: (Håkansson et al., 2009)

In regard to business networking, Beth (2007), notes there are accrued benefits on SMEs namely: increased employment and wealth creation by local firms, acceleration of knowledge transfer and technology upgrading, enhanced skills, standards and capacity. Attraction of FDIs in cluster effects, more diversified client and market structures, stable relationships to buyer /producer organizations, risk- sharing through joint funding operations and facilitation of access to finance. There are opportunities to innovate, upgrade and increase competitiveness. Despite the fact these benefits accrue to networking firms, irrespective of their size and activity, empirical studies suggest that most SMEs face both internal and external obstacles to seizing networking opportunities. Since structure influences resources flow, a clearly defined structure is likely to influence growth.

Small and Medium Enterprises in general are not interesting partners for other network participants (Colombo et al., 2012). This fact is based on the lack of own knowledge, lack of resources for research and subsequent commercialization of the research outcome. The reason for their absence from the networks at the side of Managed Service Provide (MSP) are often risks (Lasagni 2012) which may include the threat of redirecting the limited resources of the company from the business to unexpected leakage of knowledge for the benefit of network partners, higher fluctuation of employees or dependence on the dominating partner in the network (Colombo et al., 2012).

Besides applying a propensity score matching to control for observable characteristics influencing networking decisions. Beth (2007), argued that firms entering formal network agreements are more productive (in terms of Value added per worker) as well as more oriented to foreign markets. Notice, however, that these existing studies for Italy rely on cross-sectional data and have been unable to employ methods (such as instrumental variable or fixed-effect estimation) to control for self-selection into networking due to unobservable characteristics.

Also on network forums, organizations today are faced with massive globalization, demanding customers with rapidly changing desires, shrinking response time, shrinking product lifecycles and demanding employees. Lack of resources limits the possibilities for SMEs to invest in new equipment and, hence, they often depend on the different actors in the network which have the right resources (Kowalkowski *et al.*, 2013). The key to success is the ability to coordinate the work with limited resources (Kowalkowski *et al.*, 2013). From the environment outside the company, different resources can be obtained. Environment is constantly changing, and adapting the company to these changes is necessary.

Limited resources of SMEs need to be complemented by external resources (Kihara *et al.*, 2016). Due to networking capabilities of suppliers, SMEs get access to valuable resources. The above past studies have shown that despite the large number of assistance programs from MFIs, the growth and development of SMEs had not been satisfactory. Ventures have collapsed as soon as assisting organizationals pull out of the project and remaining ones have remained small, Memba, Gakure and Karanja (2012). Reviewed studies have established that researcher felt that there was need for a study on this area and thus this study intended to bridge this gap and focus on the effects of network services on the performance of SMEs in the four Counties.

2.3.5 Strategic Renewal

In reference to strategic renewal Agarwal and Helfat (2009) posits that as the phenomenon that includes process, content and outcome of renewal or replacement of organizational

attributes which further had the ability to affect its long term prospects. One of the most important parts of strategic renewal is the change and adjustment in strategic direction that had the potential to determine the long-term competitiveness of the firm (Sammut-Bonnici & McGee, 2015). The concept is used to describe the process of adapting one's strategy to changes in the external environment.

Therefore, the need for strategic renewal becomes evident as scholars have enlightened the importance for companies to keep strategy up-to-date in order to fit the dynamic environment (Sammut-Bonnici & McGee, 2014). Strategic renewal had most often been used when researchers refer to the process of change. However, strategic renewal needs to focus not only on the process of change, but on the content as well. Therefore, strategic renewal holds together the process, content and outcome of renewal and can relate to the long-term prospects of a firm (Agarwal & Helfat, 2009). Sammut-Bonnici and McGee (2014) describes strategic renewal as the process of change and the outcome of redirections of strategy, which had the potential to determine a firm's long-term competitiveness. The objective of strategic renewal is to provide a well-functioning strategic fit between a firm's internal capabilities and changes in the external environment (involving competitors, technology, target markets, industries, and the economy) through a change in the status quo (Sammut-Bonnici & McGee, 2014).

Furthermore, Agarwal and Helfat (2009) have identified four critical characteristics of a strategic renewal process, namely: an organizational's strategic renewal process must have the potential to substantially affect the long-term prospects of a company; an organizational's strategic renewal includes the process of renewing (process), the quality or state of being renewed (content), and "something renewed" (outcome), an organizational's strategic renewal involves the (partial or full) refreshment or replacement of strategic attributes (such as goals, products and services, resources and capabilities) of an organizational; and such refreshment or replacement of strategic attributes is done with the intention of providing a foundation for future growth or development of the organization.

Based on these identified characteristics, strategic renewal is defined as the process, content, and outcome of refreshment or replacement of attributes of an organizational that have the potential to substantially affect its long term prospects (Agarwal & Helfat, 2009). Two basic types of strategic renewal namely, discontinuous strategic renewal and continuous/incremental strategic renewal, are identified in the literature (Agarwal & Helfat, 2009).

A discontinuous strategic renewal is typically brought forth by a sudden environmental change (such as an introduction of disruptive technology) that forces a company to radically change a large portion of its strategic attributes (such as goals, products and services, resources and capabilities) that have been rendered „obsolete“ by the change (Agarwal & Helfat , 2009). Most discontinuous strategic renewal transformations are highly risky in nature because all, or substantial parts, of an organizational will need to be replaced which inevitably leaves an organizational vulnerable to failure during the renewal process (Agarwal & Helfat, 2009).

The task of justifying which parts are to be replaced, how much to replace/refresh, when to invoke the replacement/refreshment process, and how to implement it well given the limited organizational resources at hand are all important considerations during a discontinuous strategic renewal process. Furthermore, discontinuous strategic renewal of an organizational in a hypercompetitive environment is often time-bound where the transformation of that organizational had to happen quickly and effectively (Wanjiru, 2013).

Therefore, continuous/incremental strategic renewal is an enactment of the strategic renewal process by organizations to keep pace with, or even lead external environment changes (Agarwal & Helfat, 2009). Incremental strategic renewal is a more typical response of an organizational in a hypercompetitive environment as it involves lesser risk in development. However, when proactively done over a long period of time, incremental strategic renewal can have the same impactful results as discontinuous strategic renewal (Agarwal and Helfat 2009).

Study carried by Cohen (2011) indicated that SMEs tend to have limited personnel and financial resources and therefore need to be more creative on how the business can use social media Kabue (2013), studied factors influencing adoption of social media by SMEs and found that there is a huge unexploited opportunity of capturing online clients of small and medium enterprises. A study done by Veronese, Daniel & Bichanga (2014) supports that benefits of social media for internationalization include the huge exposure that a company can generate, relatively low costs associated with it, possibilities for customer segmentation, market insight that can be gained from analyzing consumers' online behavior and interacting with them through social networks.

2.3.6 Social Media Entrepreneurship

The role of ICT in influencing business development has attracted a myriad of studies. For instance, Okwuonu (2014) conducted a survey on globalization and the adoption of ICT in Nigerian SMEs and discovered that poor physical infrastructure was a major factor inhibiting ICT diffusion. The study concluded that poor communications infrastructure led to limited access and higher costs. Consequently, many SMEs still used outdated equipment and state owned monopolies, which often lead to expensive charges and limited coverage, especially in the rural areas. This discourages SMEs from adopting even the basic ICT application. Arendt (2014) noted that the cost of ICT equipment and networks, software and reorganizational were barriers to ICT adoption in most SMEs. In a study carried by Dlodlo and Dhurup (2010) researched on barriers to e-marketing adoption among SMEs in the Vaal Triangle of South Africa, it was found that the significant hindrances towards the non-embracement of e-marketing incorporate innovation contravenes with target markets, absence of learning, partner un-readiness, innovation bewilderment and innovation discernment. In a study carried by Dlodlo and Dhurup (2010) researched on barriers to e-marketing adoption among SMEs in the Vaal Triangle of South Africa, it was found that the significant hindrances towards the non-embracement of e-marketing incorporate innovation contravenes with target markets, absence of learning, partner un-readiness, innovation bewilderment and innovation discernment.

Research by Fischer and Reuber (2011), examining the use of Twitter by entrepreneurs, demonstrates the potential for social media to be used in many more contexts within a business than purely in marketing. Despite the business potential attributed to ICT adoption, SMEs which dominate the economies of developing countries do not have ICTs readily available to them, especially the computer-based ones, and the majority of those involved in informal sector enterprises lack awareness of their potential (Chiwere & Dick, 2008).

Furthermore, a research conducted by Laukkanen et al., (2013) on the role of strategic orientation on business growth between Hungary and Finland emphasizing how earning orientation, entrepreneurial orientation, market orientation, and brand orientation affect business performance in an SME context. Indvik (2011) found out that companies in the apparel industry in America (USA) are using social media frequently today as a way to communicate with their customers. Fashion Company Kate Spade had for example used social medium to communicate with their customers and have different medium to serve different purposes. Their Facebook is mainly used for customer inquiries and fielding, twitter for talking to fans and sharing images and other content related to the brand's different campaigns. On YouTube, they post short brand films and finally Instagram to post images.

In her research into the use of social media by SME fashion e-retailers in Greater Manchester, Ashworth (2011) found that motivation to implement social media technologies was high among the retailers with benefits such as building stronger relationships with the customer, and being able to gather intelligence about customers cited as benefits of using social media.

Moreover, Indvik (2011) had observed that the lack of culture and infrastructure for imported technology is more pronounced in Kenya's informal sector than in the formal sector. It had further been observed that informal sector enterprises also operate in an environment that hampers coordination and the transfer of technology (Moyi 2003).

A research carried by Peredo and McLean (2006) sought to set boundaries around the concept of social entrepreneurship in their continuum of social goals and commercial exchange. Explanatory contributions addressing questions of *how* and *why* a phenomenon occurs or affects other outcomes were evident in 44 of the 80 articles (55%). For example, Dart (2004) uses institutional theory to explain the origin and evolution of social enterprise as a function of alignment with societal norms and expectations, rather than being driven by actual societal benefits.

According to Andriole (2010) innovation is the direct result of the exchange of ideas between experts, fuelled by user-generated content and mass co-creation (Bell & Ioane 2011). Web 2.0 tools allow faster innovations to appear on the market by enabling around the clock, across boundaries communication between the persons having expertise in the field (Kihara, 2016). Innovation is measured as the capability to syndicate innovation, the capability to improve success rates, the capability to increase innovation activities, and the capability to produce efficiently.

In Kenya, social media and networking are still gaining popularity and their understanding as marketing tools is still yet to be embraced. Conservative marketing practices in the country are undergoing a transformation owing to the Internet. For example, consumers no longer look up items in the Yellow pages of the postal directory but instead they search for them on the Internet. SMEs have a significant function in national economies both as employers and by cooperatively contributing an average of 90% of national economic output (Wielicki & Arendt, 2010).

Customer intelligence gathered from social media is important in driving the innovation in a business. The use of social technologies provides insights, thoughts and ideas on how to better serve customers and enables businesses to discover innovative ways to conduct business, develop new products and services to offer customers (Evans & McKee, 2010) Products and services innovation translates into ideas becoming a reality. This eventually leads to the financial growth of businesses. Both businesses and consumers are using the media to share information, exchange opinions and recommendations and display certain

consumption behavior (Kotler & Armstrong, 2011). As such, social media gives SMEs the power to better their services and increase their performance in the globalized market which is the main gap of the study.

Study by Veronese *et al.*, (2014) which used descriptive statistics and targeted a population of 65 respondents operating SMEs at Yaya center in Nairobi concluded that the benefits of social media for internationalization include the huge exposure that a company can generate, the relatively low costs associated with it, the possibilities for customer segmentation and target it provides and the market insight that can be gained from analyzing consumers' online behavior and interacting with them through social networks. Study recommended that for SMEs to fully use social media networks in their business, the government needs to increase the diffusion of internet infrastructure and hardware required for accessing the internet services.

Wanjiru (2013) conducted a study on the factors affecting adoption of electronic commerce among small medium enterprises in Kenya: survey of tour and travel firms in Nairobi. Their study sought to explore the factors that affect adoption of electronic commerce among SMEs in Kenya, through a survey of tours and travel firms in Nairobi. The study used survey research design to collect data from the respondents. They also used simple random sampling procedure to select a sample that represented the entire population. Of all of the tour firms surveyed majority have adopted the use of electronic commerce in their business transactions in hotel booking, safari tours, emails and advertising. However, it was noted from the findings that there is low use of electronic commerce in marketing. This implies that there are still a lot of growth opportunities for SMEs to utilize electronic commerce for marketing their products and services. The study recommends the importance of innovation factor and product positioning as an influence to the uptake of electronic commerce.

Wanjiru (2013) conducted a study on the factors that influence adoption and frequency of use of e-commerce by Small and medium enterprises in Kisumu. The objective of his study

was to find out the factors that influence the adoption of e-commerce and frequency of use of e-commerce in Kisumu. The research was carried out in the form of a survey design. The study established that e-commerce had been adopted and implemented in SMEs at various levels. Some of the factors that have contributed to the ease or difficulty of adoption in both the owners and the employees in the enterprises include the knowledge of benefits of e-commerce, cost of implementing e-commerce, infrastructure and technical skills needed in implementing and sustaining e-commerce in the businesses. The research recommended that workshops should be conducted for MSE's owners. Its further recommends that employees should be educated on the importance of and benefits of e-commerce in business.

A study done by Chebet (2012) on the use of social media as a strategic communication tool by Safaricom Ltd, sought to determine the factors that have influenced the adoption of social media in service delivery and also establish how the application of social media as a strategic communication tool enhances service delivery. The study found out that social media ensured faster and instant information dissemination on the product and services and further ensured faster responses and feedback from customers. Social media was also employed in communication with the public on company matters, in customer relations management and managing crisis within the company. The study concluded that Safaricom had highly adopted social media tools on day to day activities and it has been effective in the service delivery.

A study on the influence of social media on the effectiveness of business operations of the youth operated small and medium enterprises in the Municipal Council of Nakuru by Wairimu (2012) sought to establish the influence of the knowledge of use of social media, the attitude to the use of social media and the level of use of social media had on the effectiveness of business operation among 132 youths owning SMEs. From the findings of the study, it was evident that social media had played a very significant role in the performance of the youth operated SMEs. Having positively influenced business operations, 'social media promised to offer many exciting, new opportunities for businesses to connect with their customers. Based on the findings of the study, it was recommended

that businesses should rethink their future strategies and shift most of their marketing efforts towards engaging with customers.

Kabue (2013) explored elements affecting adoption of web-based social networking advertising on development of SMEs in Nairobi County. The study uncovered that there is a positive relationship between advertising techniques adoption and corporate performance of the firms. The study discovered that a large portion of the respondents have access to web and are making a tremendous presence in web-based social networking destinations with less consideration regarding undertaking on the web advertising. Nyambu (2013) explored the impact of online networking promoting on execution of media transmission firms in Kenya using the case of Safaricom Ltd. The study found that web-based social networking enhanced the performance of the organization as it offers a stage for advertising at a cheaper cost contrasted with different types of marketing accessible. The study additionally established that promotional campaign boosted performance of media transmission firms in Kenya as it expanded deals and income past the advancement time frame.

Njoroge and Gathungu (2013) conducted a research on the determinants of modern automobile technology adoption among mechanics in medium and small enterprises, Kirinyaga County, Kenya. The main objective of the study was to establish the role of relative advantage, compatibility, complexity and observability in the adoption of technology. In the study technology, adoption was the dependent variable. The study adopted a descriptive cross sectional survey design and employed both probability and non-probability sampling techniques to collect quantitative and qualitative data from 132 mechanics sampled from an estimated population of 5,000 mechanics operating in the medium and small enterprises. The research findings indicated that along with formal education, technical training and experience levels of the mechanics, the conceptualized variables notably relative advantage, compatibility, complexity and observability of a particular innovation play a significant role in technology adoption among automobile mechanics in medium and small enterprises.

2.3.7 Strategic Renewal and Social Media Entrepreneurship

Social networks have become great tools for monitoring and the Customer Relationship Management (CRM) (Heidemann, Klier, & Probst, 2012). Having clear customer segmentation, firms are able to target profitable customers, identify customer's desires, allocate successfully their resources and position against their competitors (Blocker & Flint, 2007). Recent studies have found that customers could show more faith to their friend's comments instead of traditional advertising about a brand product (Heidemann *et al.*, 2012). Customers prefer to exchange opinions, ideas and information about the company and its products in order to make informed choices on quality and what to buy (Doohwang, Hyuk & Jung, 2012). Firms could benefit from this kind of electronic word of mouth and as a result, marketers have to encourage it through their social media campaigns. The different types of electronic word of mouth could be online by discussing in forums, online by discussing in review sites, through blogs and social networking sites, or through the brand's websites (Cheung & Thadani, 2012)

Fast technological evolution and intensity of competition oblige companies to constantly seek for new ways to differentiate the SMEs and offer added value to their customers. With the increasing popularity of social media, companies have started to consider this means as a new way to communicate with their customers and increase their brand reputation. In 2013, 28.6% of small businesses in Europe deployed some form of social media for business purposes, and by 2014, this had increased up to 61% (Wairimu, 2012). By looking at these statistics, it is easy to realize the fast-pace growth that social media is experimenting in the context of business indicating need for SMEs businesses to realize that social media is critical in order to reach their customers, their online presence in social media is a foundation of their overall marketing strategy.

Social media offers an opportunity for an unprecedentedly high number of social interactions for a business or individual (Fischer & Reuber, 2011). However, businesses have been found to be slower than consumers to adopt social media. This is found to be the case, despite the high growth in consumers using social media and the identified advantages of using social media example strengthening of customer relationships

(Andzulis, Panagopoulos & Rapp, 2012). The development of social media has had a profound impact on the way client organizations communicate with their audiences. Generally, there has been a trend to reduce the amount of traditional media and an increase in the amount of digital and online media (social media) Baines, Chittenden & Rettie, (2011).

The Internet supports communication media and helps organizations to get business done anytime and from anywhere in world. Meske and Stieglitz (2013) in their study established that the use of social media is an additional way to getting in contact with a firm's customers and to support internal communication and collaboration. Investigation from most studies show that Social Media (SM) tools are used for various organizational purposes such as; marketing, communication, sales; advertising, problem resolution, innovation, human resources, customer service, information technology, driving cultural change, advertising on the social network and internet marketing. Therefore, developing a social media strategy should be based on the aims of the strategy and the usage of social media among a firm's target market (Marzouk, 2015).

A study conducted by Schubert and Leimstoll (2007) on quantitative attributes regarding the co-relationship between social media usage and small and medium enterprises objectives revealed the results as positive. Social media tools are gaining popularity and are increasingly used in regular operations of many companies, ranging from start-ups, SMEs to large corporations (Bell & Loane, 2011). Despite extensive use of social media, little is known on the specific impact that these tools and technologies have on youth related business process performance (Denyer, Parry & Flowers, 2011).

Additionally, SMEs in Kenya have a chance to use the uncharted frontier that is the African internet space (Kihara, 2016). They can use it to grow and expand their businesses to unimaginable heights through reaching the expansive clientele that consists of the over 22 million Kenyans who have access to the Internet. In addition, they can follow the countrywide trend of embracing e-commerce. For the women and youth in Kenya who might have a hard time setting up businesses, social media marketing provides a level

playground. This means that they are able to compete for the same clientele just as other established companies and they are able to grow, if they maximize the benefits of the Internet space into the success of their companies (SME Digest, 2015).

2.3.8 Use of Social Media within SMEs

SMEs are considered one of the ‘driving forces’ of modern economies, mainly due to their contributions to job creation and innovation. Jobs in SMEs account for 67 % of total employment in Europe. However, 85% of *net new* jobs (i.e. new jobs created minus jobs lost in a given period) in the EU between 2002 and 2010 were created by SMEs. Throughout the economic downturn in Europe, SMEs have retained their position as the backbone of the European economy, with some 20.7 million SMEs accounting for more than 98% of all enterprises, out of which the lion’s share (92.2%) are firms with fewer than ten employees (EU SMEs in 2012).

In a study by Michail *et al* (2013), 61% of SMEs claimed they were making formal use of social media (henceforth these firms will be called users). The leading countries were United Kingdom (90%), Netherlands (79%) and Latvia (75%). In Spain, almost half of SMEs (54%) were users of social media, and in Bulgaria and Italy, only a minority of SMEs used social media (37% and 28% respectively). However, of this overall 61% of social media use, only 33% is mainstreamed into work practices.

2.4 Structure and Firms Performance

A structure is a hierarchical arrangement of duties and responsibilities, lines of authority, communications and coordination in an organization. It refers to the shape, division of labour, job duties and responsibilities, distribution of power and decision making procedures within a company (Okumus, 2003). Studies on organizational structure date back in 1960s when Alfred Chandler studied hundreds of American large companies in order to establish the relationship between organizational’s strategy and its structure (Robbins, 2006). His study concluded that modifications in the strategy of these companies led to changes in their structure. Expansion of the production line in these companies necessitated revision of their structures so that they can cope with the increased output and conform to the new strategies. According to Chandler (1961), an organizational structure

must follow her strategy for better performance. Companies with limited product lines initially had centralized structures with less complexity and formality but when they increased and diversified their production lines, they were forced to adapt different structures that matched their new strategy. Chandler (1961) concluded that when organizations diversify, they must employ different structure compared to firms that follow single-product strategy (Robbins, 2006).

A study of 200 senior managers in United States of America by Osion, Slater and Hult (2005) revealed that performance of an organization is largely influenced by how well a firm's business strategy is matched to its organization structure and behavioral norms of its employees. The researchers identified three structural dimensions that affect strategy implementation and performance in an organization that is formalization, centralization and specialization. Formalization is the degree to which decisions and working relationships are governed by formal rules and procedures. The benefits of using rules and procedures include defining and shaping of employee behaviour, problems are solved easily, activities are organized to the benefit of individuals and the organization, efficiency and lower administrative costs and the firm is able to exploit previous discoveries and innovations.

Organizations need to pay more attention to their structures and restructure according to the environmental needs from time to time to achieve better performance. A study by Leitao and Franco (2011) on the individual entrepreneurship capacity and SMEs performance found out that the economic performance of SMEs is positively affected by maintenance of efficient organization structure and at the same time the non-economic performance of SMEs is also affected by enthusiasm at work, incentives and maintenance of efficient organization structure in a dynamic environment. These findings reinforce the idea that structure affects organization performance. Kimani (2012) affirms that almost 70% of SMEs actively use social media platforms to promote their firms and expose themselves to potential clients.

Social media entrepreneurship allows enterprise to engage in relationships with end users timely and directly with a lower cost and higher efficiency levels, this varies with the use

of traditional means of communication. This makes social media not only relevant for firms to large multinational corporations, but it is also relevant for small companies and medium sized businesses and non-profit agencies and government (Kaplan & Haenlein, 2010). Despite the fact that SMEs have greater potential to increase their efficiency and productivity with adoption of information and communication technology (ICT) tools, the survey conducted by SME Corporation Malaysia showed that in reality, usage of these tools was still relatively low among Malaysian SMEs. This was true across all economic sectors and size of firms. Most of the respondents use computers/ laptops or smart phones (92.6 %) and Internet services (33.3 %) but for personal purposes and not for business operations. Consistent with these findings, the Survey also revealed that only 7.6 % of the respondents were involved in online transactions. Of those involved, 74.7 % cited that online business saves cost and 58.9 % stated that it helps in increasing their business efficiency (SME Corp, 2014).

According to Garnett (2010), the ability of being online 24/7 for the consumers has increased in the business environment today and particularly SMEs are feeling this pressure of being online all the time although it is not easy for SMEs to develop and maintain user loyalty since they really can't compete with the bigger organizations that have better manpower and financial resources. The author posits that SMEs need to be aware that many of their users are not only online and in the buzz but are talking about the company's products and services when they are there. If a problem occurs the customers usually use social media like Twitter or Facebook to leave a comment, therefore the company needs to engage with their users wherever they are and find a solution to the problem before the problem escalates (Garnett, 2010). Further, he claims that many consumers expect this kind of service today and SMEs that are not engaged in social networking risk being left out and lose market shares to competitors that are responding to these issues much faster. From the literature above it can be seen that there are lots of possibilities for SMEs to grow when using social media such as cost effective and getting closer to the customer. However, risks like lack of finance. Despite their low profile status, SMEs in Kenya have played and continue to play a vital role in the economy by providing employment opportunities to a significant number of the population. Over 70% of the total number of people employed in

Kenya are employed in this sector in 2008 and contributed eighteen percent (18%) to the country's GDP (GOK, 2008).

2.5 Firm Performance

Barnat (2012) define business performance as the extent to which the firm is able to meet the needs of its stakeholders and its own needs for survival. The International Standard Organization (ISO) views performance as a measurable outcome out of attainment of organizational goals and objectives efficiently and effectively or measurable results out of the organizations proper administration and management of its actions and activities (ISO, 2015). Performance is the results obtained in an organization as a whole (Brynjolfsson & Hitt, 2011)) or an outcome obtained after successful efforts in implementing a strategy.

Performance is a major construct in management because almost every researchers and scholar's attempts to relate their constructs to business firm's performance (Ling & Hung, 2010). Combs et al., (2005) views performance as an "economic outcome resulting from the interplay among organizational attributes, actions and environment. Performance is mostly measured in financial terms (Barnat, 2012) and it encompasses three specific areas namely: (1) financial performance (profits, return on assets, return on investment); (2) market performance (sales, market share); and (3) shareholder return (total shareholder return, economic value added)

There is a massive amount of previous studies addressing the measurement dimensions of organization performance. Since the benefits of organization performance will eventually be fed back to the financial dimension, most scholars adopt financial performance as one of the measurement indicators. In an environment characterized by conveniently transmitted information and fast-changing markets, nevertheless, a company nowadays shall never solely rely on financial performance for survival and competitiveness. That is to say, it is impossible to fully gauge the organizational performance using financial performance as the sole indicator (Ling & Hung, 2010).

Business performance can be seen from the level of sales, rate of return of capital, profitability, the rate of turnover, and attained market share (Kilonzo, 2012). Brynjolfsson

and Hitt (2011) utilize three pointers for execution estimation of proficiency, development, and benefit. The business performance is the marvel of numerous angles that are hard to measure because a variety of the literature demonstrates that both quantitative (that is return for capital invested, benefit, deals) and qualitative indicators (the capacity to offer quality items and administrations, the ability to grow new items and procedures, the capacity to oversee and work in gatherings, work profitability and corporate duty to the earth) have constraints and are prescribed to be utilized reciprocally (Brynjolfsson & Hitt, 2011).

Moreover, Ling and Hung (2010) argued that organizational performance is the sum of accomplishments attained by all businesses/departments involved in an organization goal during a determined period of time, with the goal either meant for a specific stage or on the overall extent based on research results proposed by Ling (2010), This study measured both the financial and non-financial aspects of organizational performance, while correctly gauging how capacity building and social media affect the organizational performance. In this study, therefore, the financial performance indicator is defined as output in the financial accounting sense, measured by indices concerning corporate growth and profitability. For example, a company's Earnings per Share (EPS) is above the average of other businesses in the same sector, or is used along with Return on Equity (ROE) or Return on Assets (ROA) as measurement indices for financial performance (Huang, 2008). The non-financial performance, on the other hand, is measured by means of *innovation performance*, which in turn is gauged from multiple perspectives of organizational innovation (example technological and managerial innovations). While technological innovations refer to technologies required by an organization for agro-processing products or providing services, a managerial innovation occurs within the organization's social system and is related to the hiring/management processes and organizational structure (Ling & Hung, 2010).

The performance measures are sales level, sales growth rate, cash flow, gross profit margin, return on investment and retained earnings (Kilonzo, 2012), sales volumes, number of employees and net income (Wanjiru, 2013). As in numerous previous studies (Kumar, 2005; Wanjiru 2013; Kilonzo, 2012), this study measured performance of SMEs by using

satellite branches, business sustainability, number of products, market share, growth (Sales and Employee) profitability (ROA and ROE) and attitude towards profitability.

2.6 Gaps in Existing Literature on Strategic Renewal

The review of the literature related to strategy implementation tends to point out that strategy implementation is the panacea to success in organizations in terms of superior performance and competitive advantage (Barnat, 2012). The literature has statistical evidence that a number of the strategy implementation drivers reviewed in this study play a key role in determining superior performance in business firms. As noted by a number of authors (Centeno & Hart, 2012). SMEs as opposed to larger national enterprises face numerous economic and practical restrictions and do therefore require special attention and understanding. Nevertheless, literature currently available still remains under-developed in the context of SME utilization of social media (Tuten & Solomon, 2014). There have however, been a few isolated studies examining the use of social media in SMEs (Bulearca & Bulearca., 2010; McGowan & McKeown, 2013).

One area highlighted by Aral, Dellacrocas and Godes (2013) is the lack of measurement methodology for monitoring the impact of social media use on a business. Barnes (2010) plans to measure the return on investment of implementing social media in future longitudinal surveys. In her survey, most of the businesses had measured the success of social media using the number of hits on the social media site, comments on the site, leads or sales as measurement indicators. Fischer & Reuber (2011) argued that there had been limited research to measure the impact of the use of social media on a business. The limited research available is mainly in the business area of marketing. These authors provide evidence that entrepreneurs are making increasing use of Twitter and highlight the need for further entrepreneurship research to identify the impacts.

There is a lack of research on firms' social media strategies and how these fit into the overall strategy of a business. Aral *et al.*, (2013) stated that this is an area that should receive more research focus as there is currently a low understanding of how companies should manage their social media. This view is also supported by Ashworth (2011) who

highlighted the lack of research into SMEs e-business and social media strategies. Aral *et al.*, (2013) found a lack of industry specific best practices available for companies and therefore suggested that strategies are required to provide a more interdepartmental approach for customers, with attention to contributions from customers and handling of negative perceptions of a company by customers. Fischer and Reuber (2011) also suggested that social media expertise should be viewed as a subset of business expertise. However, they also found out that there were no guidelines available for firms and felt that expertise in social media is not yet fully developed in businesses because social media had only been available for a limited time period and it continues to evolve. Bayo-Moriones & Lera-López (2007) highlighted a lack of research into technology adoption in small firms. They found through case study based research, that adoption of new technology was often driven by the growth of the firm.

A study by Wawire and Nafukho (2010) showed that poor financial management was the second most cause of youth SMEs failure after lack of enough resources. Ngugi *et al.*, (2010) studied on the factors influencing growth of group owned SMEs. The variables studied were the influence of technology, product quality, access to finance and markets on growth of group owned OVOP enterprises. Wairimu (2012) studied the factors that influence performance of various youth groups' income generating projects in Taita Taveta County. The variables studied include youth group management/leadership skills, nature of project activities, planning and control of funds and support given by the government and other organizationals and their effects on the performance of youth group projects.

Moreover, Wanjiru (2013) investigated the factors influencing the performance of youth owned small and medium enterprises. The variables studied include: socio-cultural factors, education, training and skills, access to credit, access to market, entrepreneurship skills and their influences on the performance of youth enterprises. Odhiambo (2013) studied factors that affect the performance of youth owned medium, small and medium enterprises (MSMEs) in Kenya. The variables studied were leadership style used, use of social networks and the business owner or leader' level of knowledge. This study was different because it focused on the influence of entrepreneurship skills, entrepreneurial

characteristics, managerial skills and entrepreneurship training on performance of youth enterprises. Mwaura, Nganga and Gathenya interrogated the inculcation of entrepreneurial culture among students in Kenya. The variables studied were entrepreneurial socialization process and government legal regulatory framework. Shabiti and Namusonge (2015) studied on factors influencing performance of agro-based small and medium enterprise in Kenya, A Case Study of Mwea in Kirinyaga-County.

Notwithstanding the empirical studies and conceptual papers on the process of strategic renewal, it's argued that several gaps still exist in the literature. First, all the empirical studies on the process of strategic renewal are predominantly targeted at identifying critical success factors that have a significant impact on the process of strategic renewal as well as on factors that will influence organizational to enact strategic renewal. There are very little researches that shed lights into the process of how to enact an effective strategic renewal.

Second, while it may seem that the reviewed studies provide valuable insights into the process of strategic renewal, these are unfortunately not supported by data and in many cases highly abstract in nature. The lack of support from data on the proposed conceptual models means that the applicability of these approaches and models to the practitioner's world would be limited. The highly abstract nature of the conceptual models implies that there are many ways in interpreting the models, thereby making it very difficult for practical application.

Third, the extensive literature reviews also identified that there is very little or no inclusion of Information Technology (IT) (social entrepreneurship) in research on the process of strategic renewal. In today's business context, the study believes that IT plays a strategic and critical role during the process of strategic renewal. The lack in consideration of IT in strategic renewal process research is a gap in the extant literature and an opportunity for the IT to contribute to. These are the gaps in the literature on the strategic renewal process that this thesis seeks to address.

To address these gaps, this study posits that there is need to develop a theory that can explain the process of how an effective strategic renewal implementation enabled through social entrepreneurship can be enacted within an organizational. A theory-building process model is particularly suitable in this regard because much had yet to be known about the process of strategic renewal and the role of IT (social entrepreneurship) in this process (Eisenhardt, 2007).

2.7 Summary on Literature Review

Given the gaps identified in the existing literature of strategic renewal, study posits that the social media entrepreneurship can be used to achieve effective strategic renewal implementation in SMEs. Specifically, study is interested to understand how the adoption of social media entrepreneurship can be used in sensing and responding to capabilities that can lead to effective strategic renewal implementation in organizationals that are SMEs oriented.

2.8 Conceptual Framework

The knowledge gaps highlighted above lead to the development of the conceptual framework below which was adapted to guide empirical research in filling the gaps identified from the review of conceptual and empirical literature. From the model, organizational structure, capacity building and entrepreneurial networking were the independent variables while SMEs performance was the dependent variable. The social media entrepreneurship was the moderating variable. It is explicit from the review of literature that the variables have been investigated individually and the relationships established. The model below supports the direct relationship between the different variables in play in this research.

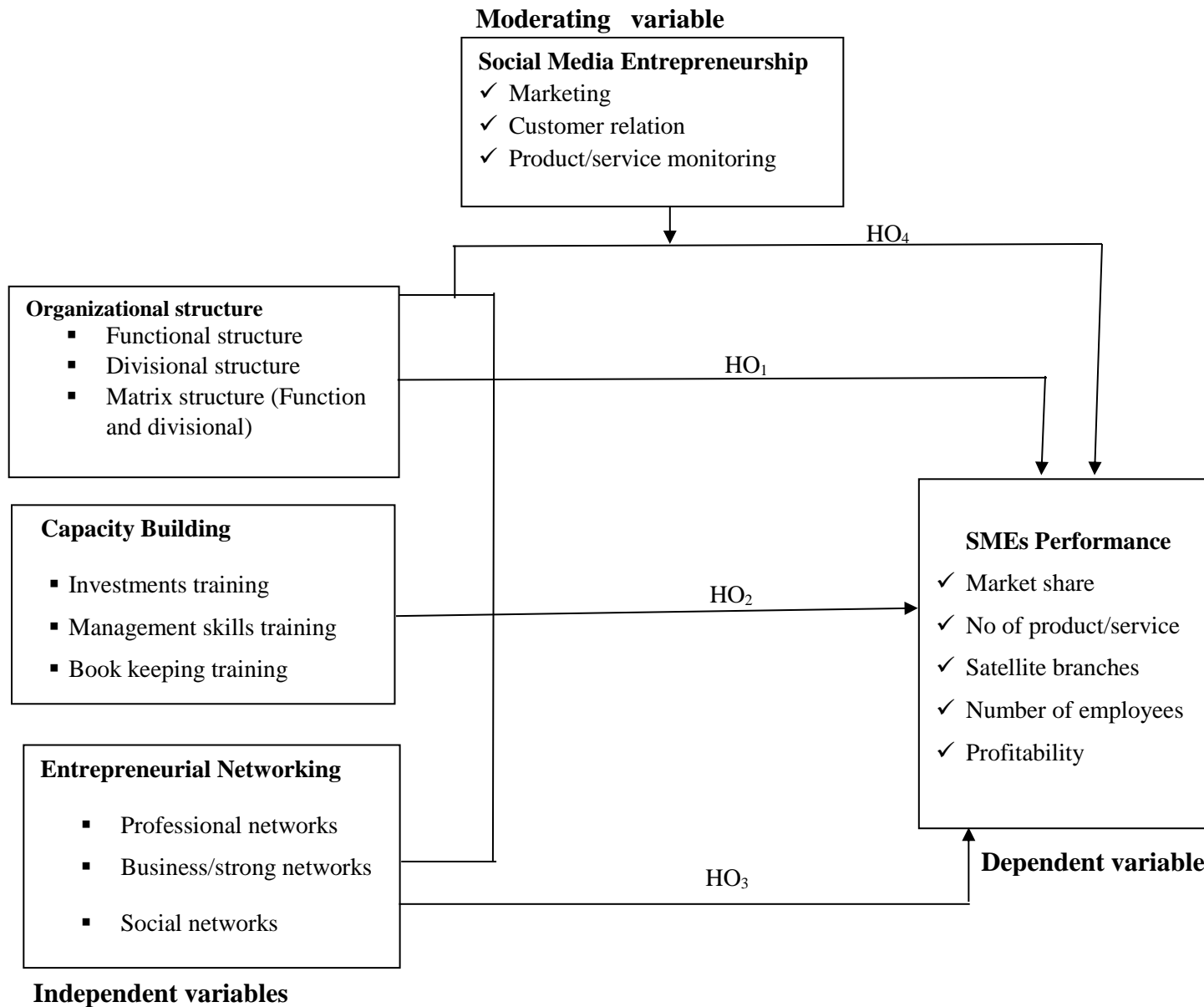


Figure 2.2: Conceptual Framework

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter describes the methodology of the study adopted in carrying out the research. It discusses the research philosophy, design, the study area, the population to be studied, sample size and sample design, the methods to be used to sample from the population, data collection instruments and procedures, validity and reliability of the instruments, data analysis and presentation techniques.

3.2 Research Philosophy

The study adopted the positivist philosophy based on the fact that in order to empirically establish the relationships between variables, hypotheses were formulated, tested and findings generalized. Positivists use existing theory to develop hypotheses which are tested and confirmed, in whole part or refuted, leading to further development of theory which then may be tested by further research (Zikmund et al., 2010). In the positivist paradigm, the student sees himself or herself as a neutral record and so different researchers using the same instruments should reach the same conclusions (Saunders, Lewis & Thornhill, 2007). Positivistic research is undertaken in a value-free way (Ombaka, 2014). The researcher is external to the process of data collection and there is little that can be done to alter the substance of the data collected (Cooper & Schindler, 2006). The study was independent and neither did affect nor was affected by the subject of the research. Emphasis was on quantifiable observations that lend themselves to statistical analysis (Bell & Loane, 2011).

3.3 Research Design

The study adopted a descriptive cross-sectional survey because it enabled the study to meaningfully describe a distribution of measurements using statistics. Research design is the plan for selecting the sources and types of information to be used to answer the research question (Cooper & Schindler, 2011). The current study adopted mixed methods research which combines quantitative and qualitative research techniques, methods, or approaches to a single study (Cooper & Schindler, 2011). The combination of quantitative and qualitative techniques allowed the study to examine strategic renewal, social media and performance of youth owned agro-processing SMEs in Nyeri, Kirinyaga, Murang'a and Nyandarua Counties, Kenya.

Survey research provides a quantitative or numeric description of trends, attitudes, or opinion of a population by studying a sample of that population in order to provide suggestions for improvement of educational practice and instruction (Cooper and Schindler, 2011). Survey research design was found suitable because it usually had larger samples and the method gathers data from a relatively large number of cases at a particular time. The study Sought to obtain information that described the participants' views about the strategic renewal, social media and performance of youth owned agro-processing SMEs.

3.4 Target Population

Target population refers to the aggregate or totality of all objects, subject or members that conform to set of specification (Polit & Beck, 2003). The study targeted youth owned agro-processing SMEs registered by Ministry of Trade and Industry and the four County Governments namely, Nyeri, Kirinyaga, Murang'a and Nyandarua. The sampling frame was 287 and population under study was 287 youth owned Agro-processing SMEs which formed this study target population.

Table 3.1: Study Target Population

County	Youth Owned Agro-processing SMEs
Nyeri	91
Kirinyaga	67
Murang'a	58
Nyandarua	71
Total	287

Source; Field Data (2019)

3.5 Data Collection Instruments and Procedures

The study collected both primary and secondary data. Data gathering is a very important part of the research process. Polonsky and Michlic (2009) stated that primary data is that data that originates from the study for a specific purpose of addressing a problem at hand. A questionnaire was deemed appropriate for the study as it gave an opportunity to carry out an inquiry on specific issues on a large sample and made the study findings more dependable and reliable (Kothari, 2017). A semi-structured questionnaire shown in appendix (v) involved the use of predetermined questions with highly standardized techniques of recording. The interviewer followed a rigid procedure laid down, asking questions in a form and order prescribed (Swierczek & Ha, 2003). The interviewee was

given a chance to express him/herself in some instances where there was room to contribute freely in open-ended questions. This enabled the respondent to get information that might not be included in the closed ended questions which cannot be accommodated in five scale likert scale that is designed to examine how strongly subjects agree or disagree with the statement (Sekaran & Bougie, 2009; Leedy & Ormrod, 2010).

Questionnaires were distributed to respondents by the researcher and research assistants giving respondents sufficient time to answer questions. More emphasis was placed on the closed ended questions because they facilitated data analysis, classification and tabulation of the response. The Questionnaires were self-administered to a total sample of participants consisting of agro-processing youth owned SMEs from Nyeri, Muranga, Kirinyaga, Nyandarua Counties. This was preferred by the study because it allowed for a wider coverage and gave respondents the opportunity to complete the questionnaires in their own time and offered anonymity and confidentiality.

For qualitative data, this involved engaging interviews with managers of youth owned agro-processing SMEs to discuss particular subject matters which were of interest. This allowed for a more detailed in depth responses and provided information that was otherwise difficult to obtain through structured methods of interviewing. This allowed the study to be flexible with regard to changing questions and aspects of study design in response to information gathered by use of other techniques and from various enterprises.

Qualitative data was collected using the interview guide to compliment the quantitative data using question and answer sessions. This was important as it enabled the study to probe responses with further questions which provided in-depth understanding of the phenomena being studied. This data was analyzed using content analysis. Identification of trends was done and summarized to highlight emergent lines of interest. Meanings were condensed into constructs and then related to research objectives.

For secondary data, the study analyzed the various documents relating to the entrepreneurs by reviewing and gathering the relevant documents. This related to the asset schedules, income and expenditure statement and employee registers. This was undertaken after consulting and discussing with the proprietors of various enterprises.

3.6 Validity and Reliability of the Study

3.6.1 Reliability

Reliability is the extent to which data collection techniques or analysis procedures will yield consistent findings (Bryman, 2012). It is the extent to which a measure is stable and produces similar result when administered repeatedly (Sushil & Verma, 2010). Reliability is the consistency of measurement (Bryman, 2012). Sushil & Verma, (2010) reiterate that if a test had a strong internal consistency, it should show only moderate correlation among items (0.70 to 0.90).

The internal consistency was selected due to its higher stability in comparison to the others (Bryman, 2012). The internal consistency is tested using the Cronbach's alpha statistic. Cronbach (1951) which measures consistency within the instrument assessing how well a set of items measures a particular behavior or characteristic within the test. The estimates of reliability should be based on the average inter correlations among all the single items in the test (Bryman, 2012). The Cronbach's alpha (α) coefficient when used for reliability test, the value should be 0.8 although 0.7 can be adopted as a satisfactory level (Bryman, 2012). This study adopted a Cronbach alpha of 0.7 used after collection of data to test the results. It determines the internal consistency or the average correlation of items within the test. The higher the coefficient, the more reliable the measurement scales. Leedy and Ormrod (2010) proposed that if values were too low, either few items were used or the items had little in common and suggested that a value of .70 and above was sufficient.

As shown in Table 3.2 below, the alpha coefficients for all the variables was above the 0.7 threshold. This was confirmation of reliability of the data used to draw conclusions from theoretical concepts. According to Cronbach alpha of 0.7, is considered reliable and this study adopted a Cronbach alpha of 0.7, which implied that all the variables were reliable and thus adopted for data collection.

Table 3.2: Reliability Analysis Results

Variable	Cronbach's alpha	No of items	Decision
Organizational Structure Strategy Renewal	.950	8	Reliable
Capacity Building Strategies Renewal	.866	10	Reliable
Entrepreneurial Networking Strategies	.789	11	Reliable
Social Media Entrepreneurship on Strategic Renewal	.867	10	Reliable
Performance	.844	18	Reliable

Construct Reliability

Construct reliability measures whether the scales used to measure a particular construct provide consistent measurement results (Cronbach, 1971). The study used content validity to test the accuracy of data collecting instruments. Opinion of three experts was sought to review data collecting instruments. Results of their responses were analyzed to establish the percentage of representation. Content validity formula suggested by Amin (2005) was used as follows; Content validity = Number of judges declaring item valid/number of items. Table 3.3 shows that validity test yielded an average index score of 83 percent. This implies that the instruments were valid.

Table 3.3: Construct Validity Results

Rater	No of items	Valid items	Fractions
1	8	8	.8750
2	10	10	.9375
3	11	11	.8125
4	10	10	.7875
5	18	18	.7867
Average			.8391

3.6.2 Validity Test

According to Cooper and Schilder (2011) validity is the ability of the research instrument to measure what it is supposed to measure. There are three types of validity

namely; construct validity, content validity, and criterion related validity. The study sought to measure content validity. Content validity refers to the extent to which a set of instruments adequately covers the full range of the concepts meanings (Engel & Schutt, 2005). Content validity measures the extent to which the instrument provides adequate coverage of the investigative questions guiding the study. Content validity was determined using expert judgment from lecturers of the Karatina University, research supervisors, research experts and colleagues in the doctoral class.

A pilot study was done before embarking on actual data collection activity (Eriksson & Kovalainen, 2008). Kombo and Tromp (2009) describe a pilot test as a replica and rehearsal of the main survey. Therefore, 29 questionnaires (which was 10% of 287) were administered to youth owned agro-processing SMEs in Embu County which is within the same region and where agriculture is practiced .Pilot testing to test the degree of accuracy of the instrument used to collect data in locations in which the pilot survey took place. Feedback received was used to fine-tune the questionnaire before embarking on the actual data collection. Following pretesting of the questionnaire, the study refined the unanswered questions and rectified those that were ambiguous specifically where the respondents had expressed fears that questions that needed tabulation would be a challenge as more time was required to get the data. Others cited that some respondent would not be willing to give out some of the information and suggested some questions be rephrased for ease of answering. These questions were adjusted as appropriate.

3.7 Study Assumptions

3.7.1 Normality test

In parametric tests one has to assume normal distribution of the variables (Tanton, 2011). The data was explored to determine normality in distribution. After collecting data, it was subjected to data cleaning to identify the missing values to enable it meet assumptions of normality and hence be appropriate for further tests. A normal residual curve on residuals was used to test the normality of the data. This implies that the data collected was homogeneous and it is consistent with the central limit theorem which states that as the sample size gets larger, the less the assumption of normality matters. (Eriksson & Kovalainen, 2015). Qualitative methods in business research: A practical guide to social research. Sage. Kombo and Tromp (2009) employed the normal curve from standardized residuals to confirm normality. Cooper and Schilder (2011) has

ascertained that for large sample size (40 and above), central theorem can be assumed, and as such the use of parametric procedures can be still be justified. The assumption of normal distribution helps to predict dependent variable scores.

3.7.2 Linearity Test

In parametric tests, there is an assumption that the independent and dependent variables have a linear relationship. The study adopted the ANOVA test of linearity. The rule of the thumb is; If the F significance value for the non-linear component is below the critical value ($p < 0.05$), then there is significant non-linearity. In other words, if the value is greater than 0.05 ($P > 0.05$) then the relationship between the dependent and independent variable is linear but if the value is significant, ie less than 0.05 ($P < 0.05$) then the relationship is non-linear (Hair et al., 2006). The ANOVA test statistics of the inverses of both dependent and independent variables were significant and hence linearity was confirmed.

3.7.3 Homoscedasticity Test

Homoscedasticity was tested using the regression standardized residuals plot. The assumption of homoscedasticity is that dependent variable exhibits equal variance across the range of values for an independent variable (Hair et al., 2006). Heteroscedasticity is present when dependent variable exhibits non-random pattern and hence homoscedasticity was confirmed from the randomness of standardized residuals

3.7.4 Test for Multi-collinearity

This study tested the analysis variables for multi-collinearity using the multi-collinearity statistics of Tolerance and Variance Inflation factors (VIF). Multi-collinearity exists when there is a strong correlation between 2 or more independent variables. Presence of multi-collinearity reduces the predictive power of individual variables. VIF values of greater than 10 indicate multi-collinearity and Tolerance values of below 0.1 indicate serious multi-collinearity problems. The highest VIF was 2.092 and the lowest 1.404 all the variable had a VIF less than 3, while highest tolerance level was .712 and the lowest .478 and all the variables had a tolerance value above .2 cut off limit. After conducting the required tests to ascertain conformity with factor analysis data analysis was subjected to the linear and multiple regression analysis to establish the relations between independent and dependent variables.

3.8 Data Analysis and Presentation

This section covers data preparation, data analysis and data presentation techniques.

3.8.1 Data Preparation

The questionnaires were checked for completeness, accuracy, consistency and uniformity of information at the end of every field data collection day and before storage. Those having major response errors were not considered (Kalton, 1979). The data from the completed questionnaires was coded numerically to enable quick data entry and facilitate subsequent data analysis and was categorized into various forms and then entered into the computer using the statistical package for social sciences (SPSS version 23.0) for analysis. This was deemed appropriate as it provides a comprehensive set of procedures for data transformation, manipulation and comparisons that was appropriate for the study.

3.8.2 Data Analysis

Data was analyzed using both descriptive and inferential statistics performed using SPSS Computer package version 23. Hair et al., (2006) opines that data analysis involves reducing accumulated data to a manageable size, developing summaries, looking for patterns and applying statistical techniques while else data preparations includes editing, coding, and data entry and is activity that ensures the accuracy of the data and their conversion from raw form to reduced and classified form that are more appropriate for analysis. Editing detects errors and omissions, corrects them where possible and satisfies that maximum data quality standards are achieved. Coding involves assigning numbers or other symbols to answers so that the responses can be grouped into a limited numbers of categories (Cooper & Schindler, 2011). Data entry converts information gathered by secondary or primary methods to a medium of viewing and manipulation. SPSS version 23 provides better reporting capabilities through improvement to the presentations graphics system (Pallant, 2010).

Descriptive statistics such as frequency distribution, measures of central tendency, measures of dispersion, percentages, t-tests and tests of significance were computed to analyze the demographic data. The employment of descriptive statistics allowed for the reduction and summary of data as well as analysis of items or variables so as to provide greater insight as to the characteristics of the sample. Descriptive statistics

enabled the study to describe the aggregation of raw data in non-numerical terms (Laursen & Neumann, 2000).

Hypotheses were tested using simple and multiple regression analyses. This was to determine the relationship between independent and dependent variables as well as moderating variable.

3.8.3 Model Estimation

Multiple linear regression analysis was carried out to determine the form of the mathematical model that define the relationship between the dependent and independent variable. Multiple regression analysis is a multivariate technique that was used to examine the relationship between strategic renewal and performance of youth owned agro-processing SMEs, social media being the moderating variable.

Stepwise multiple regression and logit was used to eliminate or retain variables whose effect on the response is insignificant and in this way construct a most appropriate model (Pallant, 2010). Hair et al., (2006) indicate that, the moderating variable can be considered when it meets three conditions namely that predictor variables are significantly correlated with the hypothesized moderator, predictor and moderator variables are all significantly correlated with the dependent variable and that previously a significant effect of the predictor variables is reduced to non-significance or reduced in terms of effect and size after the inclusion of moderator variables into the analysis (Pallant, 2010). In this study, standardized coefficients (standardized beta) was used for all analyses (Jaccard, Turrisi & Wan, 1990).

The simple regression for objectives 1-3. effect of the hypothesized relationships was tested using the following: multiple regression and Hierarchical Moderated Multiple Regression (MMR) analysis for moderating. oderator models often used to examine when an independent variable influences a dependent variable. More specifically, moderators are used to identify factors that change the relationship between independent (X) and dependent (Y) variables model:-

1. To establish the role of organizational structure strategy renewal on performance of youth owned agro-processing small and medium enterprises performance in Kenya;

$$Y_1 = \alpha + \beta_1 X_1 + \epsilon_1$$

Where Y_1 = Performance of SMEs (dependent variable)

X_1 = the first independent variable (organizational structure)

β_1 = the coefficient of the first independent variable.

ϵ_1 = error term.

2. To examine influence of capacity building strategies renewal on performance of youth owned agro-processing small and medium enterprises in Kenya.

$$Y_2 = \alpha + \beta_2 X_2 + \epsilon_2$$

Where Y_1 = Performance of SMEs (dependent variable)

X_2 = the second independent variable (capacity building)

β_2 = the coefficient of the second independent variable.

ϵ_2 = error term

3. To examine influence of entrepreneurial networking strategies renewal on performance of youth owned agro-processing small and medium enterprises performance in Kenya;

$$Y_3 = \alpha + \beta_3 X_3 + \epsilon_3$$

Where Y_1 = Performance of SMEs (dependent variable)

X_3 = the third independent variable (networking strategies)

β_1 = the coefficient of the first independent variable.

ϵ_3 = error term.

4. To examine moderating role of social media entrepreneurship on strategic renewal and performance of youth owned agro-processing small and medium enterprises performance in selected counties in Kenya.

The regression analysis which was used yielded to an equation of the following nature;

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 XZ + \epsilon$$

Where

Y is the summation/ overall (Performance of SMEs) Dependent Variable,

α is a constant,

β_n are coefficients of the independent variables

x_1, \dots, x_n are independent variables

Z is moderating variable

ϵ is a stochastic [random] error.

$p \leq 0.05$

At 95% confidence level;

Reject H_0 if $P \leq 0.05$

Do not reject H_0 if

$p \geq 0.05$

The above is for the first three hypotheses.

Moderating effect

Logit [p] = $\beta_0 + \beta_1 OS + \beta_2 CB + \beta_3 NS + u_i$

Logit [p] = $\beta_0 + \beta_1 OS + \beta_2 CB + \beta_3 NS + \beta_4$

Moderation effect occurs if β_4 is significant

Kalton (1979) have aptly emphasized that it would be unsafe to assume that our readers had time or inclination to interpret our data. The study therefore presented proper interpretation of the results based on findings of the study. Findings of the study were presented in various ways such as descriptions and discussions, frequencies, percentages, table's, bar graphs and measures of central tendency.

3.9 Ethical Considerations

According to Pallant (2010) one important issue in research involving human intervention is to ensure potential participants fully understand what they are being asked to do and they are informed if there are any potential negative consequences of such participation. Researchers whose subjects are people or animals must consider the conduct of their research, and give attention to ethical issues associated with carrying out the research (Kombo & Tromp, 2006).

Participation in research was voluntary as respondents were invited to participate in the research with a clear understanding that they are under no obligation to do so and there were no negative consequences for them if they do not participate in research. Permission to carry out research was sought from the Ministry of Education, the four County Governments, letter of authorization and research permit from National Council for Science and Technology and County Commissioners' office (NACOSTI).

Permission letters were written to various authorities who participated in research clarifying the purpose, nature and importance of the research to be undertaken to the respondents. Respect for the respondent's rights was upheld and anonymity of the respondents and their voluntary consent was also sought by preparing a consent form as an indication of informed consent by the respondent. The study was open and honest

in dealing with the participants. According to Kombo and Tromp (2006) the study must not exploit subjects by changing agreements with them. This was achieved by debriefing of the respondents. According to Tarus and Ng'ang'a (2013) the responsibility of ethical behavior rests with the researcher who along with the assistants is charged with protecting anonymity of the respondents. The research assistants carried out research without bias and accurately recorded all the necessary data. They also protected the confidentiality of the data and anonymity of respondents.

CHAPTER FOUR

DATA ANALYSIS, FINDINGS AND INTERPRETATION

4.1 Introduction

The purpose of this study was to establish the influence of Strategic Renewal and Social Media Entrepreneurship on the Performance of Youth Owned Agro-processing Small and Medium Enterprises SMEs in; Nyeri, Kirinyaga, Murang'a and Nyandarua Counties. The study was guided by the following specific objectives; To establish the influence of organizational structure, capacity building, entrepreneurial networking and the moderating role of social media entrepreneurship on the relation ship between strategic renewal and performance of youth owned agro-processing small and mediumenterprises (SMEs) in; Nyeri, Kirinyaga, Murang'a and Nyandarua Counties. The analysis was guided by the specific objectives and research questions of the study as highlighted in chapter one which were conceptualized in chapter two. Data interpretation was done in line with the research objectives and research questions. The techniques proposed in chapter three for data analysis and presentations were used to do the analysis and presentation.

4.2 Response Rate

Response rate was used to determine the number of people who properly completed the questionnaires. Response rate equals to the number of people who completed the semi-structured questionnaires divided by the total number of people in the entire sample, multiplied by (100) one hundred. 287 questionnaires were issued out of which 243 were returned. This represented a response rate of 84.7%. This response rate was appropriate for data analysis. The results of the response rate are presented in Table 4.1 below.

Table 4.1: Response Rate

Constituency	Sample size	Returned	%
Respondents	287	243	84.7
Total	287	243	

4.2.1 Chi-square Goodness of Fit Test

Different fit statistical tests were used to determine whether the model provided adequate fit for the data. The fit indices were used to assess whether overall models were acceptable and if acceptable to establish whether specific paths were significant

(Hu & Bentler, 1999). The most basic test, chi-square goodness of fit test was used. The chi-squared test indicated the difference between observed and expected covariance matrices (Hair *et al.*, 2006). The criterion for acceptance of chi-square index df ratio ranges between 1.0 to 3.0. A chi-square p-value less than 0.05 indicate a better fit or smaller difference between expected and observed covariance matrices (Hu & Bentler, 1999). Table 4.4 shows a chi-statistic of 145.225 with an associated probability value of .000 which is less than 0.05 and CMIN/DF ratio of 1.698 which is within the acceptable range. This indicated that the model fitted the data (Hu & Bentler, 1999).

Table 4.2: Chi-square Test Statistics

Chi-Square	df	CMIN/DF	P-value
145.225	245	1.698	.000

Since the chi-square goodness-of- fit statistics is overly sensitive to sample size; other fit statistics were used to examine the fits. Scholars such as Marsh, Balla and Hau (1996) recommend that individuals utilize a range of fit indices. Other scholars argue that although chi-square goodness of fit test is a traditional measure in assessing overall model fit, it tends to be unreliable when sample size is greater than 200. Thus, alternative fit indices could be used, as there is no agreement on the best approach for evaluating model fit.

In order to ascertain that the model provided adequate fit for the data, the study also considered the two types of fit statistics commonly used, absolute fit indices and incremental fit indices (Hair *et al.*, 2006). For absolute fit indices the study used root mean square error of approximation (RMSEA), goodness of fit index (GFI) and adjusted goodness of fit index (AGFI) (Hair *et al.*, 2006). For incremental fit indices, Comparative Fit Index was used (Hair *et al.*, 2006). These fit indexes were used to verify that the model was adequate (Marsh *et al.*, 2003).

The Root Mean Square Error of Approximation (RMSEA) is related to the residuals in the model. RMSEA values range from 0 to 1 with a smaller RMSEA value indicating better model fit (Marsh, *et al.*, 2011). Good model fit is typically indicated by an RMSEA value of 0.05 or less (Hu & Bentler, 1999), but a value of 0.08 or less is often considered acceptable (Browne & Cudeck, 2003). RMSEA value of less than 0.05 is considered excellent, 0.05 to 0.08 is good while 0.08 to 0.10 is acceptable (Hu &

Bentler, 1999). Table 4.5 shows RMSEA results of 0.039 is greater than 0.05, but is less than 0.08 with an associated PCLOSE value of .572. This shows a good model fit (Hu & Bentler, 1999).

Table 4.3: Root Mean Square Error of Approximation Statistics

Model	RMSEA	LO 90	HI 90	PCLOSE
Default model	.039	.000	.090	.572
Independence model	.158	.134	.182	.000

Table 4.6 shows the results of goodness of fit index (GFI), adjusted goodness of fit index (AGFI), and Comparative Fit Index (CFI). The goodness of fit index (GFI) is a measure of fit between the hypothesized model and the observed covariance matrix (McDonald & Ho, 2002). The adjusted goodness of fit index (AGFI) corrects the GFI, which is affected by the number of indicators of each latent variable (McDonald & Ho, 2002). The GFI, AGFI and CFI fit indexes range between 0 and 1. However acceptable indexes should be greater or equal to 0.8 (McDonald & Ho, 2002). Table 4.5 shows GFI of .855, AGFI of .804 and CFI index of .901 generally indicating acceptable model fit (Baumgartner & Homburg, 2006).

Table 4.4: GFI, AGFI, and CFI Model Fit Statistics Results

Model	GFI	AGFI	CFI
Default model	.855	.804	.901
Saturated model	1.000	1.000	1.000
Independence model	.414	.352	.000

4.3 Respondents Characteristics

This section presents results on firm demographics agro-processing SMEs. The indexes factored included: Age, Gender, Marital status, Education level and Years in Business.

4.3.1 Respondents Age

This study assessed the age of the respondents. Youth in Kenya are persons aged between 18 years and 35 years (Kiruja, 2013). Persons of different ages exhibit different entrepreneurial characteristics and social media adoption and this may influence management of SMEs and in the end their performance (Kiruja, 2013). It was thus important to assess the age of the respondents and the results are in table 4.5.

Table 4.5: Respondents Age

Age	Frequency	%
20-25 years	39	16.0
26-30years	53	21.8
31-35 years	151	62.1
Total	243	100.0

According to the study, 62.1% of the respondents were aged between 31-35 years. These findings implied that most of the youth owned agro-processing SMEs were owned by youth above 30 years of age. From the interviews it was indicated that six (6) respondents believed that age is related to social media use since young business people use social media more as compared to those almost attaining 35 years of age.

Congruent to above, Reynolds (2007) argues that entrepreneur's age can be a determinant of enterprise performance because entrepreneurship is particularly challenging for many youth start-ups. Contrary a study by Reynolds (2007) revealed that young entrepreneurs who were less than 30 years seemed to grow more profits than those over 30 years. This was explained by the fact that they were still young, energetic and full of enthusiasm. The findings complements Kiruja (2013) who argued that youth below 30 years in agro-based enterprises lack management experience or the knowledge needed to conduct a strong growth oriented agro-based enterprises firm as compared to middle aged founders benefiting from some experience yet retaining the energy necessary to drive a business forward thus more likely to grow their business. The implication is that identification of gaps in the levels of entrepreneurial competencies among the youth entrepreneurs in the four counties is paramount so that they can be assisted with the necessary skills that will spur innovation, creativity and enhanced performance in their enterprises

Furthermore, according to Kumar (2007) persons over thirty-five years of age who entered self-employment were likely to have greater survival chances. However, he argues that 50% of entrepreneurs who started at the age of 25-30 years were successful in growing their businesses, suggesting that entrepreneurs who started their enterprises at early age were more successful. This shows that there is a relationship between growth and age. However, there seems to be recent debate about the peak age for

entrepreneurs. A commonly held belief is that younger founders appear to inspire waves of innovation like in the mid-1990s and today with face book while older entrepreneurs launch sustainable business (Ressi, 2011). However, Kiruja (2013) argues that youth below 30 years in agro-based enterprises lack management experience or the knowledge needed to conduct a strong growth oriented agro-based firm. Middle aged founders benefiting from some experience yet retaining the energy necessary to drive a business forward were more likely to grow their business.

4.3.2 Respondents Gender

The results of the study showed that majority, (62.1%) of respondents were female, this showed that more female are venturing into agro-processing SMEs entrepreneurship as compared to male youths as shown in table 4.8.

Table 4.6: Respondents Gender

Gender	No respondents	Percentage
Male	92	37.9
Female	151	62.1
Total	243	100.0

4.3.3 Marital status

As shown in table 4.7, it was revealed that majority (48.6%) of respondents were married Marriage comes with responsibilities and need to provide for family and therefore married youth may seek to succeed more than those who are not married.

Table 4.7: Marital status

Marital status	No respondents	Percentage
Married	118	48.6
Single	110	45.3
Widowed	15	6.2
Total	243	100.0

4.3.4 Education level

The study revealed that 42.8% had tertiary college education while, 40.3% had university degree indicating that majority (83.1%) of the youths have either college or University education. Those with at least secondary education were 11.5% indicating that most of the respondents had at least secondary education and this helps the

entrepreneurs to have better knowledge and skills which contribute to the success of their venture.

In support of above results, Kabahanga (2013) found that entrepreneurs with higher levels of education and competencies were more successful in growing their businesses compared to those with little or no education. Similarly, a study conducted by Kenya Institute of Management (2013), demonstrated that young entrepreneurs with higher levels of education were more successful because university education provided them with knowledgeable and modern managerial skills, making them more conscious of the business world and thus in a position to use their learning capabilities to manage business. However, Wube (2010) argues that education may harm SMEs performance in instances where the owners divert their attention to other attractive opportunities. Contrary to this study, findings in a study on small agro-processing firms in Chile established that university education did not indicate higher efficiency because the highly educated youths paid little attention to monitoring their labour force (Mengo, 2013). However, according to a study in Botswana and Zimbabwe, youth business owners who had completed secondary school ran better performing firms than those proprietors who had no schooling (Wube, 2010). Essentially, an additional year of schooling was found to raise entrepreneurial income among the youth entrepreneurs by an average of 5.5%. A characteristic of entrepreneurship is that it tends to filter through family life.

Table 4.8: Education level

What is your level of education?	Frequency	Percentage
Primary	7	2.9
Secondary	28	11.5
Tertiary College	104	42.8
University Degree	98	40.3
None	6	2.5
Total	243	100.0

4.3.5: Years in Business

Results revealed that (58.8%) of the respondents had been in business for less than 3 years. In support of this study results, Shoa'i (2011), also found out that experience is the best predictor of a successful business especially when the new business is related with vast experiences. Entrepreneurs with more experiences in managing business are more capable of finding ways to study new business compared to employees with different pathways. Correspondingly, a study in Kenya established that Kenyans with at least seven years of work experience expanded their firms more rapidly than those without such experience (Ihua, 2009). Work experience contributes to SMEs performance by expanding the capabilities of owners and employees through the acquisitions of skills and knowledge and by expanding entrepreneur's social network (Ihua, 2009). This could later explain why there are youth owned agro-processing SMEs that have weak network that influence on performance.

Table 4.9: Years in Business

For how long have you operated as a firm (Years)	Frequency	Percentage
0-3	143	58.8
4-7	58	23.9
8-11	28	11.5
12-15	14	5.8
Total	243	100.0

4.4 Study Variables Results

This section presents findings as per the study variables;

4.4.1 Performance of Youth Owned Agro-processing SMEs

The dependent variable in the study was performance of youth owned agro-processing SMEs in selected counties in Kenya. This was an important variable of the study that was intended to be measured. This study's', emphasis was on non-financial perspectives that included; market share, number of product/service, satellite branches, number of employees and general profitability. The results are in table 4.10.

Table 4.10: Performance of youth owned agro-processing SMEs

	1	2	3	4	5	Std. Mean	Std. Deviation
The firm had increased the number of customers	3.6%	6%	2.4%	46.8%	41.1%	4.159	0.989
The firm had increased the geographic reach of its products and services	4.5%	32.1%	6%	34.5%	22.8%	3.390	1.270
This firm's market had been growing over the years	2.4%	3.9%	3.3%	61.9%	28.5%	4.102	0.826
The organizational had introduced new products and services to meet its clients demand	2.4%	3.9%	2.4%	66.7%	24.6%	4.072	0.800
The firm had introduced new branches, depots and centers for its products and services	2.4%	6.3%	3.6%	63.4%	24.3%	4.009	0.866
The organizational had continued to employ new employees to meet its customers need over the years	3.6%	3.9%	9.6%	43.5%	39.3%	4.111	0.980
Our annual sales greatly increase each year	2.4%	8.7%	4.8%	63.1%	21%	3.916	0.905
This firm's outreach is so far good enough in the market	2.4%	13.2%	9.6%	52.6%	22.2%	3.790	1.011
The customer retention rate is high.	3.6%	15.3%	18%	43.8%	19.2%	3.598	1.073
The company output this year had increased	2.4%	14.4%	19.2%	40.8%	23.1%	3.679	1.057
The firm's stock turnover is high	2.4%	7.2%	19.2%	46.5%	24.6%	3.838	0.959
Average mean score						3.879	0.976

The study results in relation to performance depicted an upward trend in performance. This means that strategic renewal changes that firms have adopted have caused changes in performance. According to the findings, majority (87.9%) of the respondents of the agro-processing firms have witnessed increased number of customers. Study showed that 57.3% of the respondents agreed that firms have been able to reach more customers in different geographic locations in the country. In relation to market, majority (90.4%) agree that the firms have been growing over the years.

On regards to products it was revealed that most of respondents (91.3%) agreed that the firms have introduced new products to meet the need of the customers while (87.7%) agreed that the firms have grown in terms of new branches, depots and centers for its products and services and (82.8%) also agreed that the SMEs had increased its employees to the customers' demands.

In terms of profitability the study further revealed that the agro-processing SMEs have continued to realize profits and this is in terms of; (84.1%) increase in annual sales, (74.8%) increased goods outreach, (63%) improved customer's retention rate, (63.9%) increased firm outputs and (71.1%) reduced stock turnover. This means that the agro-processing SMEs owned by the youth have increased performance in terms of increased number of customers, market share, number of branches and introduction of new products and services. They have also witnessed increased profitability in terms of; increased annual sales, increased customer retention rate, increased outputs and high goods turnover.

Accordingly, (63.9%) of the respondents agreed that customer's retention had improved. As stated by Srinivasan et al., (2016) in their study, they considered the effect of online networking marketing techniques utilized by SMEs ventures on client procurement and maintenance and found that online networking support impacts strong influence on brand trust, which thus, affects client acquisition and retention. It was likewise found that there is a solid positive relationship amongst sales and measure of time spent on social media and that online networking marketing techniques impact customer acquisition, retention and result to increase in market share.

The study further sought to establish the percentage increase on firms' performance and respondents were asked to indicate the rate at which their firms have experienced

improvement in terms of percentage. In general, firms showed upward trend on improvements in terms of; firms growth rate, sales increase, customer retention, operation expansion, stock turnover and market coverage of goods as shown in table 4.11 below.

Table 4.11: Overall Performance of Smes

	Firm's growth rate improved by:	Firm's sales increment was by :	Customer retention rate improved by:	Firm's operations expansion was improved by:	Firm's stock turnover rate was?	Firm's market coverage increased by;
2013	10.25%	50.57%	5.25%	10.26%	5.22%	50.35%
2014	10.58%	51.70%	5.26%	10.55%	5.38%	52.38%
2015	15.75%	52.76%	5.38%	10.25%	6.25%	55.62%
2016	16.75%	52.86%	5.58%	10.58%	6.87%	57.22%
2017	17.25%	55.86%	5.65%	11.75%	6.92%	70.25%

The results in table 4.11 showed that for the last five years the agro-processing youth owned SMEs had improved in performance and therefore an indication that the variables being investigated could have contributed to the performance.

4.5 Organizational Structure Strategy Renewal and Performance

The first objective of the study was to establish the role of organizational structure on performance of youth owned agro-processing small and medium enterprises performance in Nyeri, Kirinyaga, Murang'a and Nyandarua Counties.

Organizational structure was one of the measures of strategic renewal process and influences on performance. The findings as illustrated in table 4.13 below showed the above in terms of organizational structure was operationalized into functional, divisional and matrix organizational structures. These were measures as discussed in the following sections.

4.5.1 Functional Structure

According to the agro-processing SMEs youth owners, the functional management structure is not popular or adopted by the youth owned SMEs. According majority (70%) as indicated in table 4.14 and supported by average mean of 2.524 they disagreed with all statements asked. This means that in agro-processing SMEs, there are no formalized structures, operations are not standardized or specialized per department and there is no hierarchy of authority in each department in the firms. This implies that

the SMEs prefer unformulated management, doing things in flexible manner and authority is not hierarchical. This means that the firms have no formal interaction structure followed by employees. In support of the above, Shoa'i (2011) in his research concluded organizational structure had a significant effect on productivity. When structure is more concentrated, formal and complex productivity is lower.

Table 4.12: Functional Structure

Functional structure	1	2	3	4	5	Std.	
						Mean	Deviation
The management had introduced formalization in the firm		75.3%	3.7%	9.9%	11.1%	2.568	1.056
Everything is standardized and specialized per department		70.8%	14.4%	4.5%	10.3%	2.543	0.980
There is a clear Hierarchy of Authority in each department		77.4%	10.3%	1.2%	11.1%	2.461	0.971
Average mean score						2.524	1.003

4.5.2 Divisional Structure

Divisional organizational structure gives a larger business enterprise the ability to segregate large sections of the company's business into semi-autonomous groups. However, like functional structure in SMEs the divisional structure was not commonly used in the agro-processing firms. Most of respondents below (63.8%) disagreed with statements in table 4.15. This means that the SMEs were not divided according to the products that they produce and decision making is not autonomous to the departments but to only once manager/owner.

Congruent to this study results, Naziri (2012) in his research concluded that there is a weak inverse significant relationship between organizational structure and organizational entrepreneurship. Among the indicators of organizational structure, only recognition index is associated with organizational entrepreneurship and there is no significant relation between the other indices (complexity and concentration) with organizational entrepreneurship. In support, Peyman, Rezazadeh and Gabriel (2002)

showed that there is relation between complexity, formalization and concentration in organizational decision making and organizational entrepreneurship.

Table 4.13: Divisional Structure

Divisional structure	1	2	3	4	5	Mean	Std. Deviation
Our firm is divided according to the products or services	8.6%	72.4%	11.5%	4.5%	2.5%	2.971	2.687
Currently decisions are made as per the division e.g. marketing division (autonomy)	8.2%	63.8%	21%	5.8%	1.2%	2.720	0.747
Average mean score						2.845	1.717

4.5.3 Matrix structure

A matrix organizational structure is a company structure in which the reporting relationships are set up as a grid, or matrix, rather than in the traditional hierarchy. In the study this was the common organizational structure that firms have adopted and accepted as way of management as supported by average mean 3.98. As illustrated in Table 4.14, according to (71.5%) of respondents they agree that departments come together to work on products, (63.1%) agree that firm work as teams to achieve its tasks regardless of departments while (79.9%) agree that in the SMEs anyone can work in any project or product. This means that matrix structure was common in organizational structure adopted by the youth owned agro-processing SMEs and this could be because SMEs unlike corporate organizationals are small and have flexible style of management.

Table 4.14: Matrix structure

Matrix structure	1	2	3	4	5	Mean	Std. Deviation
Departments come together to work on projects	2.4%	4.8%	11.4%	71.5%	8.7%	4.285	0.757
The firm work as teams to achieve its tasks regardless of departments	1.2%	5.7%	21.6%	63.1%	8.4%	3.718	0.747
In the firm anyone can work in any project or product		2.4%	9.6%	79.9%	8.1%	3.937	0.520
Average mean score						3.98	0.675

4.5.4 Capacity Building Strategies Renewal and Performance

The study second independent objective was to examine influence of capacity building strategies renewal on performance of youth owned agro-processing small and medium enterprises in selected counties in Kenya. The survey results were analyzed and findings presented in this section of the report.

4.5.5 Investments Training

Investment training is part of capacity building is aimed at improving skills for carrying out key functions, solving problems, defining and achieving objectives. Illustrated in Table 4.16 are study findings which revealed that (66.3%) agreed that the firm had trained top management on products to invest in and those to avoid while (87.6%) agreed that the firms had also trained management on capital allocation. This means that the youth owned agro-processing SMEs have invested on training its management on products, investment and capital allocation in order to ensure that it improves on its performance.

In support, Maina (2013) studied on the performance of YEDF funded youth enterprises in Murang'a County. The study concluded that in realization of the importance of entrepreneurship training towards the successful performance of youth entrepreneurs, the YEDF had initiated a number of capacity building programmes as a way of supporting the youth towards sustainability of initiated enterprises.

Similarly, Kanyari and Namusonge (2013) studied on the impact of training on the performance of youth enterprises using a response of 310. The study indicated that provision of entrepreneurship training to sensitize and inculcate entrepreneurial culture among the youth is crucial to identifying emerging business talents. It adds that the provision of continuous and relevant entrepreneurship training to young entrepreneurs had a positive impact on the success of enterprise development initiatives. European Mediumfinance Network (2012) studied on the effect of entrepreneurship training on the successful performance of YEDF funded youth enterprises. The study revealed that ensuring success of SMEs through entrepreneurship training is seen to have a positive impact on enterprise performance. They further showed that training not only benefited business through increased profits, investments, innovation and access to credit, but it also lowered default rates.

When asked the skills that they lack, 50% of the interviewed respondents felt that they needed financial management skills which concurred with a previous study conducted by Tubey (2012) in a UNDP-funded Jua Kali project in Kenya, who found that they lacked financial management skills. Studies have also shown that during the growth of a new venture, management skills and strategies in such areas as record keeping, financial control, inventory control, human resources, marketing and planning are critical to achieving long-term success (Hisrich & Drnovsek, 2002).

Investment decision is key to youth owned enterprises as revealed by the study. Interviews also showed that some of the youth did not have any investment training at all noting that most of them established their own businesses due to lack of formal employment opportunities as opposed to innovation. This concurred with the study conducted by the International Labour Office (2004), who found out that prospects for youth employment in the coming years remain grim compared to that of adults, but acknowledged that due to the tremendous potential of the newer generations, many countries were looking at promoting youth entrepreneurship as an important component of wider youth employment policies. The findings also concurred with Monitor (2004) who found out that the reason why, especially the youth in developing and low-income countries tended to engage in business, was out of economic necessity like lack of employment opportunities, need to supplement household income and poverty.

Curtain (2003) concurred that the success of entrepreneurship training has been achieved in alleviating poverty in by enabling YOEs create job opportunities and economic empowerment. Mayoux (2017) noted that entrepreneurship training programmes promoted economic independence and provided SMEs with access to networks and markets to necessitate wider experience. This mainly suggests that entrepreneurship training significantly enhanced the growth of YOEs.

Table 4.15: Investments Training

Investments training	1	2	3	4	5	Mean	Std. Deviation
The firm's management had been trained on products to invest in and those to avoid	1.2%	26.4%	6%	40.2%	26.1%	3.093	0.899
The firm management had been trained on capital allocation	1.2%	3.9%	7.2%	44.7%	42.9%	3.511	0.739
Average mean score						3.302	0.819

It has been acknowledged that business owners with adequate entrepreneurial skills often manage their businesses effectively. It has also been noted that businesses whose owners received technical and managerial skill training were likely to stimulate productivity and growth. This makes entrepreneurship training of youth entrepreneurs critical since it ensures that they have formal training in business skills.

4.5.6 Management Skills Training

Management skills are key in business and for it to survive leaders have to be empowered. The study also carried out an analysis to determine the extent to which the respondents agreed on statements regarding client selection criteria on a Likert scale. The average mean was (4.120) indicating that the respondents agreed with all statements asked. This implied that (93.1%) agreed that the SMEs had introduced planning and budgeting before embarking on new innovations, (92.5%) had changed the information sharing to increase innovation of new products while (94.9%) of the firms decision making had been broken down to smaller units to encourage competitiveness and innovation by firm.

This implied that performance of the youth owned agro-processing SMEs have experienced change in performance due to changes related to management skills. This included the introduction of planning and budgeting before embarking on new innovations, change of information sharing criteria and breaking down of information sharing in the firms.

The results of the study showed planning and budgeting to be critical and this is indeed supported by Arasa and K'Obonyo (2012) who contends that planning enables a company to gain as effectively as possible a sustainable edge over its competitors and further states that strategic planning assists organizations to develop a comparative advantage or an edge over competitors and creates sustainable competitive advantage. Zaei, Yarahmadzahi and Abtin (2013) also demonstrated that the use of planning and management in business organizations whether public or non-profit organizations can help organizations clarify the future direction, think strategically and develop effective strategies, establish priorities, deal effectively with rapid changing circumstances, build teamwork and expertise, solve major organizational problems and improve performance.

From the interviewed respondents, 52% of them lacked the managerial skills needed for effective running of SMEs. The findings by Ahmad (2009) supports that lack of managerial skills, funding and capacity building are among the key factors contributing to failure, and that many SMEs fail as a result of a deficiency in their internal functioning rather than as a result of externally generated circumstances. This indicated that majority of the youth owned agro-processing enterprises in the four counties encountered similar challenges facing youth enterprises in Kenya. Lack of training is mainly due to lack of funds and its because youth entrepreneurs cannot afford the high cost of financial training and advisory services while others do not see the need to upgrade their skills due to complacency (King & McGrath, 2002). Ahmad (2009) adds that factors that hamper SMEs growth among the youth included a lack of abilities and skills. Ihua (2009) reports that one of the serious constraints on small business growth is lack of financial management skills, which results in the poor management actions taken by small business owners (Wawire & Nafukho, 2010).

The findings support Naidu and Chand (2012) statement that lack of management skills, competition, access to markets and financial problems are common challenges among

young entrepreneurs in the developing world. In relation to investment decision, the findings agreed with Chigunta (2014) assertion that one third of the young entrepreneurs in eastern Africa express a desire to start their own businesses and each year about 50,000 of them actually do it.

Table 4.16: Management Skills Training

Management skills training	1	2	3	4	5	Mean	Std. Deviation
The firm had introduced planning and budgeting before embarking on new innovations	0.6%	2.1%	4.2%	77.8%	15.3%	4.051	0.576
The management had changed the information sharing to increase innovation of new products		2.1%	4.8%	71.5%	21%	4.162	0.782
Decision making had been broken down to smaller units to encourage competitiveness and innovation by firm	1.8%	1.2%	2.1%	70.3%	24.6%	4.147	0.676
Average mean score						4.12	0.678

4.5.7 Book Keeping Training

The recording process of bookkeeping keeps properly transactions and well organized for small and big business. As shown in table 4.17 the one represented by book keeping training had an average mean score of 4.045 and standard deviation of 0.78. This depicts an agreement from the respondents as far as the book keeping training is concerned. This showed that (89.8%) of the respondents agreed that the youth owned agro-processing SMEs holds each employee accountable for funds allocated as long as there is clear budgeting while (87.1%) support that the firm management encourages transparent book keeping process.

This implied that book keeping training assisted youth agro-processing SMEs to improve on their performance because they are to hold everyone accountable, allocate funds in an easy manner and have clear and transparent book keeping procedures.

This is contrary to Tucker and Lean (2003) who noted that one of the problems faced by the SMEs when attempting to raise funds is lack of accounting records on performance and inability to prove the quality of investments to the provider of the finance.

Table 4.17: Book Keeping Training

Book Keeping Training	1	2	3	4	5	Mean	Std. Deviation
In the organization everyone is held accountable for funds allocated by providing clear paperwork	4.5%		5.7%	68.8%	21%	4.018	0.821
Funds allocation to products and services is seamless as long as supported by clear budget	3.3%		6.9%	67.9%	21.9%	4.051	0.765
Management of the firm encourages transparent book keeping	2.1%	0.9%	9.9%	62.5%	24.6%	4.066	0.754
Average mean score						4.045	0.78

4.6 Entrepreneurial Networking Strategies and Performance

The study third objective was to examine the influence of entrepreneurial networking strategies renewal on performance of youth owned agro-processing small and medium enterprises in selected counties in Kenya. The study results are presented under this section of the study.

4.6.1 Member of Social Network

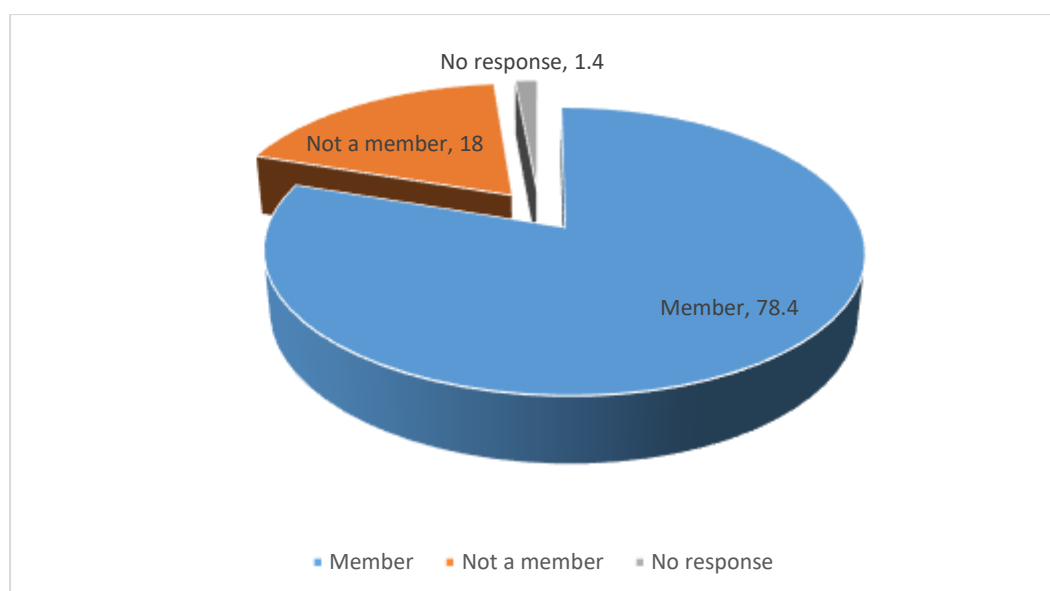


Figure 4.1: Member of Social Network

According to majority (78.4%) of the respondents indicated that they are members of social network signifying that nearly all SMEs owned by the youth are members of

business related social network as shown in figure 4.1 above. The findings supported Mbugua and Moronge (2016) argument that most SMEs lack the access to sufficient market connection since most of the information is designated for the large and well-established businesses. This makes the SMEs unable to plan their sales since the market turn up is unpredictable.

Congruing to this findings, according to Boylan and Turner, (2017) where SME management apply emergency of dynamism, tolerance of failure encourage employees to achieve desired goals, then they are likely to access resources from networks. Innovation occurs more effectively where there is an exchange of knowledge among employees. However, SMEs in developing economies have a challenge of establishing structures that make employees interacting and divert from the established policies. Whenever enabling environment is enhanced, networking is likely to be more effective. This normally happens in developed countries because their SMEs have structures and encourage divergent views with focus on learning from mistakes. The importance of diversity among employees helps in developing new ideas and relationships that help in dynamic networking for business support (Boylan & Turner, 2017).

4.6.2 Social Groups Influence on Performance of Business

The study sought to establish if membership of social groups influences performance.

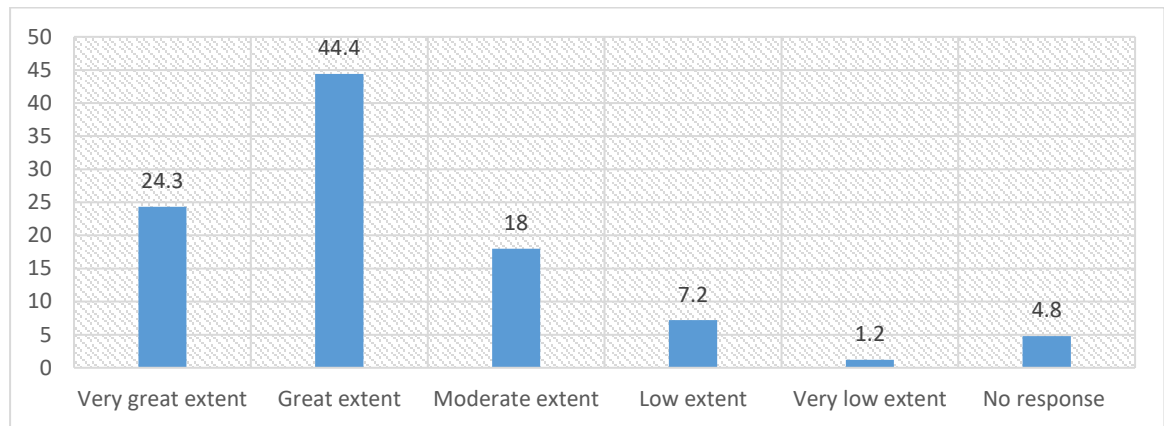


Figure 4.2: Social Groups Influence on Performance of Business

The members were asked to what extent does being a member of a social network/social groups assists in improving the performance of their business and from the study, (44.4%) agreed that it had influenced their business to a great extent as shown in figure 4.3 indicating that being a member of social group influences youth owned agro-processing SMEs to a great extent. This finding concurs with Zhou, Tse and Li (2006) who noted that firm' interactions with markets and environment can have a positive impact on their ability to respond to change and therefore having sound network relationships provide organizational with opportunities and even motivation to change. Also in support Johannisson (2017) argued that SMEs that groom employees tend to be more informed on how to deal with prevailing challenges creatively, develop new ideas for venture creation are likely to network successfully. Employees tend to be informed when they learn from their social network agent's differences depending on an enabling environment, which provides a platform for enhanced rational thinking and creativity about accessing resources and mitigating negations from network members. Although there is census that social networks provide resources, sometimes they negate the objectives of individuals and the business and networks end up not being beneficial.

4.6.3 Professional Networks

Today the importance of networking cannot be underestimated. Professional networking can help business create opportunities within your current organisation and beyond. The results showed that the average mean for the aspects of professional networking variables varied across the three constructs and had an average mean score

of 3.943 and standard deviation of 0.921. This depicted a moderately high ranking which meant that professional networks influenced performance of the youth owned agro-processing SMEs. According to (81.1%) of the respondents agreed that SMEs encourages the employees to join professional bodies, (85.9%) supported that firm management have also joined professionals to increase their knowledge and ideas in market while (89.5%) supported that most of the agro-processing SMEs employees were members of professional bodies. This is why the management had joined professional bodies and are encouraging employees to also join professional bodies to enhance networking.

The benefits of networks is supported by Olekanma (2016) who posits that networks can also be used by SMEs to overcome the challenge of accessing limited resources and markets. Through networking SMEs are able to access information, get advice and capital. According to Atieno (2009), networks can be used as solutions to overcome the problems of access to limited resources and markets.

Table 4.18: Professional Networks

Professional Networks	1	2	3	4	5	Mean	Std. Deviation
The company encourages employees to join others with same professional example accountants to join professional bodies related to accounts	3.6%	8.1%	7.2%	60.7%	20.4%	3.862	0.953
The firm management have joined professionals to increase their knowledge and ideas in market	3.6%	5.7%	4.8%	64%	21.9%	3.949	0.905
Most of employees are members of professionals bodies	3.6%	5.7%	1.2%	64.3%	25.2%	4.018	0.905
Average mean score						3.943	0.921

4.6.4 Business Networks

Business networking is a valuable way to expand your knowledge, learn from the success of others, get new clients and tell others about your business. The results

showed that the average mean for the aspects of business networking variables varied across the three constructs with an average mean score of 3.769 and standard deviation of 1.020. This depicted a high ranking of the variables and implied that most respondents agreed that business networks among youth owned agro-processing SMEs influenced performance. According to (84.7%) of the respondents, were members of SMEs groups that met weekly to share ideas and challenges. Further, (59.7%) supported that similar SMEs with same networks were offering same products/services to create customers' networks while ((87.1%) of the firms were members of general SMEs that once in a while were in the town for exchange of business ideas. This indicated that youth owned agro-processing SMEs were members of business networks that assisted them improve on their performance based on weekly meetings and SMEs offering same goods and services.

Table 4.19: Business/Strong Networks

Business/strong networks	1	2	3	4	5	Mean	Std. Deviation
The firm is a member of SMEs groups that meets weekly to share ideas and challenges	3.6%	6.9v	4.8%	62.8%	21.9%	3.925	0.930
The firm have networks with similar SMEs offering same products/services to create customers networks	4.5%	26.1%	9.6%	42%	17.7%	3.423	1.181
The firm is a member of general SMEs that once in a while in the town	3.6%	8.1%	1.2%	63.1%	24%	3.958	0.950
Average mean score						3.769	1.020

4.6.5 Social Networks

Social networks is concerned with offering of web-based services which allow firms or individuals communicate with other users, view pages and details provided by users within the system. The informal sector plays key role in both marketing and customers attraction. The results as illustrated in table 4.22 showed that the average mean for the aspects of social networking variables varied across the four constructs with an average mean score of 3.720 and standard deviation of 0.990 which was an indication that most

of the respondents agreed that social networks influenced youth owned agro-processing SMEs performance. Accordingly, (81.4%) of the owners supported that firms maintains cordial undefined networks with SMEs around, (85%) of firms shared products and services with other SMEs, (84.7%) outsourced products/services from other SMEs when demand was high while (81.1%) of SMEs had unwritten code of conduct that they shared in the market.

This implied that youth owned agro-processing had social networks that enabled the SMEs to maintain cordial undefined networks, share products and services, outsourced products/services from other SMEs when demand is high and have unwritten code of conduct that they share in the market which in turn influenced performance. In support, Zizah *et al.*, (2010) in his research on influential factors for SME internationalization in Malaysia found that SMEs networking with government agencies and other institutions were able to get relevant and updated information about their business. Olekanma (2016) argued that through networking with the government agencies, SMEs were trained on procedures that required guidance when applying for a loan and easier and faster ways to promote their products abroad. Hoang and Antoncic (2003) through networking SMEs were able to access external finance, spread knowledge about a firm's existence, share information and get needed support. Through social networks SMEs were able to access and share knowledge from other SMEs and also access external finance from banks and other lending institutions (Le & Nguyen, 2009).

In relation to sharing goods and services when demand is high Mäläskä, Saraniemi and Tähtinen (2011) supported that networks are important especially to SMEs with limited resources as they are dependent on other firms (Mäläskä *et al.*, 2011). Networking therefore seems to have a positive impact on growth as a source of benefit (Le & Nguyen, 2009).

According to interviewed respondents they believed that social media is backbone of any business today. To support these findings, study carried by Kane *et al.*, (2014), coincided that 18% of managers believed social media is important for their business today, whereas over 63% predicted that social media was an important part of their business within three (3) years. Jennings, Blount and Weatherly (2014) indicated that 73.3% of 262 participants, who were employed in a wide range of US industries, used social media for business related purposes out of which 100% of these same participants reported that they used social media for personal purposes.

Table 4.20: Social Networks

Social networks	1	2	3	4	5	Mean	Std. Deviation
The firm maintains cordial undefined networks with SMEs around it	3.6%	7.8%	7.2%	62.8%	18.6%	3.850	0.935
The firm shares products and services with other SMEs	3.6%	6.6%	4.8%	66.1%	18.9%	3.901	0.905
The firm outsources products/services from other SMEs when demand is high	3.6%	8.1%	2.4%	65.8%	18.9%	3.894	0.929
The SMEs have unwritten code of conduct that they share in the market	3.6	8.1	7.2	60.7	20.4	3.234	1.189
Average mean score						3.720	0.990

4.7 Social Media Entrepreneurship Strategic Renewal and Performance

The study fourth and last objective was to examine moderating role of social media entrepreneurship on strategic renewal and performance of youth owned agro-processing small and medium enterprises performance. The survey results were analyzed and are presented under this section of the study.

4.7.1 Social Media Marketing

The results as illustrated in table 4.21 show that the average mean for the aspects of social media marketing variables varied across the three constructs and an average mean score of 3.677 and standard deviation of 1.014. This indicated that most of the respondents were in agreement with statements asked which meant that social media strategies adopted had influenced on the youth owned agro-processing SMEs. According to majority (88.6%) of the owners were marketing their products and services majorly in social media platforms. This finding is in agreement with Oyza and Edwin (2015) who explained that that the information, which is posted, is a helpful source, which may Influence consumer's decision making. She portrays that people use information on Instagram as the guideline for their future purchase. In addition, Instagram is used as advertising for the marketer. Marketers take this advantage and

create marketing strategy, which in turn could help them gain more customers. Also, (77.2%) of the respondents supported that use of social media had enabled them gain competitive edge in the market. This is supported with a study done by Jennings et al. (2014) who portrayed that small firms are generally at an advantage because their small size makes it easier to get close to customers and obtain valuable feedback. He further explains such an advantage enables small businesses to take advantage of the marketing opportunities networking like use of twitter and word of mouth marketing that it provides. While (64.2%) supported that social media entrepreneurship had enabled firm reach specific customers in the market, findings by Kane et al., (2014) explained that the main advantage of impelmenting social media strategies is an increase in brand exposure. This occur when the customer becomes aware of a product, service or advertisement through at least one of their five senses, whether or not they paid attention to it. Twitter has enabled new brands to establish themselves and foster awareness, For existing brands, Social Media platforms also raise awareness. Although the word of mouth has automatically expanded around the brand, large variety of social media channels like twitter has increased brand visibility. Companies can heavily use Social Media Marketing to build their brand's reputation and enhance their popularity. This is also called online reputation management.

The study findings indicated that social media adopted by the youth owned agro-processing SMEs had enabled them change their initial performance. This could be seen through marketing of its products through social media platforms, using social media marketing to gain competitive advantage in the market and reaching specific customers targeted by the SMEs through social media marketing.

Considerably, social media tools used by SMEs had enabled them to reach specific customers as shown in this study and in particular the literature by (Chui *et al.*, 2012) which indicated that a huge number of consumers go on social media sites or platforms to read reviews about products or services before making a buying decision. This could be a positive or a negative attribute for a company. The positive feature about customers reading reviews before making a buying decision was to work for a company that does what it had advertised, such as providing after-sale care or exceptional customer service. This helps to increase their brand image or improve their reputation and

possibly increase their customer base due to positive reviews written by other customers that had used the company's products or services.

In addition, SMEs are gaining a competitive edge by adopting social media as observed by Evans and McKee (2010) whose findings agreed that use of social media technologies provided insights and ideas on innovative ways to serve customers better. This could be the way of conducting business or offering innovative products and services which can also be communicated to customers through the same social media. Product and service innovation are expected to translate into financial growth of the business. SMEs in Kenya may have an opportunity to come up with innovative ways of sending out message alerts on new products or marketing offers, shopping for products online and exchanging views in blogs in a cheap, convenient and speedy way that the business had provided and in support, Maina, Gichira, Wanjau (2017) found out that technologies have an effect especially on the new product ideas and also information technologies have an effect on the convenience of the new product for the customers.

Additionally, on marketing, Järvinen *et al.*, (2012), states that main reason for using social media as a marketing tool is the possibility of SMEs increasing sales. They explained that, with the help of social media, a firm's sales to its existing customers can be increased meaning social media helps in facilitating a firm's transaction process; whereas sales to new customers can be improved by driving traffic to a website and thus creating good sales

Table 4.21: Social Media Marketing

Social media Marketing	1	2	3	4	5	Std.	
						Mean	Deviation
The organizational is marketing its products and services mostly in social media platforms	4.2	2.4	4.8	65.5	23.1	4.009	0.869
Social media had been used by the firm to gain competitive advantage in the market	4.2	9	9.6	53.8	23.4	3.832	1.022

Social media entrepreneurship had enabled firm reach specific customers in the market	16.8	6.6	11.1	16.2	48	3.189	1.151
Average mean score						3.677	1.014

4.7.2 Customer Relation Improvement through Social Media

The relationship between SMEs and the customers is key if the business is to realize any improvement in performance. The study sought to establish how the SMEs had introduced social media customer relation in order to change their performance. The results as illustrated in table 4.22 indicated that the average mean for the aspects of social media customer relations variables varied across the four constructs and an average mean score of 3.877 and standard deviation of 1.107 meant that indeed the use of social media by the youth owned agro-processing SMEs had influenced their performance. This is because according to (80.2%) of respondents, the customers were able to issue compliments about their products and services for improvement, (66.3%) supported that social media had enabled the firms to improve their products and services while (85%) agreed that social media had enabled customer get what they deserved in the market.

This was deduced to mean that the agro-processing SMEs owned by the youths have adopted social media customer's relation as a strong marketing tool which had had positive impact on the overall performance of their firms. This was because; the customers were able to issue compliments about our products and services for improvement, the Social media had enabled the firm to improve its products and services and the social media had enabled customer get what they deserved in market.

The results were consistent with Paquette (2013) study that Facebook opportunities has been considered by many businesses who sees social as a way to boost their business in conducting business under low cost, increasing market accessibility and easy communication process. This was consistent with study done by Raïes and Gavard-Perret (2011), who explained that Facebook has enabled virtual communities of consumers formed around tangle brands such as in cars like Jeep and goods like Nutella to form a real marketing environment with an online interaction and transaction. Hence, a large number of respondents' disagreed that Facebook has helped the large companies brand rather than the SME's.

On customers getting what they deserved in the market, in support of these findings, in terms of sales figures, the emergence of social media had captured the attention of organisations especially the sales people and managers of organisations. This revealed that there was an increase in the role that social media played in buying process of consumers (Featherstonehaugh, 2010). At the same time, social media-supported transactions had emerged as an important means through which people buy and review products (Stephen & Toubia, 2010). Social media network had also become an integral facilitator of a closer relationship between consumer and an organisation (Tedeschi, 2006). As a result, it is evident that organisations and individuals gained both social and professional benefits from social media indicating that customers got information about a product from people they appreciated. The more positive feedback, the more likely the customer ends up dining there which meant companies no longer controlled their corporate messages, but the power lied in the customers and their experiences. Paquette (2013). There are numerous review-sites on the web, and it had become more of a standard to read evaluations. For example, going out for dinner to a new restaurant now starts with reading analyses on the web from previous customers. The more positive feedback, the more likely the customer will end up dining there.

On products improvement, study findings collaborated with findings by Hill and Jones (2014) who posited that pricing strategy and new product development strategy were the major influences of entrepreneurial marketing that affects the growth of SMEs. It can therefore be inferred that product development strategy followed by pricing strategy third promotional strategy and lastly distribution strategy influenced entrepreneurial marketing on the growth.

Table 4.22: Customer Relation Improvement Through Social Media

Customer relation	1	2	3	4	5	Mean	Std. Deviation
The customers are able to issue compliments about our products and services for improvement	4.2	8.4	7.2	61.9	18.3	3.817	0.969
Social media had enabled the firm to improve its products and services	14.7	12.6	6.3	27.3	39	3.841	1.318
Social media had enabled customer get what they deserve in market	4.8	7.8	2.4	55.3	29.7	3.973	1.034
Average mean score						3.877	1.107

4.7.3 Product /Service Monitoring

The results as illustrated in table 4.23 below indicated that the average mean for the aspects of social media product /service monitoring variables varied across the four constructs and an average mean score of 4.095 and standard deviation of 1.018 was observed. This pointed out that there was a very high relationship between social media use for product /service monitoring and the performance of the youth owned agro-processing SMEs. This meant that there was need for the firms to know how the products they produced performed in the market as compared to those of competitors in terms of market coverage, customers' satisfaction, pricing, competitiveness and future demands. For SMEs, this could be costly and time consuming but the use of social media enabled the SMEs to monitor the goods performance in the market. In this study, it had been shown that social media enabled the youth owned agro-processing SMEs track the goods market coverage, forecast future demands of the product and market researching for future planning.

According to (57.6%) of the respondents, they agreed that social media enabled organizationals to measure market coverage as demonstrated by Chui *et al.*, (2012) who stated that the information obtained from social media platforms had influenced customers' decision to buy a product or use a service. As such, social media multiplies the potential sources of information about demand, adding another level of granularity

to improve distribution efficiency and responsiveness. Based on information shared on social networks by customers or people in the distribution network (example retail store staff), suppliers were able to respond to localized variations in demand and detect stock-outs earlier. Companies were also able to use information derived from social platform to improve inventory control

However, from the interviews, 60% of the respondents felt that social media was risky for them. Past studies support that, although there are lots of channels to take part in, companies need to be careful in extending their social media measures because the image of the company may become shattered and controlling all of the channels may be difficult. There must be a good amount of resources put in to the planning and implementing social media marketing. In support, Pippuri (2014) and Tolvanen (2014) agreed that a good means of advice can also come from friends and family who might have surprising ideas on how to execute a certain marketing aspect. This can be supported by Toyota's sales that went down the slope by 8.7% and its reputation was seriously damaged with the news spreading quickly around the world through traditional media and even more so through social media as it had more capacity to reach more people (Mandelli & Mari, 2012). Toyota's social media expert response team was able to monitor and listen to their customer's complaints and was able to respond aggressively and effectively to the concerns and issues raised and most importantly in a timely manner (Rao, 2010).

Also in support Bennett (2012) agreed that SMEs have been able to reach the remote areas in the market, Social media is taking word of mouth to the next level. When combined with the traditional marketing mix, the probable reach to people is enormous and word of new products can spread at swift rates. Today blogs have an upper hand when it comes to setting trends or distributing news about quality products. For example, a popular beauty blog stated a certain eye shadow palette to be the best there is. It quickly sold out in various different online stores and became the most wanted makeup kit from the years 2011- 2014. This goes to show the power of the consumer, but also the power of the modern day word of mouth.

On market coverage it was shown social media enabled products marketing as supported by 41.4% of the respondents were congruent to this, Nyambu (2013) explored the impact of online networking promoting on execution of media

transmission firms in Nyeri County using the case of Safaricom Ltd. The study found that web-based social networking enhanced the performance of the organizational as it offered a stage for advertising at a cheaper cost contrasted with different types of marketing accessible. The study additionally established that promotional campaign boosted performance of media transmission firms in the four Counties` as it expanded deals and income past the advancement time frame. However, contrary to this study, Situma (2006) studied the Turnaround Strategies Adopted by Kenya Commercial Bank. Despite its emerging popularity, many SMEs are wary to invest the time to participate in social media because it remains unproven if social media engagement translates into increased sales, customer relation, innovation and pricing.

Table 4.23: Product /Service Monitoring

Product /service monitoring	1	2	3	4	5	Std.	
						Mean	Deviation
Through social media the firm is able to know its market coverage	3.6	2.4	6	57.4	30.6	4.090	0.884
Social media had enabled organizational reach remote areas	4.8	3.6	9.3	49.8	32.4	4.015	0.998
Through social media it is more easy forecast firm products sales	8.4	1.2	2.4	40.8	47.1	4.171	1.129
Through social media firm can make market research (Competitive pricing and competition from new entrants in market)	6	2.4	8.4	41.7	41.4	4.102	1.062
Average mean score						4.095	1.018

4.8 Inferential Statistics

This section presents the assumptions and the test that were undertaken.

4.8.1 Test of Assumptions of the Study Variables Results

The following assumptions of study variables were tested; Normality, Linearity, Homoscedasticity and Multicollinearity. This is because when these assumptions are violated, the study results would likely give biased estimates of the parameters (Saunders et al., 2007).

4.8.2 Results of Outliers

According to Creswell (2003), an outlier is any observation that is long away from the general pattern of distribution of variables and from the fitted line. Presence of outliers was detected by use of Mahalanobis d-square test. The detected outliers were dropped after which reasonable box plots were used to show that variables were normally distributed before the analysis as shown in **Figure 4.3**. The figure shows that all box plots were symmetrical with no outliers identified (Tabachnick and Fidell, 2007).

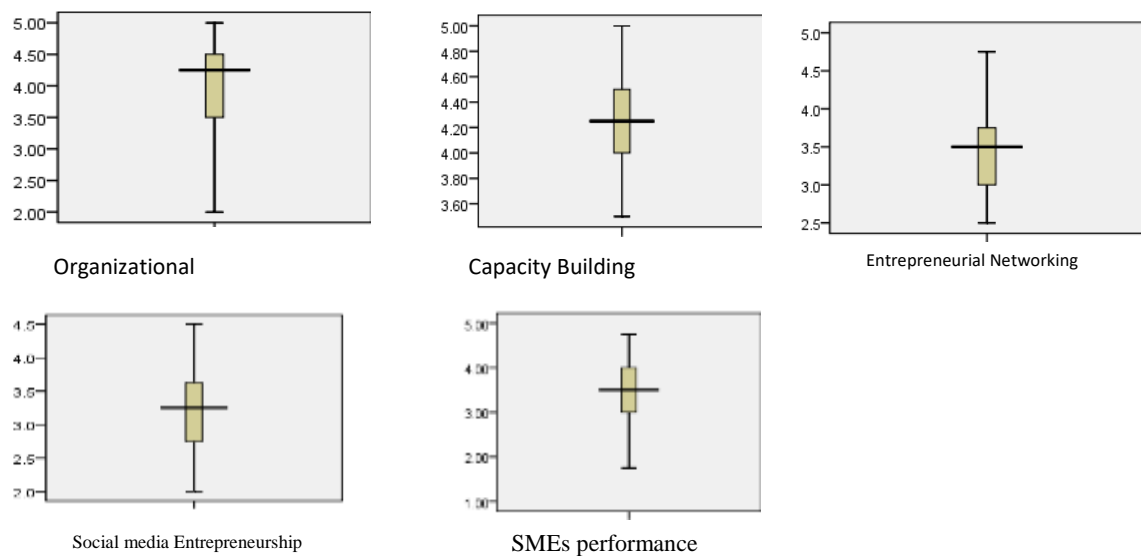


Figure 4.3: Plots after Outliers were dropped

4.8.3 Normality Test Results of Dependent Variable

To test for the normality of the dependent variable (Organizational Performance), Kolmogorov-Smirnova and Shapiro-Wilk tests were conducted. This was done to determine appropriate tests to be conducted and to ensure that assumptions of a normal distribution were not violated. Kolmogorov-Sminov and Shapiro-Wilktest for normality test was used to detect all departures from normality. According to Sharpiro and Wilk (1965) the tests reject the hypothesis of normality when the p-value is less than or equal to 0.05.

Table 4.24 below indicated that the Kolmogorov-Smirnova and Shapiro-Wilk statistics were .041 and .990 respectively. The associated p-value was .200 and .485 for Kolmogorov-Smirnova and Shapiro-Wilk statistics respectively. Since the p-values were greater than the significance level (0.05) (not significant at $p < .05$), this implied that the variables were normally distributed.

Table 4.24: Normality Test Results

Factors	Kolmogorov-Smirnov ^a			Shapiro-Wilk		
	Statistics	df	Sig	Statistics	df	P-value
SMEs performance	.041	4	.200	.990	3	.485

a. Lilliefors Significance Correction

The visualized distribution of random variables of the difference between expected distribution and the observed distribution of strategic renewal, social media entrepreneurship and performance of youth owned agro-processing SMEs are presented in Figure 3.2. and 3.3 (Appendices) The Figures shows minimal deviation from normality. Hence, overall, the distribution appeared normally distributed. According to the computed significant test statistics, for Kolmogrov-Smirnov and Shapiro Wilk tests, normality of dependent variable was maintained. This means that the significance test conducted on the data were accurate (Tabachnick & Fidell, 2007).

4.8.4 Linearity Results

According to Bai and Perron (2008) linearity is the amount of change or rate of change, between scores on two sets of variables that is constant for the entire range of scores

for the variables. It is the consistent slope of change that represents the relationship between an independent variable and a dependent variable (Tabachnick & Fidell, 2007). If a linear model is fit for data which are nonlinearly related (violations of linearity), predictions are likely to be seriously in error (Hansen, 2017). The problem of linearity is fixed by removing outliers (Hansen, 2017). The study assumed linearity of the variables because outliers had been dropped (Hansen, 2017).

4.8.5 Homoscedasticity of the Residuals of Dependent Variable

Assessment of homoscedasticity of the residuals Organizational Performance was computed. OLS assumed that the variance of the error term is constant (Homoscedastic). If the error terms do not have constant variance or having differing variance, they are said to be heteroscedastic. Violation of this assumption leads to bias in test statistics and confidence intervals. Again, Levene Statistics was used to test the hypothesis for the homogeneity of variance that is, the error variances are all equal Orhomoscedastic.

Table 4.22 shows Levene Statistic of 4.642 with an associated p-value of.000. Since the probability associated with the Levene Statistic is 0.000, which is less than 0.05 level of significance, then the hypothesis was not rejected and the conclusion was that the variance of the dependent variable was homogeneous.

Table 4.25: Test of Homogeneity of Variances

Levene Statistic	df1	df2	P-value
4.642	11	136	.000

Similarly, Breusch-Pagan and Koenker test statistics was also used to test the null hypothesis that heteroscedasticity was not present (homoskedasticity) if significant-value is less than 0.05, reject the null hypothesis. Breusch-Pagan test assumes that the residuals are normally distributed. Table 3.5 shows Breusch-Pagan and Koenker test statistics of 12.757 with an associated p-value of.000. Since the probability associated with the Breusch-Pagan and Koenker test was 0.000, which is less than 0.05 level of significance, the null hypothesis was rejected and the conclusion was that the variance of the dependent variable was homogeneous.

Table 4.26: Breusch-Pagan and Koenker Test for Heteroskedasticity

	SS	df	MS	F	Sig
Model	12.757		4.000	3.189	1.088
Residual	416.364		142.000	2.932	-999.000

Source: Field 2018

4.8.6 Multicollinearity Results

To test the correlation between variables, multicollinearity test was conducted. Multicollinearity is a statistical phenomenon in which two or more predictor variables in a multiple regression model are highly correlated (Cooper & Schindler, 2011). It arises when there is a linear relationship between two or more independent variables in a single equation model (Cooper & Schindler, 2011). In a multiple regression analysis, the estimated regression coefficients fluctuate widely and become less reliable as the degree of correlation between independent variables increases (Kothari, 2017). This result in the sample coefficient being far from the actual population parameter and when the coefficients are tested, the t – statistics becomes small, which leads to the inference that there is no linear relationship between the affected independent variables and the dependent variable (Cooper & Schindler, 2011). Multicollinearity also increases the standard errors of the β coefficients, meaning that the β s have relatively higher variability across samples making it difficult to assess the individual importance of a predictor. Detection Tolerance and Variance Inflation Factor (VIF) method was used to test for multi collinearity (Cooper & Schindler, 2011). O’Brien, 1998) suggested that a tolerance of less than 0.20 and a VIF of 5 or 10 and above indicated a multicollinearity problem. Multicollinearity is reflected by lower tolerance values and higher VIF values (Hair et al., 2006).

Table 4.27 below indicated that Variance Inflation Factor (VIF) results for the study variables was less than 5 while Tolerance was greater than 0.2 which shows no multicollinearity between predictor variables.

Table 4.27: Coefficient for Tolerance and Variance Inflation Factor Tests

Variables	Collinearity Statistics	
	Tolerance	VIF
Capacity Building	.707	1.414
Entrepreneurial Networking	.647	1.545
Social media Entrepreneurship	.862	1.161
Organizational Structure	.877	1.140
Mean VIF and Tolerance	.773	1.315

Dependent Variables: SMEs performance

ANOVA

In the results of ANOVA, the required coefficient is R-square, F-statistic, B, standard error, t, and sigma. In this section, the results of ANOVA are described in an easy tabulation form in order to understand the results in a better way. In this study, the dependent variable was regressed and the independent variable was the regressed. This was to show the relationship of these variables by one another. Before explaining the table, the effect of values of the coefficient, t-statistic, probability, F-statistic, R-square were discussed.

Figures 4.4 and 4.5 illustrates the model tests.

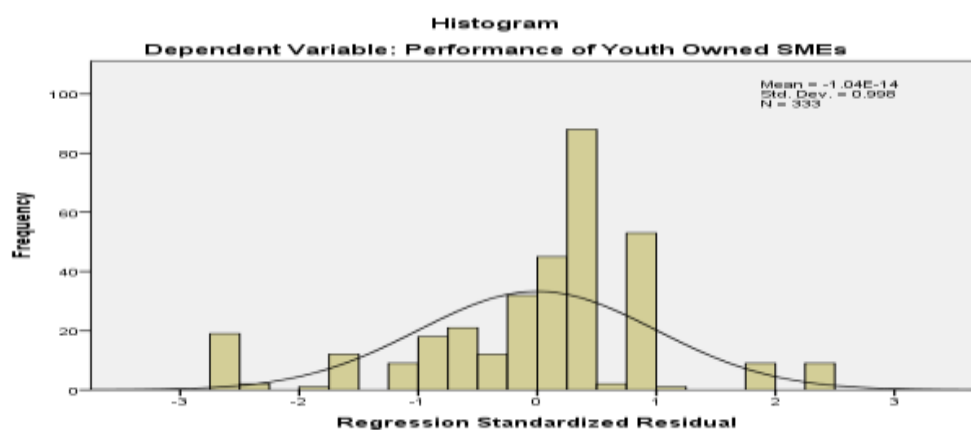


Figure 4.4: Histogram of Standardized Residual of Organizational Structure

Visual examination of the histogram suggests a positive skewness of the standardized residuals. This means the model yields normal distributed values.

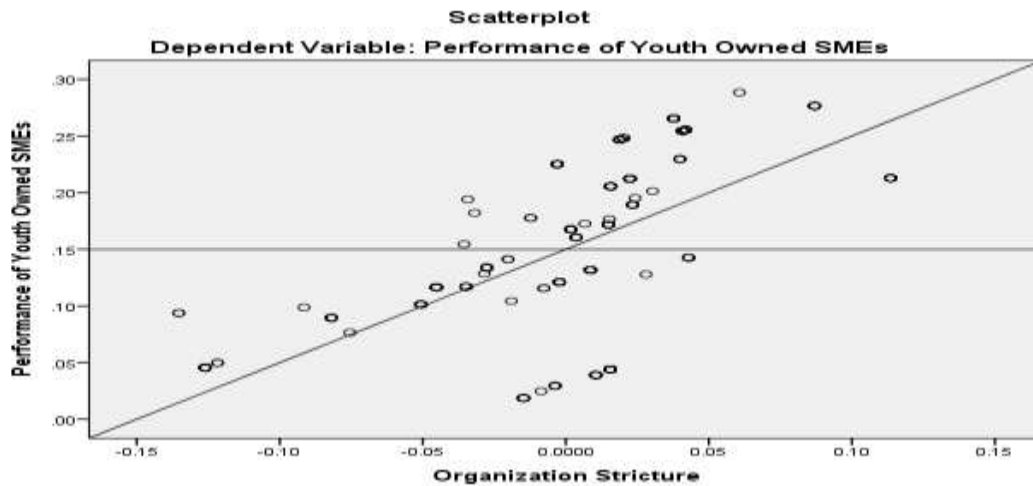


Figure 4.5: Scatter Plot of Standardized Residual of Organizational Structure Strategy Renewal and Performance

The scatter plots of the residuals suggested normal distributions of the residuals since they are evenly distributed in both negative and positive ends. A further test for normality was found necessary. To test for the normality of the dependent variable (Organizational Structure on Performance), Kolmogorov-Smirnova and Shapiro-Wilk tests was conducted. This was done to determine appropriate tests to be conducted and to ensure that assumptions of a normal distribution were not violated. Kolmogorov-Sminov and Shapiro-Wilktest for normality test was used to detect all departures from normality. According to Shapiro and Wilk, (1965) the tests reject the hypothesis of normality when the p-value is less than or equal to 0.05.

Table 4.28: Normality Tests of Standardized Residual of Organizational Structure Strategy

Tests of Normality						
	Kolmogorov-Smirnov ^a			Shapiro-Wilk		
	Statistic	Df	Sig.	Statistic	Df	Sig.
Entrepreneurial Capital	.214	333	.200*	.926	242	.408

a. Lilliefors Significance Correction

Shapiro-Wilk test showed that the Standardized residuals were significantly normally distributed with a significance 0.926 which is greater than 0.05. The findings show that

the independent variable Organizational Structure Strategies Renewal influenced Performance

4.9 Hypotheses Testing

This section explains the results of hypothesis testing;

4.9.1 Effect of Organizational Structure on Performance of Youth Owned Agro-Processing SMEs

The study's first objective was to establish the role of organizational structure on performance of youth owned agro-processing small and medium enterprises in Nyeri, Kirinyaga, Muranga and Nyandarua Counties. The hypothesis and model were as follows;

$$Y_3 = \alpha + \beta_3 X_3 + \epsilon_3$$

Where Y_1 = Performance of SMEs (dependent variable)

X_1 = the independent variable (networking strategies)

β_1 = the coefficient of the independent variable.

ϵ_3 = error term.

The findings are presented in Tables 4.29, 4.30 and 4.31. The hypothesis and model was as shown;

H₀₁: There is no significant influence between organizational structure and performance of youth owned agro-processing small and medium enterprises in selected counties in Kenya

The overall model for the construct organizational structure strategy renewal was based on indicators which formed the questions under this variable. Upon regression, model summary was derived as shown in table 4.29.

Table 4.29: Model Summary on Organization Structure Strategy Renewal and Performance

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
					R	F	df1	df2	Sig. F	n
					Square	Change			Change	
					Change	e			e	

1	.369 ^a	.136	.134	.217171	.136	58.201	1	242	.000	1.667
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a. Predictors: (Constant), Organization Structure Strategy Renewal

b. Dependent Variable: Organization Performance

The analysis showed that $R^2=0.136$ which means that 13.6 % variation in performance was explained by Organizational structure while 86.4percent was explained by other factors not considered in the study.

In Africa, the potential of agro-processing is not fully exploited (IPAP, 2013). Smallholder farming is confined to the informal sector mainly in primary agriculture. Encouraging participation of the smallholder farming entrepreneurs in agro-processing activities has the potential to improve sustainability of farming operations but also contributes to job creation, reduction of poverty and unemployment that are defined as national objectives (World Bank Report, 2013).

The study also conducted Analysis of variance (ANOVA) and the results are as shown in Table 4.30.

Table 4.30: ANOVA on Organization Structure Strategy Renewal

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
	Regression	2.745	1	2.745	58.201	.000 ^b
1	Residual	17.403	242	.047		
	Total	20.148	243			

a. Dependent Variable: Organization Performance

b. Predictors: (Constant), Organization Structure Strategy Renewal

From the results in Table 4.30, the results showed that the calculated F-statistic was 58.201 which was >4 meaning that the model was fit in explaining Organization Performance. The basis of either rejecting or accepting the null hypotheses was determined by whether the p-value was greater or less than 0.05. If the p-value > 0.05 , the null hypotheses was not rejected and if the p-value < 0.05 then the null hypotheses was rejected. Similarly, the P-value for the regression model was 0.000, which confirms

that Organization Structure was significant in predicting Organization Performance and thus null hypothesis was rejected and alternative accepted.

The study further sought to determine the coefficients of the independent variable and the results shown in Table 4.30 were obtained.

Table 4.31: Coefficients of Organization Structure Strategy Renewal

Coefficients				
Model	Unstandardized	Standardized	T	Sig.
	Coefficients	Coefficients		
	B	Beta		
		Error		
(Constant)	.405	.041	9.887	.000
1 Organization Structure Strategy Renewal	.418	.055	.369	7.629 .000

a. Dependent Variable: Performance of Youth Owned Agro-processing SMEs

According to table 4.30, the coefficients showed that holding all other factors constant for every unit change in Organization Structure there is 0.418 change Organization Performance. This implies that there was significant relationship between the Organization Structure and performance. Also if the value of $t > 2$, then the results are significant, in this case table 4.32 shows the value of t was 7.269 which show the significance of Organization Structure Strategy Renewal on performance. Thus, the null hypothesis was rejected and alternative hypothesis accepted.

The success or failure of any organization depends on amount of people efforts in the organization and especially the organizational structure in order to achieve aim of firm that is possible by efficient use of hardware and software resources (Ekpu, 2004). In this regard ability of the management to motivate and create the desire to work hard by employees has a major role thus management structure of organization is mentioned as a vital link between management and staff. Because of the organizing principles policies implementation, management structure could be useful in use of investments, efficient technology, advanced methods of work, the methods of motivating human resources and so on in order to improve productivity in organizations (Lavie, 2006)). The analysis showed that 13.6% change took place in performance due to change in

Organization Structure Strategy renewal. The results of the study were consistent with Lavie (2006) study that found that organization structure was positively related to company effectiveness which was a non-financial performance measure. The results were also consistent with Ekpu (2004) study which found positive relationship between unstructured organization patterns and large firm performance. Zheng, Yang, and Mclean (2010) study observed negative effect of structure on organizational effectiveness therefore inconsistent with this study. Oyewobi, Windapo and Rotimi (2013) study on impact of organizational structure on organization performance, found that it had no direct impact on financial and non-financial performance. Qingmin, Helmut and Juergen, (2012) study in Austria and China found that organizational structure influence performance directly and indirectly.

4.9.3 Moderating Effect of Social Media Entrepreneurship on Relationship between Organization Structure and Performance

Further, the moderating effect of social media entrepreneurship on relationship between organization structure and performance of youth owned agro-processing SMEs was explored. This was assessed by introducing the moderating variable social media entrepreneurship. This study used Hierarchical Moderated Multiple Regression (MMR) analysis to test the moderating effect of social media entrepreneurship on the relationship between organization structure and performance of agro-processing SMEs and draw conclusions on the objectives of the study, the findings are presented in Tables 4.32, 4.33 and 4.34.

Table 4.32: Model Summary for Moderating Effect of Social Media Entrepreneurship on Relationship between Organization Structure and Performance

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	.369 ^a	.136	.134	.217171	.136	58.201	1	242	.000
2	.851 ^b	.725	.723	.122767	.588	786.691	1	242	.000

a. Predictors: (Constant), Organization structure

b. Predictors: (Constant), Organization structure , Social Media entrepreneurship

Table 4.32 illustrates that introduction of social media entrepreneurship increases influence of organization structure from 13.6% to 72.5% this shows that there is 58.9% change in organization performance. These findings therefore show that social media entrepreneurship has a significant moderating effect on the relationship between organization structure and performance agro-processing SMEs.

The study also conducted Analysis of variance (ANOVA) and the results are as shown in Table 4.33.

Table 4.33: ANOVA for Moderating Effect of Social Media Entrepreneurship on Relationship between Organization Structure and Performance

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	2.745	1	2.745	58.201	.000 ^b
	Residual	17.403	241	.047		
	Total	20.148	242			
2	Regression	14.602	2	7.301	484.408	.000 ^c
	Residual	5.546	240	.015		
	Total	20.148	242			

a. Dependent Variable: Performance of Youth Owned Agro-processing SMEs

b. Predictors: (Constant), Organization structure

c. Predictors: (Constant), Organization structure , Social Media entrepreneurship

From the results in Table 4.32, the results showed that the calculated F-statistic was 58.201 before moderation and 484.408 after moderating which both were >4 meaning that there was significant moderating and model was fit in explaining organization performance. The regression model p-value was 0.000, which confirms that social media moderates the relationship between organization structure strategy renewal, organization performance and thus null hypothesis was rejected, and alternative accepted.

The study further sought to determine the coefficients of the independent variable and the results shown in Table 4.36 were obtained.

Table 4.34: Coefficient for Moderating Effect of Social Media Entrepreneurship on Relationship between Organization Structure and Performance

Model		Unstandardized		Standardized	t	Sig.
		Coefficients		Coefficients		
		B	Std. Error	Beta		
1	(Constant)	.405	.041		9.887	.000
	Organization structure	.418	.055	.369	7.629	.000
2	(Constant)	.126	.025		5.011	.000
	Organization structure	.013	.034	.012	.393	.694
	Social Media entrepreneurship	.795	.028	.846	28.048	.000

a. Dependent Variable: Performance of Youth Owned Agro-processing SMEs

According to results illustrated in table 4.34 above, the coefficients showed that holding all other factors constant for every unit change in Organization Structure Strategy Renewal there is 0.418 change Organization Performance before moderating variable (social media) is introduced but after there was change from 0.418 to 0.79 and therefore it was concluded that social media moderates unit change for relationship between Organization Structure Strategy Renewal there is 0.418 change Organization Performance by 0.377 units. Also if the value of $t > 2$, then the results are significant, in this case table 4.35 shows the value of t was 7.269 which show the significance of Organization Structure Strategy Renewal on performance.

The findings showed that there was significant moderating effect of social media entrepreneurship and therefore study concluded that social media entrepreneurship moderates the influence of organization and performance.

4.9.4 The influence of Capacity Building on Performance

The study's second objective was to examine influence of capacity building strategies renewal on performance of youth owned agro-processing small and medium enterprises in selected Counties in Kenya and whose findings are as shown in Table 4.37, 4.38 and 4.39 and the model as hypothesis is as follows.

HO₂: Organizational capacity building has no significant influence on the performance of youth owned agro-processing small and medium enterprises in the selected counties in Kenya.

$$Y_2 = \alpha + \beta_2 X_2 + \epsilon_2$$

Where Y_1 = Performance of SMEs (dependent variable)

X_2 = the second independent variable (capacity building)

β_2 = the coefficient of the second independent variable.

ϵ_2 = error term

Table 4.35: Model summary on Capacity Building on Performance

Model Summary ^b										
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change in R Square	F Change	df1	df2	Sig. F Change	Durbin-Watson
1	.706 ^a	.498	.497	.165524	.498	366.382	1	242	.000	1.877

a. Predictors: (Constant), Capacity building Strategies Renewal

b. Dependent Variable: Performance of Youth Owned Agro-processing SMEs

The overall model for the construct capacity building strategies renewal on performance was tested. The findings as shown in table 4.35 above shows the $R^2=0.498$ which indicated that Capacity Building Strategies Renewal explained 49.8% of the variation on performance. This showed that there was a strong positive correlation coefficient between capacity building strategies renewal and performance in youth owned agro-processing SMEs.

The study also conducted Analysis of variance (ANOVA) and the results are as shown in Table 4.36.

Table 4.36: ANOVA on Capacity Building Strategies Renewal on Performance ANOVA^a

Model	Sum of Squares	Df	Mean Square	F	Sig.
1 Regression	10.038	1	10.038	366.382	.000 ^b
Residual	10.110	242	.027		
Total	20.148	243			

a. Predictors(Constant): Capacity building Strategies Renewal

b.Dependent Variable), Performance

The results in table 4.38 above regression equation coefficients showed that for every unit change in Capacity Building Strategies Renewal there was 20.148 units change in performance of Youth Owned Agro-processing Small and Medium Enterprises. The study p-value was 0.00 which was $< \alpha = 0.005$ and therefore null hypothesis was rejected, t-statistics 3.326 is greater than 2.

In support of the above, Karlan and Vildiva (2010) studied on the role of entrepreneurship training on growth of enterprises in Pakistan using a sample size of 350. The study found that entrepreneurship training of youth entrepreneurs is critical since most of the self-employed poor youths rarely have no formal training in business skills besides ensuring that the youth have adequate skills. Entrepreneurship training also assists youths in identifying and tapping into business opportunities, while embracing modern business techniques. The study concluded that there was need for the youths to be trained in areas relevant to their businesses. Their survey clearly showed that youths with relevant training run successful businesses compared to untrained counterparts. The findings agreed with Kilonzo (2012) argument that entrepreneurship training had been found to help separate the more successful entrepreneurs from those who are less successful. This implied that for the youth entrepreneurs in Kenya, entrepreneurship training is paramount to enhance the performance of their enterprises.

4.9.5 Moderating Effect of Social Media Entrepreneurship on Relationship between Capacity Building and Performance

This study used Hierarchical Moderated Multiple Regression (MMR) analysis to test the moderating effect of social media entrepreneurship on relationship between capacity building and performance of youth owned agro-processing SMEs and draw conclusions on the objectives of the study, the findings are presented in Tables 4.37, 4.38 and 4.39.

Table 4.39: Model Summary for Effect of Social Media Entrepreneurship on Relationship between Capacity Building and Performance

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	.706 ^a	.498	.497	.165524	.498	366.382	1	242	.000
2	.860 ^b	.739	.738	.119499	.241	339.984	1	242	.000

a. Predictors: (Constant), Capacity building strategies

b. Predictors: (Constant), Capacity building strategies , Social Media entrepreneurship

The findings as shown in table 4.39 above indicated the coefficient of determination $R^2=.706$ before moderating variable while after introduction of moderating variable $R^2=.0.739$ and $R^2=.860$. This means that the change before capacity building strategies explained (49.8%) change in performance before moderating variable (social media) but after introduction of moderating variable the explanation changed to (73.8%) which indicated that social media entrepreneurship moderate's relationship between capacity building and performance of youth owned agro-processing SMEs.

The study also conducted Analysis of Variance (ANOVA) and the results are as shown in Table 4.38.

Table 4.38: ANOVA for Effect of Social Media Entrepreneurship on Relationship between Capacity Building and Performance

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	10.038	1	10.038	366.382	.000 ^b
	Residual	10.110	241	.027		
	Total	20.148	242			
2	Regression	14.893	2	7.447	521.473	.000 ^c
	Residual	5.255	240	.014		
	Total	20.148	242			

a. Dependent Variable: Performance of Youth Owned Agro-processing SMEs

b. Predictors: (Constant), Capacity building strategies

c. Predictors: (Constant), Capacity building strategies , Social Media entrepreneurship
 Results of Table 4.38 above indicated that the coefficients $F=366.382$ before moderating and $f=521.473$ after moderating which was 154.142 change and therefore the changes were positive and in both cases >4 . The p-value was 0.00 and therefore <0.05 which implied that the null hypothesis was rejected and alternative hypothesis accepted and therefore there was significant moderation of Social Media Entrepreneurship on relationship between Capacity Building and Performance of Youth Owned Agro-Processing SMEs.

The study further sought to determine the coefficients of the independent variable and the results shown in Table 4.39 below were obtained.

Table 4.39: Coefficients for Effect of Social Media Entrepreneurship on Relationship between Capacity Building and Performance

Model		Unstandardized		Standardized	T	Sig.
		Coefficients		Coefficients		
		B	Std. Error	Beta		
1	(Constant)	.108	.032		3.326	.001
	Capacity building strategies	.834	.044	.706	19.141	.000
2	(Constant)	.070	.023		2.974	.003
	Capacity building strategies	.210	.046	.177	4.535	.000
	Social Media entrepreneurship	.677	.037	.721	18.439	.000

a. Dependent Variable: Performance of Youth Owned Agro-processing SMEs

The coefficients test findings in Table 4.39 above implied that holding all other factors constant, Capacity building strategies by one unit would result in a 0.834 in SMEs performance before moderating variable (social media entrepreneurship) and 0.677 increase in Youth owned Agro-processing SMEs after moderation.

It was therefore concluded that there was significant moderation of social media entrepreneurship on relationship between capacity building and performance of youth owned agro-processing SMEs.

4.9.6 Influence of Entrepreneurial Networking on Performance

The third objective of the study was to examine influence of entrepreneurial networking on performance of youth owned agro-processing small and medium enterprises in selected Counties in Kenya and whose findings are presented in table 4.40, 4.41 and 4.42. Also the hypothesis and model is as follows;

H₀₃: Entrepreneurial networking has no significant influence on the performance of youth owned agro-processing small and medium enterprises in the selected counties in Kenya.

$$Y_3 = \alpha + \beta_3 X_3 + \epsilon_3$$

Where Y_1 = Performance of SMEs (depend ent variable)

X_3 = the third independent variable (networking strategies)

β_1 = the coefficient of the first independent variable.

ϵ_3 = error term.

Table 4.40: Model Summary of Influence of Entrepreneurial Networking on Performance

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
					R Change	F Change	df1	df2	Sig. F Change	
1	.303 ^a	.092	.089	.222708	.092	37.154	1	242	.000	1.772

a. Predictors: (Constant), Entrepreneurial Networking Strategies

b. Dependent Variable: Performance of Youth Owned Agro-processing SMEs

The overall model for the construct Entrepreneurial Networking Strategies were based on indicators which formed the questions under this variable. The findings in Table 4.42 above showed the R Square= 0.092. This meant that Entrepreneurial Networking Strategies explained 9.2% of the variation on performance. The remaining 90.8% was explained by factors other than the ones in the study.

The study also conducted Analysis of Variance (ANOVA) and the results are as shown in Table 4.41 below.

Table 4.41: ANOVA of Influence of Entrepreneurial Networking Strategies Renewal on Performance

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	1.843	1	1.843	37.154	.000 ^b
	Residual	18.252	242	.050		
	Total	20.095	243			

a. Dependent Variable: Performance of Youth Owned Agro-processing SMEs

b. Predictors: (Constant), Entrepreneurial Networking Performance Strategies

The results of Analysis of variance (ANOVA) for regression results in Table 4.41 indicated that the coefficients F=37.154 which was >4 and the p-value was 0.00 and therefore <0.05 which implied that the null hypothesis was rejected and alternative hypothesis accepted. This meant that there was significant relationship between

Entrepreneurial Networking and Performance of Youth Owned Agro-Processing SMEs.

The study further sought to determine the coefficients of the independent variable and the results shown in Table 4.42 were obtained.

Table 4.42: Coefficients of Influence of Entrepreneurial Networking Strategies Renewal on Performance

Coefficients^a

Model	Unstandardize		Standardized	T	Sig.	Collinearity	
	d Coefficients	Std. Error				Beta	Tolerance
	(Constant)	.482	.038		12.553	.000	
1	Entrepreneurial Networking Strategies	.324	.053	.303	6.095	.000	1.000 1.000

a. Dependent Variable: Performance of Youth Owned Agro-processing SMEs

The study coefficients shown in Table 4.42 above indicated that holding all other Entrepreneurial Networking strategies factors constant by one unit would result in a 0.324 change in Performance of Youth Owned Agro-processing SMEs.

Here the value of t is 6.095, which was >2 which implied that there was significant change in application of Entrepreneurial Networking Strategies on performance. This indicated that the Entrepreneurial Networking Strategies influenced performance but the influence though positive had minimal percentage change compared to other factors such as organizational structure and capacity building.

4.9.7 Moderating Effect of Social Media Entrepreneurship on Relationship between Entrepreneurial Networking and Performance

In order to test the moderating effect, the study used Hierarchical Moderated Multiple Regression (MMR) analysis to test analysis and the findings were as presented in Tables 4.43, 4.44 and 4.45 below.

Table 4.43: Model Summary for Moderating Effect of Social Media Entrepreneurship on Relationship between Entrepreneurial Networking and Performance

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Change	F Change	df1	df2	Sig. F Change
1	.303 ^a	.092	.089	.222708	.092	37.154	1	241	.000
2	.854 ^b	.729	.728	.121718	.638	865.008	1	240	.000

a. Predictors: (Constant), Entrepreneurial networking strategies

b. Predictors: (Constant), Entrepreneurial networking strategies , Social Media entrepreneurship

The findings in Table 4.3 above showed the coefficient of determination $R^2 = 0.092$ and $R^2 = 0.729$ which revealed that Entrepreneurial Networking Strategies explained (9.2%) of the variation in performance before moderating variable (social media entrepreneurship) was introduced and (72.9%) variation in performance of youth owned agro-processing SMEs. This means that the moderating variable explained (63.7%) change in the model and therefore it was concluded that there was significant moderation of social media entrepreneurship in the relationship between entrepreneurial networking and performance of youth owned agro-Processing SMEs.

The study also conducted Analysis of Variance (ANOVA) and the results are as shown in Table 4.44 below.

Table 4.44: ANOVA for Moderating Effect of Social Media Entrepreneurship on Relationship between Entrepreneurial Networking and Performance

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	.482	.038		12.553	.000
	Residual	.324	.053	.303	6.095	.000
	Total	.089	.025		3.591	.000
2	Regression	.082	.030	.077	2.717	.007
	Residual	.780	.027	.830	29.411	.000
	Total	20.095	242			

a. Dependent Variable: Performance of Youth Owned Agro-processing SMEs

b. Predictors: (Constant), Entrepreneurial networking strategies

c. Predictors: (Constant), Entrepreneurial networking strategies , Social Media entrepreneurship

The study ANOVA results showed $F=12.553$ and 29.411 before and after moderating respectively which meant that both were > 4 . This implied there was a positive increase in the F-values. The study further showed that $p\text{-value}=0.000$ which was $< \alpha=0.05$ and therefore the null hypothesis was rejected and it was concluded that the moderating variable (Social Media Entrepreneurship) moderated the relationship between Entrepreneurial Networking Strategies and youth owned agro-processing SMEs Performance in the four counties.

The study further sought to determine the coefficients of the independent variable and the results shown in Table 4.45 were obtained.

Table 4.45: Coefficients for Moderating Effect of Social Media Entrepreneurship on Relationship between Entrepreneurial Networking and Performance

Model		Unstandardized		Standardized	t	Sig.
		Coefficients		Coefficients		
		B	Std. Error	Beta		
	(Constant)	.482	.038		12.553	.000
1	Entrepreneurial networking strategies	.324	.053	.303	6.095	.000
	(Constant)	.089	.025		3.591	.000
2	Entrepreneurial networking strategies	.082	.030	.077	2.717	.007
	Social Media entrepreneurship	.780	.027	.830	29.411	.000

a. Dependent Variable: Performance of Youth Owned Agro-processing SMEs

Study coefficients shown in table 4.45 showed that holding all other factors constant, increasing Entrepreneurial Networking strategies by one unit would result in a 0.324 change in Performance of Youth Owned Agro-processing SMEs before moderating variable (Social Media entrepreneurship) was introduced which resulted to increase of 0.780 in performance. This meant that the unit change in performance increased by 0.452 units

4.9.8 Moderating Role of Social Media Entrepreneurship on Relationship between Strategic Renewal and Performance

The last objective was to examine moderating role of social media entrepreneurship on strategic renewal and performance of youth owned agro-processing small and medium enterprises in Nyeri, Kirinyaga, Muranga and Nyandarua Counties, Kenya. This study used Hierarchical Moderated Multiple Regression (MMR) analysis to test the moderating effect of social media entrepreneurship on Relationship between Strategic Renewal and Performance of youth owned agro-processing SMEs. The findings are illustrated in Tables 4.46, 4.47 and 4.48 for relationship before moderating and Table 4.49, 4.50 and 4.51 after moderating variable was introduced. The hypothesis and model was as follows;

HO₄: Moderating role of Social media entrepreneurship has no significant influence between strategic renewal and performance of youth owned agro-processing small and medium enterprises in the selected counties in Kenya.

The regression analysis which was used yielded to an equation of the following nature;

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 XZ + \epsilon$$

Where

Y is the summation/ overall (Performance of SMEs) Dependent Variable,

α is a constant,

β_n are coefficients of the independent variables

X_1, \dots, X_n are independent variables

Z is moderating variable

ϵ is a stochastic [random] error.

Table 4.46: Model Summary Relationship between Social Media Entrepreneurship Renewal and Performance

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	.713 ^a	.509	.505	.164233	.509	126.344	3	239	.000

a. Predictors: (Constant), Entrepreneurial networking strategies , Organizational structure , Capacity building strategies

In this model, a multiple regression was used to establish the relationship between one dependent variable with several variables. Table 4.46 above provided information about the relationship of the dependent and independent variables along before moderating variable. The coefficient of $R^2=0.509$ indicated that the three variables (Entrepreneurial networking strategies, Organizational structure and Capacity building strategies) explained 50.9% of variation in performance of youth owned agro-processing SMEs.

Study further established ANOVA and the finding is as illustrated in Table 4.47.

Table 4.47: ANOVA Relationship between Social Media Entrepreneurship Renewal and Performance of Small and Medium Enterprises Performance

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	10.223	3	3.408	126.344	.000 ^b
	Residual	9.872	239	.027		
	Total	20.095	242			

a. Dependent Variable: Performance of Youth Owned Agro-processing SMEs

b. Predictors: (Constant), Entrepreneurial networking strategies , Organizational structure , Capacity building strategies

As illustrated in Table 4.49 above, the findings showed that $F=126.344$ which was >4 , and the $p=0.000$ which was $<\alpha=0.05$, implied that null hypothesis should be rejected. It was therefore concluded that there is a significant relationship between social media entrepreneurship strategic renewal and performance of Youth Owned Agro-processing SMEs in the four Counties.

The study further established the study coefficients and the results is as shown in Table 4.48 below.

Table 4.48: Coefficients Relationship between Social Media Entrepreneurship Renewal and Performance of Small and Medium Enterprises Performance

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error			
				Beta		
1	(Constant)	.034	.041		.842	.400
	Organizational structure	.103	.046	.090	2.248	.025
	Capacity building strategies	.764	.049	.646	15.479	.000
	Entrepreneurial networking strategies	.072	.042	.067	1.720	.086

a. Dependent Variable: Performance of Youth Owned Agro-processing SMEs

The study coefficients meant that holding other factors constant increasing organizational structure by one unit would result to 0.103 change in performance, one

unit change in capacity building strategies was 0.764 change in performance and one unit change entrepreneurial networking strategies would result to 0.072 change in performance of Youth Owned Agro-processing SMEs in the four Counties.

4.9.9 Moderating Role of Social Media Entrepreneurship and Performance of Small and Medium Enterprises Performance

In this study, three basic conditions of the significance of variables were tested that is independent on dependent, independent on moderator and moderator on dependent and the findings were illustrated in Tables 4.49, 4. 50 and 4.51 below.

Table 4.49: Model Summary of Moderating Role of Social Media Entrepreneurship Renewal and Performance of Small and Medium Enterprises Performance

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	.713 ^a	.509	.505	.164233	.509	126.344	1	242	.000
2	.861 ^b	.741	.739	.119328	.233	328.294	1	242	.000

b. Predictors: (Constant), Entrepreneurial networking strategies , Organizational structure , Capacity building strategies

The coefficient of $R^2=0.509$ of variation in performance was explained by three variables but after moderating role there was change in performance to $R^2=0.741$. This analysis implied that strategic renewal (three variables) without moderating variable explains (50.9%) variation in performance but after introduction of moderating variable (Social Media Entrepreneurship) the strategic renewal explained (74.1%) changes in Performance. This indicated (23.2%) increase in performance when Social Media Entrepreneurship was introduced to the relationship between strategic renewal and performance of youth owned agro-processing SMEs.

The relationship of independent, dependent and moderating variables according to the above regression analysis indicated the role internal social media may play in fostering performance. When SME in its infancy, its crucial and congruent to above, Leonardi, Huysman and Steine (2013) explained that to date, most studies of internal social media have been conducted by scholars within the computer-supported cooperative work (CSCW) and human computer-interaction (HCI) communities. Not many studies have

looked at how internal social media usage impacts employee engagement and overall organizational performance. There is however, considerable research that demonstrates that employees see value in social media (Shami, Nichols & Chen, 2014). The findings as illustrated in table 4.49 indicated that p-value was <0.05 and therefore null hypothesis was rejected indicating that the moderating role of social media entrepreneurship renewal and performance of youth owned agro-processing small and medium enterprises performance was significant. The study conducted analysis of Variance (ANOVA) and results were as presented in table 4.50.

Table 4.50: ANOVA Moderating Role of Social Media Entrepreneurship Renewal and Performance of youth owned agro-processing Small and Medium Enterprises Performance

ANOVA

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	14.603	1	14.603	971.669	.000 ^b
	Residual	5.546	242	.015		
	Total	20.148	243			
2	Regression	16.098	2	8.049	731.314	.000 ^c
	Residual	4.050	241	.011		
	Total	20.148	243			

a. Dependent Variable: Performance of Youth Owned Agro-processing SMEs

b. Predictors: (Constant), Moderating

c. Predictors: (Constant), Moderating, Social Media Entrepreneurship

From the results in Table 4.50 above, the results showed that the calculated F-statistic was 9.71.669 and 731.314 which were both > 4 meaning that the model was fit in explaining moderating role of social media entrepreneurship in relationship between strategic renewal and Performance of Youth Owned Agro-processing SMEs. The basis of either rejecting or accepting the null hypotheses was determined by whether the p-value was greater or less than 0.05. In this study the p-value of the model was 0.000, which indicated a statistically significant model. This showed that social media had a significant influence as moderating variable on the youth owned agro-processing SMEs performance. The null hypothesis was thus rejected with respect to qualification. This indicated that the model is overall good fit.

The study further conducted coefficients test and the findings are as shown in table 4.51 below.

**Table 4.51: Coefficients of Moderating Role of Social Media Entrepreneurship
Renewal and Performance of Small and Medium Enterprises Performance
Coefficients**

Model		Unstandardized Coefficients	Standard ized Coeffie nts	T	Sig.	Collinear ity Statistics		
		B	Std. Error	Beta		Toleran ce	VIF	
1	(Constant)	-.138	.028		-4.976	.000		
	Moderating	1.196	.038	.851	31.172	.000	1.000	1.000
2	(Constant)	-.076	.024		-3.098	.002		
	Moderating	.660	.057	.470	11.668	.000	.337	2.964
	Social Media Entrepreneurship	.440	.038	.469	11.656	.000	.337	2.964

a. Dependent Variable: Performance of Youth Owned Agro-processing SMEs

According to Table 4.51 above, it revealed that holding other factors constant increasing organizational strategic renewal by one unit would result to 0.660 change in performance of Youth Owned Agro-processing SMEs in Kenya. Also if the value of $t > 2$, then it meant results were significant. In this study the value of t was 11.656, which showed the significance of Social Media Entrepreneurship on performance as a moderating factor.

Congruent to these results, Mark *et al.*, (2014) reported that few studies had examined how data from social media platforms could be used to understand organizational behavior. Huy and Shipilov (2012) wrote that many companies had either not used internal social media applications or had failed to optimize their use within their organizationals. Williams, Hausmann, Hardy and Schubert (2013) reported that despite significant interest in, and widespread adoption of, internal social media, along with clear expectations of continued growth in the internal social media market, organizationals remain uncertain about business contributions and long-term management challenges of internal social media.

In support, Nelson *et al.*, (2011) suggested that internal media users are drawn to different levels of contribution depending on their roles in the organizational and that different platforms/applications may have their own adoption patterns in an

organizational. This argument is in support of above since although there is poor networking among the SMEs, social media influenced 7.4% of the performance when introduced. This was an indication that social media entrepreneurship significantly influenced the performance of youth owned agro-processing SMEs. Bhanot (2009) studied the impact of social media on company performance and found that social media influenced companies to reach more customers, increased sales and enhanced brand image of the companies.

As stated earlier, research showed that although organisations have adopted social media technologies, they have only generated a small fraction of the potential value they can create (Bughin, Chui & Manyika, 2012). A study and an in-depth analysis on four major companies that represents almost 20 % of the global industry sales also supports the fact that organizationals are yet to maximize the full potential of social media and technologies (Chui *et al.*, 2012). The same study suggested that social media platforms have the ability and business potential to unlock \$900 billion to \$1.3 trillion in value. This represents a massive value in monetary terms considering the fact that this is a study on just four business sectors (Bughin *et al.*, 2012). The study however, shows that two-thirds of this value creation lies in the improvement of communication and in partnership across and within enterprises. This was not the case in this study since it had influenced the performance.

Ochola (2014) also found that many SMEs had adopted relevant technology in SMEs at various levels. However, the findings differ from Njoroge and Gathungu (2017) who found out that there was no direct association between adoption of ICT and improved performance of YOEs. This is in spite of the perceived massive chances existing for SMEs to enhance growth through application of ICT. Ideally, ICT should be adopted to promote online selling, market research, production processes, networking amongst others to avert the problems of limited market access (Njoroge & Gathungu, 2017). This implies that the growth and development of YOEs could be facilitated through adoption of accessible and appropriate technology.

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

The chapter discusses the summary of the study findings based on the proposed objectives and also discusses the findings of the study and makes conclusions thereafter. Recommendations of the study findings are also discussed. The chapter further makes suggestions for further research.

5.2 Summary of Findings

The objectives and hypothesis of the study were developed through review of empirical and theoretical studies and a well conceptualized model on the relationship between strategic renewal and agro-processing SMEs performance in Kenya, moderated by social media entrepreneurship. Models were developed to measure each of the objective and their corresponding hypothesis and regression assumptions tested to ensure fitness of data. The existing relationships arising from the study are discussed herein.

5.2.1 Relationship Between Organizational Structure and Performance of Youth owned Agro-processing SMEs Selected Counties in Kenya.

The first objective was to establish the role of organizational structure on performance of youth owned agro-processing small and medium enterprises performance in Nyeri, Kirinyaga, Murang'a and Nyandarua Counties. The study showed that $R=0.369$ $R^2=0.136$ which meant that 13.6% of variation in performance was explained by organizational structure. The remaining 86.4% was explained by other factors not considered in the study. But after introduction of moderating variable social media entrepreneurship increased influence of organizational structure from 13.6% to 72.5% and this showed that there was 58.9% change in organizational performance. This meant that social media entrepreneurship had a significant moderating effect on the relationship between organizational structure and performance of agro-processing SMEs.

The study findings showed that SMEs prefer unformulated management, doing things in flexible manner and authority is not hierarchical. Also the SMEs were not divided according to the products that they produce and decision making is not autonomous to

the departments but to manager/owner only. However, matrix was common in organizational structure adopted by the youth owned agro-processing SMEs and this could be because SMEs unlike corporate organizationals are small and have flexible style of management.

5.2.2 Relationship Between Capacity Building and Performance of Youth owned Agro-processing SMEs Selected Counties in Kenya.

The second objective was to examine influence of capacity building on performance of youth owned agro-processing small and medium enterprises in Nyeri, Kirinyaga, Murang'a and Nyandarua Counties. The coefficient of determination indicated that social media entrepreneurship moderates the relationship between capacity building and performance of youth owned agro-processing SMEs.

The change before was (49.8%) but after introduction of moderating variable the influence changed to (73.8%) this indicated that social media entrepreneurship moderate's relationship between capacity building and performance of SMEs. This was interpreted to mean that the youth owned agro-processing SMEs have invested on training its management on products investment and capital allocation in order to ensure that it improves on its performance. Also the agro-processing SMEs have experienced change in performance due to changes related to management skills. This includes the introduction of planning and budgeting before embarking on new innovations, change of information sharing criteria and breaking down of information sharing in the firms.

Although book keeping training is helping agro-processing SMEs to improve on their performance because they are to hold everyone accountable, allocate funds in an easy manner and have clear and transparent book keeping procedures. Some of the owners of the SMEs felt that they were not well trained on book keeping and investments decision.

5.2.3 Relationship between Entrepreneurial Networking Strategies and Performance

The third objective was to examine influence of entrepreneurial networking on performance of youth owned agro-processing small and medium enterprises performance in Nyeri, Kirinyaga, Murang'a and Nyandarua Counties.

The coefficient of determination shows that Entrepreneurial Networking Strategies explained 9.2% of the variation on performance while the remaining 90.8% was

explained by factors other than the ones in the study. But after the introduction of moderating variable social media entrepreneurship the relationship changes from (9.2%) to (72.9%) and therefore the moderating variable explains (63.7%) changes in the model and therefore it was concluded that there is significant moderation of social media entrepreneurship in the relationship between entrepreneurial networking and performance of youth owned agro-Processing SMEs. Also study findings showed that professional networking plays key role in performance of the agro-processing SMEs. This is why the management have joined professional bodies and are encouraging employees to also join professional bodies to enhance networking. It was also found that agro-processing SMEs are members of business networks that helps them improve on their performance. This is because they are members of SMEs that meet on weekly basis, are members of SMEs offering same goods and services and are also members of general SMEs.

The youth owned agro-processing have social networks that enables the SMEs to maintain cordial undefined networks with other SMEs, shares products and services with other SMEs, outsources products/services from other SMEs when demand is high and have unwritten code of conduct that they share in the market which in turn influences their performance.

5.2.4 Moderating Effect of Social Media Entrepreneurship on Relationship between Strategic Renewal and Performance

Fourth objective of study was to establish moderating role of social media entrepreneurship and performance of youth owned agro-processing small and medium enterprises in Nyeri, Kirinyaga, Murang'a and Nyandarua Counties.

Findings of the study revealed coefficient of $R=0.713$ and $R^2=0.509$ meaning that 50.9% of variation in performance was explained by social media entrepreneurship. But after the moderating variable was introduced $R^2=0.741$. This meant that Social media adopted by the youth owned agro-processing SMEs had enabled them change their initial performance. This could be seen through marketing of its products through social media platforms, using social media marketing to gain competitive advantage in the market and reaching specific customers targeted by the SMEs through social media marketing. It was also revealed agro-processing SMEs owned by the youths have adopted social media customer's relation which had had positive impact on the overall performance of their firms. This is because; the customers are able to issue compliments

about our products and services for improvement, the Social media had enabled the firm to improve its products and services and the social media had enabled customer get what they deserve in market. Mangold and Faulds (2009) suggested the use of SM as part of an organisations' promotional tool and their integrated marketing communication (IMC) strategies helps in the promotion of organisations and their products. The study organisations argued that they use social media tools as part of their IMC which helps them bring their organisations and products to the outside world. Although SM is of great benefit according to study organisation, they were not able to quantify the actual benefits derived from social media and could not tell how much it had contributed to sales. But they know that SM had helped them cross borders and given them business opportunities where some few years ago it would have taken a long time transacted. Product awareness, customer feedback and tracking what competitors are doing are also some of the benefit derived from SM.

Study results found that there is need for the firms to know how the products they produce are doing in the market as compared to those of competitors in terms of market coverage, customers' satisfaction, pricing and competitiveness and future demands. For SMEs this can be costly and time consuming but the use of social media as enabled the SMEs to monitor the goods performance in the market. In this study it had been shown that social media enables the agro-processing SMEs track the goods market coverage, forecast future demands of the product and market researching for future planning. The findings showed that, social media entrepreneurship moderated the relationship between strategic renewal and performance of youth owned agro-processing SMEs. This was tested fitting an overall hierarchical moderated multiple regression model considering joint effect of social media entrepreneurship. A significant R-square change was found and thus the null hypothesis rejected.

Social media adopted by the youth owned agro-processing SMEs had enabled them change their initial performance. This could be seen through marketing of its products through social media platforms, using social media marketing to gain competitive advantage in the market and reaching specific customers targeted by the SMEs through social media marketing. It was also revealed agro-processing SMEs owned by the youths have adopted social media customer's relation which had had positive impact on the overall performance of their firms. This is because; the customers are able to

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5.3 Conclusion

The result of organizational structure effect on the performance was found to be significant. The study found that most of the youth owned agro-processing SMEs had matrix type of structure where there is no standard way of doing things but a flexible way of management. Capacity building of the SMEs owners was also found to have significant effect on the performance. Although the firms had introduced empowerment on investment decision and book keeping the firm owners still felt that they needed more training especially on financial management.

The SMEs owners need to seek ways to acquire skills on financial management and entrepreneurship decision making. This is very important if they are to grow from SMEs to corporations which will also translate to better performance and competitive advantage in the market.

The results on entrepreneurship networking were significant and therefore it was concluded that entrepreneurship networking influences performance of the agro-processing SMEs in Kenya. This means that for the SMEs to survive in the ever changing market there is need for the SMEs to establish professional, business and social networks since they each play a role in the business world. This is mainly because no SMEs can survive or grow on its own without involving others to share ideas or get goods and services needed.

The study also made conclusion that social media entrepreneurship significantly moderates relationship between strategic renewal and performance of youth owned agro-processing SMEs. This had resulted in increase on influence of organizational structure, capacity building and entrepreneurial networking. This shows that social media plays a key role in the performance of youth owned agro-processing SMEs in Kenya.

5.4 Recommendations

The study revealed that there was a significant relationship between organizational structure and performance. However, the structure adopted mainly was flexible and not standardized and therefore study recommends that there is need for youth owned agro-processing SMEs to formalize structures in the organizationals in a way that will be easy to manage. This is because although matrix structure might currently be working, there will be a challenge as organizational grow.

Capacity building was also found to significantly and positively influence the performance of the agro-processing SMEs owned by the youths. However, there is need for the SMEs to further seek training on financial management and investment decision. This is because there is need for the SMEs management to empower their employees in terms of training and book keeping.

Entrepreneurship networking was also found to have significant effect on the performance of the agro-processing SMEs owned by the youths. However, there is need for the SMEs to further establish networks outside their business circle and seek networks with other bigger firms in the market. They should also establish network with government and firms outside the country for growth and diversification.

Social media significantly moderated the relationship between strategic renewal and performance of youth owned agro-processing SMEs. The study therefore recommends that there is need for the SMEs to invest more on social media market and product research so as to gain more on the market needs and competitive pricing and distribution strategies. This is mainly because although they are advertising there is need to quantify the actual use of social media and find ways to market it effectively. This study recommends that the SMEs come up with specific policy guidelines especially as the

users on their platforms keep increasing. This would help them properly harness the feedback into productive outcomes. Finally, the SMEs did not have any policy guidelines regarding their choice of digital platforms, or the kinds of messages to be uploaded on the identified platforms. This study therefore, recommends that the youth owned agro-processing SMEs develop policies to guide this entire process as the digital platforms becomes more and more proliferated and sophisticated.

5.5 Implications on Policy, Theory and Practice

Altogether, the theoretical contribution of this dissertation to the literature on strategic renewal, social media and performance is fourfold. This research contributes (1) to the understanding of the role of organizational structure strategy renewal on performance, (2) to capacity building strategies renewal on performance of youth owned SMEs, (3) to the influence of entrepreneurial networking strategies renewal on performance, and (4) to the moderating role of social media entrepreneurship on strategic renewal and performance of youth owned agro-processing small and medium enterprises performance in Kenya.

First, this research provides empirical evidence for the effect of organizational structure and performance of the youth owned agro-processing enterprises. To date, the literature lacks with regard to studies that investigate all three dimensions simultaneously. Studies such as (Menz, 2012; Isaga, 2015; Laguna, Wlechetek and Talk, 2012; Ongachi, 2013) have shown the empirical review on organizational structure but none had looked at the youth owned agro-processing enterprises in relation to strategy renewal. My findings in this context add to those of other organizational structure. Yet, to the best of my knowledge, the study presented here is the first to show how this organizational structure strategy influence performance of the youth owned agro-processing SMEs in Nyeri, Kirinyaga, Muranga and Nyandarua Counties.

Second, the studies presented offer empirical evidence for the relevance of capacity building strategies renewal on performance of youth owned agro-processing SMEs. A number of scholars have already shown that entrepreneurial capacity influence performance (Rahman et al., 2011; Jagero et al., 2012; Saeed and Asghar, 2012; Jagero et al., 2012; McCarthy *et al.*, 2011; Kassim & Sulaiman, 2011; Agbim, 2013) add to the arguments of these researchers as i consider relationships between entrepreneurial capacity to be crucial in SMEs. In addition, the research presented explains how entrepreneurial capacity influence performance.

Third, the study results provide evidence that entrepreneurial networking influenced performance of youth owned agro-processing SMEs. The past researches have failed to relate how entrepreneurial networking strategy renewal influence SMEs for example (Kowalkowski *et al.*, 2013; Mano *et al.*, 2012; Giudici *et al.*, 2013). I add to the arguments of these researchers as i consider crucial relationship entrepreneurial networking strategy renewal influence on performance of youth owned agro-processing SMEs.

Fourth, this study was unique in that it wanted to find out if the social media moderates the performance of the youth owned agro-processing enterprises and there was positive significance influence. Past researchers have not shown this but they have looked at social media and performance alone (Heidemann *et al.*, 2012). This study had shown that this variable moderate's youth owned SMEs in the four Counties. Overall, the quantitative study presented in chapter four confirmed most of the individual level propositions derived from qualitative analysis.

On policy implication, this study contributes to existing knowledge on factors influencing the youth owned agro-processing enterprises. The study can be used by government of Kenya, the County Governments and SMEs in making their policies. They can advance their performance by following some of the suggestions such as social media adoptions. This study adopted cross-sectional survey and data was collected using questionnaires and interview schedule. The data was analyzed using descriptive analysis.

5.6 Suggestions for Further Research

There are a number of gaps in strategy renewal and moderating role of social media entrepreneurship in performance of youth owned agro-processing enterprises and from the findings of this study it would benefit further research, including realist evaluation to extend and further test the theory already developed here;

- a) In-depth exploration of how organizational structure strategy influences performance among the youth from urban and rural areas in Kenya.
- b) Research to develop approaches and carry out a full cost–benefit analysis of public social media entrepreneurship in the SMEs owned by the youth in rural areas and challenges experienced.

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Appendices

Appendix I: Introduction Letter

Francis K Kariuki

B400/1515P/14

Karatina University

P.O. Box 1957-10101

Karatina.

To Whom It May Concern

RE: Request to Collect Data on Strategic Renewal, Social Media Entrepreneurship And Performance of Youth Owned Agro- Processing Small and Medium Enterprises in Kenya.

I am undertaking a research to determine the **Strategic Renewal, Social Media Entrepreneurship and Performance of Youth Owned Agro-processing Small and Medium Enterprises in Kenya**. This is in partial fulfillment of the requirement of the PhD Course which I am undertaking at the Karatina University.

Youth owned agro-processing SMEs in Kenya had been chosen as the study based on its strategic importance in the achievement of the objective of study. I therefore kindly request your participation in the collection of data as per the attached questionnaire. This is an academic research and therefore, the information obtained during the research process will be used strictly for academic purposes and will be treated with utmost confidentiality. Your kind support in this regard will be highly appreciated.

Thank you in anticipation.

FRANCIS K KARIUKI

B400/1515P/14-PhD Student Karatina University-School of Business

Appendix II:

Introduction Letter from Karatina University



Inspiring Innovation and Leadership
KARATINA UNIVERSITY
SCHOOL OF BUSINESS
OFFICE OF THE DEAN
Email: deansob@karu.ac.ke

Tel: +254-(0)726311055

P.O. BOX 1957 – 10101,
KARATINA,
KENYA.

12th February, 2018

TO WHOM IT MAY CONCERN:

RE: KARIUKI FRANCIS KABUI – B400/1515P/14

This is to confirm that the above named is a bonafide student at Karatina University School of Business; he is pursuing a PhD in Strategic Management.

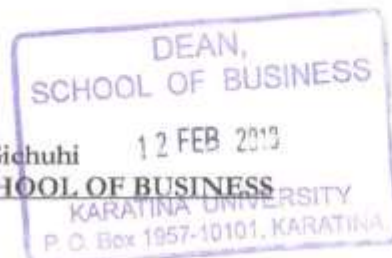
Francis has successfully defended his PhD proposal and he has been permitted to collect data on his thesis titled: "**Strategic Renewal, Social Media Entrepreneurship and Performance of Youth Owned Enterprises in Kenya, Nyeri County**".

Any assistance accorded to him will be highly appreciated.

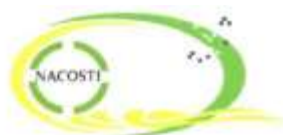
Thank you.



Dr. David Gichuhi
DEAN, SCHOOL OF BUSINESS



Appendix III: NACOSTI Permit



NATIONAL COMMISSION FOR SCIENCE, TECHNOLOGY AND INNOVATION

Telephone: +254-20-2213471,
2241349, 3310571, 2219420
Fax: +254-20-318245, 318249
Email: dg@nacosti.go.ke
Website: www.nacosti.go.ke
When replying please quote

NACOSTI, Upper Kibete
Off Wasaki Way
P.O. Box 30623-00100
NAIROBI-KENYA

Ref. No. **NACOSTI/P/18/91684/22583**

Date: **6th September, 2018**

Francis Kabui Kariuki
Karatina University
P.O. Box 1957-10101
KARATINA.

RE: RESEARCH AUTHORIZATION

Following your application for authority to carry out research on "*Strategic renewal, social media entrepreneurship and performance of Youth Owned Enterprises, Nyeri County*" I am pleased to inform you that you have been authorized to undertake research in **Nyeri County** for the period ending **5th September, 2019**.

You are advised to report to **the County Commissioner and the County Director of Education, Nyeri County** before embarking on the research project.

Kindly note that, as an applicant who has been licensed under the Science, Technology and Innovation Act, 2013 to conduct research in Kenya, you shall deposit a **copy** of the final research report to the Commission within **one year** of completion. The soft copy of the same should be submitted through the Online Research Information System.


BONIFACE WANYAMA
FOR: DIRECTOR-GENERAL/CEO

Copy to:

The County Commissioner
Nyeri County.

The County Director of Education
Nyeri County.

Appendix IV: Questionnaire

Introduction

Most of the questions below are organized on summated Likert scale indicating a five-point rating system: strongly agree, neither agree nor disagree, disagree and strongly disagree assigning values of 5, 4, 3, 2 and 1 respectively. Kindly fill the questionnaire by writing and or ticking (\surd) where necessary.

Part A. The respondent's bio data

1. Please indicate your age bracket

20-25 years [] 26-30 years []
31-35 years []

2. Your gender

Male [] Female []

3 Marital Status:

Married [] Single [] Widowed []

4 Designation: Owner [] Owner-manager []
Employee []

5 what is your level of education?

Primary [] Secondary [] College []
University [] None []

6 For how long have you operated as a firm?

0-3 years [] 4-7 [] 8-11 []
12- 15 [] 16 -20 [] above 20 []

Part B: Organizational Structure and Performance

1. The factors stated below relate to the **organizational structure**, kindly (tick) all the appropriate columns and indicate your level of agreement. Use a scale of 1 to 5 where 1 is to a strongly agree and 5 is strongly disagree.

Following organizational structure related changes introduced in the firm to improve on performance in changing market, indicate level of agreement with the statements?		Strongly disagree	Disagree	Neither agree nor disagree	Agree	Strongly Agree
	Functional structure	1	2	3	4	5
1	The management had introduced formalization in the firm	1	2	3	4	5
2	Everything is standardized and specialized per department	1	2	3	4	5
3	There is a clear Hierarchy of Authority in each department	1	2	3	4	5
	Divisional structure	1	2	3	4	5
1	Our firm is divided according to the products or services	1	2	3	4	5

2	Currently decisions are made as per the division e.g. marketing division (autonomy)	1	2	3	4	5
	Matrix structure (Function and divisional)	1	2	3	4	5
1	Departments come together to work on projects	1	2	3	4	5
2	The firm works as a team to achieve its tasks regardless of departments	1	2	3	4	5
3	In the firm, anyone can work in any project or product	1	2	3	4	5

Any other (specify)

.....
.....
.....
.....

Part C: Capacity Building and Performance

1. Capacity building strategies renewal and performance - kindly (tick) all the appropriate columns. Kindly indicate your level of agreement. Use a scale of 1 to 5 where 1 is to strongly agree and 5 is strongly disagree.

Following organizational Capacity building related changes introduced in the firm to improve on performance in changing market, indicate level of agreement with the statements?		Strongly disagree	Disagree	Neither agree nor	Agree	Strongly Agree
	Investments training	1	2	3	4	5
2	The firm management had been trained on products to invest in and those to avoid	1	2	3	4	5
3	The firm had been trained on capital allocation	1	2	3	4	5
4	Management skills training	1	2	3	4	5
5	The firm had introduced planning and budgeting before embarking on new innovations	1	2	3	4	5
6	The management had changed the information sharing to increase innovation of new products	1	2	3	4	5
7	Decision making had been broken down to smaller units to encourage competitiveness and innovation by firm	1	2	3	4	5
8	Book keeping training	1	2	3	4	5
9	In the organizational everyone is held accountable for funds allocated by providing clear paperwork	1	2	3	4	5
10	Funds allocation to products and services is seamless as long as its supported by clear budget	1	2	3	4	5
11	Management of the firm encourages transparent book keeping	1	2	3	4	5

Any other (specify)

.....

Part D: Entrepreneurial Networking and Performance

1. Are you a member of any social network/social groups related to the running of your business?

Yes [] No []

If yes, what are the activities carried out in the social network/social groups?

.....

2. To what extent does being a member of a social network/social groups assist you in improving the performance of your business?

Very great extent [] great extent [] moderate extent [] low extent []

Very low extent []

3. The following statements relate to how networking skills influences performance and growth of SMES. To what extent do you agree with each of the statement? Use a scale where 1- To a very low extent, 2- To a low extent, 3- To a moderate extent, 4- To a great extent and 5-To a very great extent

Following organizational Entrepreneurial Networking related changes introduced in the firm to improve on performance in changing market, indicate level of agreement with the statements?		Strongly disagree	Disagree	Neither agree nor	Agree	Strongly Agree
1	Professional networks	1	2	3	4	5
2	The company encourages employees to join others with same professional for example accountants to join professional bodies related to accounts	1	2	3	4	5
3	The firm management has joined professionals to increase their knowledge and ideas in market	1	2	3	4	5
	Most of the employees are members of professionals bodies	1	2	3	4	5
4	Business/strong networks	1	2	3	4	5
5	The firm is a member of SMEs groups that meets weekly to share ideas and challenges	1	2	3	4	5
6	The firms have network with similar SMEs offering same products/services to create customers networks	1	2	3	4	5
7	The firm is a member of general SMEs that once in a while in the town	1	2	3	4	5
8	Social networks	1	2	3	4	5
9	The firm maintains cordial undefined networks with SMEs around it	1	2	3	4	5

10	The firm shares products and services with other SMEs	1	2	3	4	5
11	The firm outsources products/services from other SMEs when demand is high	1	2	3	4	5
12	The SMEs have unwritten code of conduct that they share in the market	1	2	3	4	5

Any other (specify)

.....

Part E: Social Media entrepreneurship strategic renewal and performance

1. Please indicate the extent to which you agree with the above statements

Following organizational Social Media entrepreneurship related changes introduced in the firm to improve on performance in changing market, indicate level of agreement with the statements?		Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly disagree
	Marketing					
1	The organizational is marketing its products and services mostly in social media platforms	5	4	3	2	1
2	Social media had been used by the firm to gain competitive advantage in the market	5	4	3	2	1
3	Social media entrepreneurship had enabled firm reach specific customers in the market	5	4	3	2	1
	Customer relation	5	4	3	2	1
1	The customers are able to issue compliments about our products and services for improvement	5	4	3	2	1
2	Social media had enabled the firm to improve its products and services	5	4	3	2	1
3	Social media had enabled customer get what they deserve in market	5	4	3	2	1
	Product /service monitoring	5	4	3	2	1
1	Through social media the firm is able to know its market coverage	5	4	3	2	1
2	Social media had enabled organizational reach remote areas	5	4	3	2	1
3	Through social media it is more easy forecast firm products sales	5	4	3	2	1
4	Through social media firm can make market research (Competitive pricing and competition from new entrants in market)	5	4	3	2	1

Any other (please specify)

.....

Part F: SMEs Performance

Any other (please specify)

.....

Kindly indicate how performance had been influenced after introduction of strategic renewal in the firm		Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly disagree
	Market share	5	4	3	2	1
1	The firm had increased the number of customers	5	4	3	2	1
2	The firm had increased the geographic reach of its products and services	5	4	3	2	1
3	This firm's market had been growing over the years	5	4	3	2	1
	No of product/service	5	4	3	2	1
1	The organizational had introduced new products and services to meet its clients demand	5	4	3	2	1
	Satellite branches					
1	The firm had introduced new branches, depots and centers for its products and services	5	4	3	2	1
	Number of employees	5	4	3	2	1
1	The organizational had continued to employ new employees to meet its customers need over the years	5	4	3	2	1
	Profitability	5	4	3	2	1
1	Our annual sales greatly increase each year.	5	4	3	2	1
2	This firm's outreach is so far good enough in the market	5	4	3	2	1
3	The customer retention rate is high.	5	4	3	2	1
4	The company output this year had increased	5	4	3	2	1
5	The firm's stock turnover is low	5	4	3	2	1

1. Rate the performance of the firm by filling the percentage increase in each of the given factors (e.g 1% or 10%). For the years indicated in table.

	In 2013-2017	2013 (%)	2014 (%)	2015 (%)	2016 (%)	2017 (%)
1	Firm's growth rate improved by:					
2	Firm's sales increment :					
3	Customer retention rate improved by:					
4	Firm's operations expansion was improved by:					
5	Firm's stock turnover rate					
6	Firm's market coverage increased by:					