



Moderating effect of social media on relationship between entrepreneurial networking and performance of youth owned agro-processing SMEs in Kenya

Francis K. Kariuki^(a), Beatrice Ombaka^(b), Teresa Kyalo^(c)



^(a,b,c)Business and Economics Department, School of Business, Karatina University – Africa, Nyeri, Kenya

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ABSTRACT

This paper was anchored on a pragmatic research paradigm. The study used a cross-sectional survey where a self-semi structured questionnaire was administered to collect the primary data from the target population who were youth-owned SMEs. The study was limited to 135 youth-owned enterprises where 357 employees were selected randomly to form the study sample; the key respondents of the study were limited to owner-managers of small and micro enterprises and top management employees. The questionnaires were tested for reliability and validity. Data were analyzed using descriptive and inferential statistics. The study revealed that there is a significant relationship between youth-owned. The study revealed that entrepreneurship networking has a significant effect on the performance of the agro-processing SMEs owned by the youths. However, there is a need for SMEs to further establish networks outside their business circle and seek networks with other bigger firms in the market. The study, therefore, recommends that there is a need for SMEs to invest more in social media marketing and networking of the SMEs for improved performance.

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Introduction

The general objective of the study was examine influence of entrepreneurial networking on performance of youth owned agro-processing small and micro enterprises performance in Kenya. 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. This study seeks to examine how networking has influenced the performance of agro-processing SMEs owned by youths especially with help of social media.

Besides, as evidenced with tertiary institutions, graduates are not gainfully employed either by self or government institutions. In support of this, Ochonma (2011) reported that about 2.8 million fresh graduates enter the labour market annually and only 10% of these are gainfully employed. According to Waita, (2014) in Kenya, it is estimated that 64% of unemployed persons in Nyeri, Kirinyaga, Muranga and Nyandarua Counties are youth while the rest 34% is attributed to be adults. This shows the need to support the informal sector to create employment and despite its contributions the SMEs in informal sector faces myriad of challenges but contribute to growth of economy all over the world.

The agricultural sector in Kenya is left to the weak and less educated with poor access to extension services, credit and technology (Leavy & Hossain, 2014). Even as the government takes impetus to develop rural economies to be attractive for farming, the youth are still not attracted to agribusiness (Swarts & Aliber, 2013). Despite the potential benefits that might accrue from participation in agro-processing and value addition activities, in developing countries small-scale agripreneurs are mainly confined to the informal

* Corresponding author. ORCID ID: 0000-0002-756-3346

sector and are focused on primary agriculture, whereas participation in agro-processing and value addition activities requires agripreneurs to be flexible in production methods, and at the same time, they must pay attention to cost elements (Urban & Xaba 2016). A critical review of the literature shows that obstacles to participation in agro-processing activities are exacerbated by the intensity of human capital requirements necessary for small-scale agripreneurs to navigate the different value chain phases in agro-processing by moving from upstream to downstream activities (World Bank 2016). Research reports that lack of capacity, skills and knowledge at all levels of small and medium enterprises (SMEs) is a major constrain towards improved competitiveness of agribusinesses (Nkosi *et al.* 2013; Urban & Xaba 2016). An inadequate set of entrepreneurial skills among rural agripreneurs limits agricultural development, specifically in terms of the management and operations of their enterprises (Oelofse & Van der Walt 2015). This research intends to establish the relationship between entrepreneurial networking on performance of youth owned agro-processing small and micro enterprises performance in Kenya. This is because while most of above studies have contributed to the understanding of various aspects of performance in SMEs the area of youth owned SMEs in agro-processing has been neglected.

Literature Review

Theoretical Studies

Social Network Theory

This paper was anchored on Social network theory, this theory views social relationships in terms of nodes and ties (Shafie *et al.*, 2011). 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 has its origin embedded in the mathematical graph theory and has a long and distinguished history in the social sciences and psychology where it has been used to investigate human social organization (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 (Shafie *et al.*, 2011). 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 *et al.* (2007), this approach has 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.

Empirical Review

Small and Micro Enterprises

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 Organization, 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 and Mahmood, 2013)

In addition past studies indicate that the SMEs sector in Nyeri, Kirinyaga, Muranga and Nyandarua Counties are 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, 2013). This implies that SMEs in these four Counties may be lacking the strategies to utilize the social media for their growth. This study therefore was based on assumption that social media can positively impact youth owned agro-processing enterprises growth.

Although studies show a positive correlation between social media and enterprises, proper understanding of social media tools is yet to be fully achieved. Wire (2012) illustrates this through a survey conducted by Constant Contact Inc in the United Kingdom (UK) on 680 SMEs in October 2011. It was revealed that big brands make use of social media marketing to convey their strong existence and friendly customer relationship (Saravanakumar, Gupta. & Ghatak. 2012).

The strategic importance of the small and micro 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.

Agro-processing involves the manufacture of raw materials and intermediate goods derived from the agricultural sector into finished products. The raw materials can be obtained from different subsectors, such as agriculture, forestry, and fisheries. 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 has 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. Small enterprises have the potential to operate as economically efficient as larger plants whose competitive advantage is economies of scale (Mather, 2005). Competitive advantage stems from possession of unique set of various assets such as location advantages, natural resources, social capital, human capital and proximity to inputs whose efficient utilization give an enterprise the edge over others. 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 and Machethe, 2011).

In Kenya, despite the critical role played by the SME in the country, most of the youth business startups are faced with many challenges where over 90% of the businesses fail at their third year (Njoroge & Gathungu, 2013). Mullei & Bokea, as cited in Wambugu, (2005) stated that in Kenya, very few enterprises have grown into large formal organizations, an adverse scenario that is apparently common among youth owned business enterprises raising questions if agro-processing youth owned SMEs in the four counties are strategically oriented to overcome the already existing challenges causing high mortality rate. Studies in developing countries have focused on the effect of single strategic orientation coupled with other factors on SME performance, hence creating a gap on how strategic renewal through social media influence performance.

Youth Owned Enterprises

The United Nations, for statistical purposes, defines youth, as those persons between the ages of 15 and 24 years. The Policy defines a Youth as person aged 18 years and who has not reached the age of 35 years (Kenya Constitution 2010). This study defines youth as any individual aged between 18-35 years. 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 population. The authors further explained that employment rates were lowest among those without post-secondary education at 15%. By comparison, 32% of those with post-secondary education were unemployed. They concluded that 1 in 2 graduates were unemployed and only one in five youth with university degrees were in self-employment (Alex & Bruce, 2016). 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, 2012). However, it is important to note that the youth have remained on the periphery of the country's affairs and their status has not been accorded due recognition. They have been excluded, for the better part of previous years, from designing, planning and implementing programs and policies that affect them.

Young entrepreneurs, once established, are particularly active in high-growth sectors (Global Entrepreneurship Monitor, 2011). It has 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 Organization (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 are expected to be out of work in 2015 an increase of 3.5 million between 2007 and 2013.

Additionally, (SMEs) generate employment opportunities, economic growth and produce commercial innovations of high quality which is an indication that there is a growing appreciation within Government, Development Community and Civil Society that an important aspect of holistic and all-inclusive development due to active participation and involvement of the youth in SMEs (Youth Employment Marshall Plan, 2012). Besides their significance, statistics however show that in Kenya, three out of five of the SMEs run by youths fail within the first three years of operations (Odhiambo, 2013), and those that continue 80% fail before the fifth year. While little evidence exists that these small firms grow into micro-size firms (employing 50 to 100 workers), many of these small

firms have the potential to grow and add one to five employees (Kanyari & Namusonge, 2013). The SMEs sector is notoriously volatile and experiences a high degree of business closure and shrinkage.

Entrepreneurial Networking

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 has 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).

Besides applying a propensity score matching to control for observable characteristics influencing networking decisions, Confindustria (2016), 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.

In Pakistan despite significant contribution of SMEs in the economic development of any country the sector is continuously deteriorating in Pakistan. Its growth rate of less than 10 % (Ejaz & Ramazan, 2012; Kausar, 2013) compared unfavorably to that in India where the rate is 43.72 % (Vasu & Jayachandra, 2014). Economic survey of Pakistan has shown that there is a continuous decline in the growth rate of SMEs. In 2009 the growth rate was 8.6% which has reached 8.4% in 2014 (Wasti, 2015). For a country like Pakistan it should be minimum above 10%. The critical factor behind such a poor growth are lack of access to finance, lack of entrepreneurial orientation, lack of entrepreneurial networking, and low government support for the sector.

The limited resources of SMEs need to be complemented by external resources (Pressey *et al.*, 2009). 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 has not been satisfactory. Ventures have collapsed as soon as assisting organizations pull out of the project and remaining ones have remained small, Memba, *et.al* (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. 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.

Further, the study showed that on average, 38% of Finnish companies use social media in their business activities (Use of Information Technology in Enterprises, 2013) and similarly according to the study, the most popular type of social media used is social networking sites (by 34% of all enterprises); while the common purpose is to improve company's image or market products. Other forms of social media that are commonly used among Finnish companies are media sharing sites (by 14% of enterprises) and blogs/micro-blogs (by 8% of enterprises) (Op. cit. 2013). 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, Kuuya (2010) has 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 has further been observed that informal sector enterprises also operate in an environment that hampers coordination and the transfer of technology (Moyi & Njiraini 2005; Moyi 2003; Jutla, Bodorik & Dhaliwal 2002; McCormick 1992).

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, 2010). Study by Veronese *et al.*, (2014) which used descriptive statistics and targeted a population of 65 respondents operating SMEs at Yaya centre 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.

Kenneth & Rebecca (2012) 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 MSEs 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 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.

Ocha (2011) conducted a study on the factors that influence adoption and frequency of use of e-commerce by Small and micro 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 has been adopted and implemented in MSEs 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 on the influence of social media on the effectiveness of business operations of the youth operated small and micro 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 has on the effectiveness of business operation among 132 youths owning SMEs. From the findings of the study, it was evident that social media has 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.

Performance of SMEs

According to Rao and Joshi (2011) SMEs constitute over 90% in the economies. It is because of these notable impacts they are viewed as the engine of global economic growth. Globally their Gross Domestic Product (GDP) %age contributions are 60.0 % in China, 57.0 % in Germany, 55.3 % in Japan and 50% in UK. In East Africa, the sector contribute about 18% of GDP in Kenya (Katua, 2014), 70 % in Uganda (Ankunda, 2010) and 27% in Tanzania (URT, 2012). They contribute to over 60% of the Kenyan population (Katua, 2014), more than 2.5 million people in Uganda (Ankunda, 2010), and over 23.4% of the total employment in Tanzania (URT, 2012), this shows that SMEs plays a great role in growth of country GDP and thus cannot be ignored.

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 indicates effectiveness of the organization in fulfilling its purpose Louise (2012). 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 approach normally utilizes a blend of mixture of approaches, both financial and non-financial, though challenges usually emerge as supervisors or owners are not willing or resist to give a robust performance data (Brynjolfsson *et al.*, 2011).Cao and Zhang (2011) measured the performance of SMEs with reference to the three angles specifically gainfulness, profitability, and market while Lee and Tsang (2001) utilizing performance exertion represented by the growth venture comprising of offers development, the development of the organization's advantages, and benefit development.

Furthermore, numerous SMEs in Africa don't comprehend the effect and the possibilities of utilizing social media, and continue to depend on traditional media to speak with their audience Vij and James (2014). In spite of the tremendous marketing openings exhibited by web-based social networking, SMEs in Nyeri, Kirinyaga, Muranga and Nyandarua Counties confront different difficulties, for example, the absence of staff assets accessible to actualize an online networking technique. Legal restrictions likewise

introduce a barrier to a portion of the SMEs organizations in utilizing online networking. Numerous SMEs additionally evade the use of online networking in view of the expanding instances of cybercrime (Kabue, 2013).

In Kenya, entrepreneurial venture has a low survival rate as entrepreneurs begin to run businesses yet can't transform them into maintainable organizations this is because in Kenya, despite the critical role played by the SME in the country, most of the business startups are faced with many challenges where over 90% of the businesses fail at their third year (Njoroge and Gathungu, 2013). As per the National Bureau of Statistics (2013) currently, SMEs in Nyeri, Kirinyaga, Muranga and Nyandarua Counties don't move from the primary stage (existence) to different stages, for example, survival, achievement, take off and asset development. For SMEs to survive and prevail in their business operations, it is imperative that its proprietors or administrators have certain entrepreneurial qualities and do particular business practices (Webster and Bischoff, 2011).

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).

Research and Methodology

Research Philosophy

This paper was anchored on a pragmatic research paradigm. The study used a cross-sectional

Sampling Design

The paper was limited to 135 youth owned enterprises where 357 employees were selected randomly to form the study sample; the key respondents of the study were limited to owner-managers of small and micro enterprises and top management employees.

Data Collection

Data was collected using self-semi structured questionnaire was administered to collect the primary data from the target population who were youth owned SMEs. The questionnaire was in two sections. The first section was about the attributes of the respondents and the second section was about the substance of the study. All the items of the questionnaires were measured using a Likert scale consisting of five scores from 1= "Strongly Disagree" to 5 = "Strongly Agree". The questionnaires were tested for reliability and validity.

Data Analysis

Data was analyzed using descriptive and inferential statistics: frequency and percentage distribution. Additionally, inferential statistics were conducted using: factor analysis, Pearson's correlation, multiple linear regression and ANOVA which was used to test the hypotheses. Statistical Package for Social Sciences (SPSS) version 25 and windows' Microsoft excel programs were tools used in data analysis.

Result and Discussion

Response rate was used to determine the number of people who properly completed the semi-structured 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 (Fowler, 2004). From the total, 287 agro-processing SMEs sampled one owner/employee were selected purposively from the headquarters and thus there were 287 issued questionnaires and 243 of them were returned. This implies that 84.7% response rate was very appropriate for data analysis. The results of the response rate are presented in Table 1.

Table 1: Response Rate

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

Regression Analysis

The overall model for the construct Entrepreneurial Networking Strategies were based on indicators which formed the questions under this variable. The findings in Table 2 showed the R Square= 0.092. This means that Entrepreneurial Networking Strategies explains 9.2% of the variation on performance. The remaining 90.8% was explained by factors other than the ones in the study.

Table 2: Model Summary of Influence of Entrepreneurial Networking Strategies Renewal on Performance

Model Summary ^b										
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
					R Square Change	F Change	df 1	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 study also conducted Analysis of Variance (ANOVA) and the results are as shown in Table 3.

Table 3: 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 4.43 indicated that the coefficients F=37.154 which was >4 and the p-value was 0.00 and therefore <0.05 which implies that the null hypothesis was rejected and alternative hypothesis accepted. This means 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 were obtained.

Table 4: Coefficients for Coefficients of Influence of Entrepreneurial Networking Strategies Renewal on Performance

Coefficients ^a								
Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.	Collinearity Statistics	
		B	Std. Error				Beta	Tolerance
1	(Constant)	.482	.038		12.553	.000		
	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 are shown in Table 4 indicates that imply that holding all other factors constant, Entrepreneurial Networking strategies 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 shows the significance Entrepreneurial Networking Strategies on performance. This implies that the Entrepreneurial Networking Strategies influences performance but the influence though positive the percentage change influence is minimal compared to other factors such as organization structure and capacity building.

Moderating Effect of Social Media on Relationship between Entrepreneurial Networking and Performance of Youth Owned Agro-Processing SMEs

In order to test the moderating effect, the study used Hierarchical Moderated Multiple Regression (MMR) analysis to test, the findings are presented in Tables 5, 6 and 7.

Table 5: Model Summary for Moderating Effect of Social Media on Relationship between Entrepreneurial Networking and Performance of Youth Owned Agro-Processing SMEs

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					
					R Square Change	F Change	df1	df2	Sig. Change	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

The findings in Table 5 shows the coefficient of determination $R^2 = 0.092$ and $R^2 = 0.729$ which shows that Entrepreneurial Networking Strategies explained (9.2%) of the variation in performance before moderating variable (Social Media) was introduced and (72.9%) variation in performance of youth owned agro-processing SMEs. This means that the moderating variable explains (63.7%) changes in the model and therefore it was concluded that there is significant moderation of Social Media 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 5

Table 6: ANOVA for Moderating Effect of Social Media on Relationship between Entrepreneurial Networking and Performance of Youth Owned Agro-Processing SMEs

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

The study ANOVA results showed that $F = 12.553$ and 29.411 before and after moderating respectively which means that both were > 4 . This implies 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 therefore it was concluded that the moderating variable (Social Media) moderates 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 7 were obtained.

Table 7: Coefficients for Moderating Effect of Social Media on Relationship between Entrepreneurial Networking and Performance of Youth Owned Agro-Processing SMEs

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

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

Study coefficients shown in table 7 shows that 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) is introduced which resulted to increase of 0.780 in performance.

Conclusions

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 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 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.

The results on entrepreneurship networking were significant and therefore 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.

Study recommends that 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.

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