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FINANCE

FIRM CHARACTERISTICS AND FINANCIAL PERFORMANCE OF BUSINESSES FUNDED BY YOUTH ENTERPRISE DEVELOPMENT FUND IN BARINGO CONSTITUENCY, BARINGO COUNTY, KENYA

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ABSTRACT

Purpose of the Study: To investigate the impact of firm characteristics on the financial performance of businesses funded by the Youth Enterprise Development Fund (YEDF) in Baringo Constituency, Baringo County, Kenya.

Statement of the Problem: Unemployment persists globally, and despite YEDF's efforts to boost youth entrepreneurship in Kenya, including Baringo Constituency, financial performance of youth-funded businesses remains subpar, hindering Vision 2030 goals.

Methodology: The study adopted a descriptive research design and used a simple random sampling technique to select 83 respondents from a target population of 104 youth entrepreneurs. Primary data was collected using structured self-administered questionnaires. Data analysis involved descriptive and inferential statistics, including correlation and regression analyses, with results presented in tables and graphs using SPSS software.

Findings: The study established that firm characteristics such as source of funding, ownership structure, firm age, and firm size significantly influence the financial performance of YEDF-funded businesses. Specifically, financial and working capital had a positive effect on financial performance, while firm age and ownership structure demonstrated significant contributions. Firm size and business sector had mixed effects, highlighting the complex role these factors play in financial outcomes.

Recommendations: The study recommends strengthening financial models and addressing challenges such as political interference, mismanagement, and eligibility criteria to enhance access to YEDF funding.

Keywords: *Youth Enterprise Development Fund, firm characteristics, financial performance, SMEs, Baringo County*

BACKGROUND OF THE STUDY

Small and Medium Enterprises (SMEs) play a critical role in economic development, contributing significantly to employment and GDP growth. According to the World Bank Group (2023), SMEs account for 90% of businesses globally and provide 50% of jobs, demonstrating their substantial impact on economies. Despite this, SMEs face various challenges, including limited access to finance, increased costs, and competition. The International Finance Corporation (2022) highlights that 40% of SMEs in developing countries experience a credit gap amounting to $5.2 trillion annually, hindering their growth. Similarly, KAAA (2016) notes that while SMEs are essential for addressing local needs and driving economic growth, they are often hampered by inadequate management training, lack of capital, and difficulties in accessing credit, especially in developing economies like Kenya.

In Kenya, SMEs are pivotal to achieving Vision 2030, a development agenda aimed at transforming the country into a middle-income economy. The World Bank Group (2023) supports this by providing advisory and lending services to improve SMEs' financial access, helping them find innovative solutions for sourcing capital. The African Development Bank Group (AfDB, 2023) has also reviewed capital investment initiatives, allocating €18 million to empower youth and women in agriculture. This emphasis on youth entrepreneurship is echoed by the Youth Enterprise Development Fund (YEDF, 2016), which facilitates low-interest loans and business development services for young entrepreneurs. However, Sikenyi (2019) points out that these programs often suffer from mismanagement, corruption, and inadequate awareness among beneficiaries, which limits their overall effectiveness.

Firm characteristics such as age, size, and ownership structure significantly influence financial performance. Kogan and Tian (2020) define these characteristics through metrics like leverage ratio, liquidity, and asset growth, which determine a firm’s ability to secure credit and manage risk. Olumide (2010) suggests that older firms tend to have better financial performance due to accumulated experience and adaptability to environmental changes. Similarly, Aguiar-Diaz et al. (2020) find that firms with robust managerial structures and effective ownership practices record higher profitability. However, SMEs in Kenya often operate in the informal sector with limited managerial skills and technological integration, as noted by Aksa (2022), further complicating their ability to thrive.

Access to funding remains a central challenge for SMEs, with internal and external sources playing distinct roles. Wasonga (2008) highlights that SMEs struggle to secure bank loans due to poor credit histories, lack of collateral, and inadequate record-keeping. Internal funding sources, such as owner's capital and retained earnings, are often insufficient to meet operational needs. External funding options, including loans from banks, friends, and government programs, are equally constrained. The British Broadcasting Corporation (BBC, 2019) underscores the importance of well-structured financial systems to bridge these gaps. While initiatives like YEDF aim to provide financial support, Mburu (2015) argues that financial literacy and managerial training are critical to ensuring the effective utilization of such funds.

The business sector in Kenya operates across various domains, including public, private, and voluntary organizations, each contributing uniquely to the economy. According to Murray (2021), the private sector, driven by profit-oriented motives, dominates industries like retail, entertainment, and health. The voluntary sector, while not profit-focused, supports social and community development through youth groups and art associations. On the other hand, the public sector provides essential services, often funded by the government. Pettinger (2019) categorizes the economic sectors into primary, secondary, tertiary, and quaternary, with SMEs playing critical roles across these categories, particularly in manufacturing and service delivery. However, inadequate policies and limited infrastructure continue to hinder their full potential.

Financial performance is a key indicator of an enterprise's sustainability and competitiveness. According to Taouab and Issor (2019), effective financial performance enables firms to secure credit, attract investments, and respond to market uncertainties. Shareholders prioritize wealth maximization, making financial performance a critical measure of profitability and efficiency (Scott, 2020). Selvam et al. (2016) highlight the importance of market-based statistics in assessing a firm's value and future prospects, particularly for listed companies. For SMEs, financial performance directly influences their ability to meet employment and GDP objectives. Matsoso and Olumide (2017) emphasize that healthy financial performance ensures long-term survival, enabling SMEs to fulfill their economic roles effectively.

The Youth Enterprise Development Fund (YEDF) in Kenya exemplifies government efforts to support SMEs, particularly among youth. Established in 2006, YEDF aims to address youth unemployment by providing loans and entrepreneurial support (MOYA, 2006). However, challenges such as mismanagement and lack of awareness have undermined its success. Sikenyi (2019) identifies gaps in policy implementation and eligibility criteria as major obstacles. Additionally, Kathy (2021) argues that financial training is essential to improve loan uptake and utilization, enabling youth to make informed decisions. Despite these challenges, initiatives like the C-Youth Loan Scheme demonstrate the potential of targeted programs to empower young entrepreneurs and contribute to Kenya's Vision 2030.

Statement of the Problem

The role of Small and Medium Enterprises (SMEs) in Kenya's economic development is undeniable, given their significant contributions to GDP growth, employment creation, and business innovation. According to the African Review (2017), SMEs in Kenya accounted for 3% of the GDP growth in 2017 and created 30% of annual jobs, showcasing their potential in addressing unemployment and income generation challenges. Despite these achievements, SMEs face persistent challenges that hinder their full potential. Access to finance remains a critical barrier, with SMEs often relying on limited internal funding or informal financial sources. The inadequacy of formal financial services, as highlighted by FSD Kenya, the World Bank, and the Central Bank of Kenya (Adeyeye, 2016), underscores the structural issues within Kenya's financial ecosystem. This lack of financial accessibility stifles SME growth and impacts their ability to contribute optimally to economic development.

The Youth Enterprise Development Fund (YEDF) was introduced as a government initiative to address these financial constraints and promote youth entrepreneurship. While YEDF has enabled some positive outcomes, such as job creation and market expansion (Muthoni, 2016), its effectiveness has been marred by several issues. Sikenyi (2017) identified corruption, mismanagement, and restrictive eligibility criteria as key factors undermining the program. Additionally, youth uptake of YEDF loans has been hindered by sociocultural barriers, complex loan processes, and lack of awareness, as noted by Wohoro (2016) and Issa and Kiruthu (2019). These systemic inefficiencies limit the fund's ability to empower youth and SMEs effectively, thereby affecting their role in achieving Vision 2030 and fostering sustainable development.

Firm characteristics, such as size, age, ownership structure, and industry, significantly influence the financial performance of SMEs. Research by Ngatia (2019) and Kwaltommai et al. (2019) has shown that factors like firm size and age have a substantial impact on business growth and financial outcomes. However, the relationship between these characteristics and financial performance often varies across sectors and regions. For instance, Too and Simiyu (2018) found that while capital structure positively affects financial performance, firm size may have a negative impact in certain industries. These findings highlight a knowledge gap in understanding how specific firm characteristics influence financial outcomes in different contexts, particularly in Kenya's SME sector. Addressing this gap is crucial for tailoring financial and policy interventions to improve SME performance and sustainability.

In light of these challenges, this study focuses on the SMEs financed by YEDF in Baringo County, Kenya, to assess how firm characteristics influence their financial performance. While previous studies have provided insights into the broader SME landscape, contextual differences in economic environments and the unique dynamics of YEDF-financed firms remain underexplored. This research aims to bridge this gap by investigating the effects of firm size, age, ownership structure, industry, and financing sources on the financial outcomes of these SMEs. The findings will contribute to a deeper understanding of the factors driving SME performance and inform policies to enhance their role in economic development.

General Objective

The general objective is to investigate the effect of firm characteristics on the financial performance of businesses funded by the YEDF in Baringo Constituency, Baringo County, Kenya.

Specific Objectives

i) To determine the effect of firm size on the financial performance of businesses funded by YEDF in Baringo Constituency, Baringo County, Kenya
ii) To establish the effect of firm age on the financial performance of businesses funded by YEDF in Baringo Constituency, Baringo County Kenya.
iii) To examine the effect of the business sector on the financial performance of businesses funded by YEDF in Baringo Constituency, Baringo County, Kenya.
iv) To establish the effect of ownership structure on the financial performance of businesses funded by YEDF in Baringo Constituency, Baringo County, Kenya.

v) To determine the effect of the source of funding on the financial performance of businesses funded by YEDF in Baringo Constituency, Baringo County, Kenya.

Research Hypotheses

i) H_{01}: Firm size has no significant effect on the financial performance of businesses funded by the YEDF in Baringo Constituency, Baringo County, Kenya.

ii) $H_{02:}$ Firm age has no significant effect on the financial performance of businesses funded by the YEDF in Baringo Constituency, Baringo County, Kenya.

iii) $H_{03:}$ The business sector has no significant effect on the financial performance of businesses Funded by the YEDF in Baringo Constituency, Baringo County, Kenya.

iv) $H_{04:}$ Ownership structure has no significant effect on the financial performance of businesses funded by the YEDF in Baringo Constituency, Baringo County, Kenya.

v) $H_{05:}$ Source of funding has no significant effect on the financial performance of businesses funded by the YEDF in Baringo Constituency, Baringo County, Kenya.

Scope of the Study

This study focused on youth-led businesses funded through YEDF in Baringo Central Constituency, Baringo County, Kenya. It investigated the impact of firm characteristics, including firm size, firm age, business sector, ownership, and sources of funding, on the financial performance of youth enterprises supported by YEDF. Data on firm characteristics and financial performance was collected using a structured questionnaire between February 2024 and June 2024.

THEORETICAL REVIEW

This phase gives the theories underlying the variables studied. These theories include financial empowerment idea, lifestyles cycle theory, finance concept and economies of scale principle.

Economic Empowerment Theory

Economic Empowerment Theory, as proposed by Rappaport (1984), emphasizes enabling individuals, groups, and communities to become aware of and take control over their economic lives. This theory underscores the importance of addressing systemic barriers such as limited access to market opportunities, low literacy levels, and unequal resource distribution, as highlighted by USAID (2017). By empowering vulnerable groups, including youth and women, the theory advocates for fostering financial inclusion, skill development, and decision-making capabilities. According to Menon (1999), empowerment entails enhancing individuals' perceived control, competence, and goal-setting abilities, which are critical for entrepreneurial success. This aligns with Dima (2015), who stresses the need for accessible financial services to support youth entrepreneurs, enabling them to generate income independently and foster innovation.

In the context of Kenya's Youth Enterprise Development Fund (YEDF), Economic Empowerment Theory provides a foundation for understanding how targeted financial support can catalyze youth entrepreneurship and improve SME performance. YEDF aims to offer low-interest loans and create a conducive environment for youth-led businesses to explore viable sectors and achieve economies of scale. However, the theory also highlights the necessity of addressing challenges such as limited managerial skills, sociocultural barriers, and corruption (Sikenyi, 2017). By empowering youth with financial literacy, training, and supportive policies, YEDF can enhance its impact, enabling youth to overcome these barriers and contribute significantly to economic growth in Baringo County, Kenya.

Life Cycle Theory

Life Cycle Theory, introduced by Franco Modigliani (1985), explores how individuals allocate resources across different phases of their lives, focusing on saving and consumption patterns. According to Richert-Kazmierska (2019), individuals typically borrow during their youth when income is low, invest and save during middle age when income is higher, and use accumulated savings during old age when earning capacity declines. This theory emphasizes the importance of providing financial resources to youth, who often lack the wealth necessary for investment but possess the capacity for income generation (Cheng, 2021). The Kenyan government's YEDF aligns with this theory by targeting youth at the inception stage of their businesses, providing affordable capital through products like Vuka loans to support job creation and business growth (YEDF, 2016).

In the context of youth SMEs in Baringo County, Life Cycle Theory explains the critical role of funding in enabling young entrepreneurs to overcome initial financial constraints and build sustainable businesses. By focusing on early-stage enterprises, the theory highlights how tailored financial products can support business growth and maturity, allowing youth SMEs to generate sufficient wealth for reinvestment and eventual expansion. However, challenges such as limited financial literacy and inexperience in resource management, as noted by Dima and Nyang'aya (2015), must be addressed through capacity-building initiatives to ensure the long-term viability of these businesses. This theory underscores the need for a strategic approach to funding youth enterprises, ensuring they transition smoothly through the stages of growth and contribute to the broader economic development of Baringo County.

Empirical Literature Review

The study aims to explore the relationship between firm size and the financial performance of SMEs funded by the Youth Enterprise Development Fund (YEDF) in Baringo Central Constituency, Baringo County, Kenya. Empirical evidence suggests that firm size significantly impacts financial outcomes, with larger firms often enjoying competitive advantages due to economies of scale. For instance, Oyelade (2019) found that firm size, measured by total assets and revenues, positively influenced financial performance in the construction industry in Nigeria. Similarly, Odalo, Achoki, and Njuguna (2016) established that larger agricultural firms listed on the Nairobi Stock Exchange performed better financially due to their capacity to leverage resources effectively. These insights highlight the need to evaluate the specific context of youth-led SMEs, particularly in Baringo County, to understand how firm size affects their financial performance.

Another critical objective is to assess the influence of firm age on the financial performance of youth-led SMEs in the region. Studies such as Haykir and Celik (2018) demonstrated that firm age plays a pivotal role, with younger firms initially performing better due to their flexibility and innovation, but older firms eventually gaining an advantage through accumulated knowledge and experience. Pervan, Pervan, and Curak (2017) also observed that as firms age, they often face diminishing flexibility but benefit from improved operational efficiency. However, these findings were based on studies in different industries and geographical contexts, such as family-owned firms in Turkey and the food industry in Croatia. This research aims to fill the contextual gap by focusing on YEDF-funded youth enterprises in Baringo County, which operate under unique economic and social conditions.

The study also seeks to examine the effect of the business sector on the financial performance of youth-led SMEs in the constituency. The impact of the business sector has been shown to vary widely depending on regional and industrial dynamics. For example, Csapi and Balogh (2020) found significant differences in the financial performance of SMEs across sectors in Hungary and the United States. Similarly, Mallinguh, Wasike, and Zoltan (2020) noted that business sectors like agriculture, construction, and telecommunications exhibit varying levels of performance, influenced by market demand and operational challenges. In the context of Baringo County, this study aims to identify how sector-specific factors shape the financial outcomes of youth SMEs funded by YEDF.

Finally, the study will investigate the relationship between sources of funding and the financial performance of youth-led SMEs. Access to affordable and appropriate financing is critical for the success of these enterprises. Kisseleva (2021) found that public funding significantly improved the financial performance of firms in Norway by enabling them to scale their operations and enhance revenue generation. Similarly, Njeru, Muturi, and Mwende (2019) demonstrated that diverse financing options, including loans and equity, positively influenced SME financial outcomes in Kenya. This study will build on these findings by focusing on the financing patterns of YEDF-funded youth enterprises in Baringo County, examining how the availability and type of funding affect their financial sustainability and growth

Conceptual Framework

A conceptual framework is a synthesis wherein concepts are interlinked to comprehensively understand a question underneath have a look at (Regoniel, 2020). parent 2.1 is a diagrammatic representation of the relationship between firm traits (unbiased variables) which incorporates company age (measured by way of the range of years in operation), company size (measured by overall assets), possession (measured by way of sole possession, partnership, or companies), the commercial enterprise area (measured with the aid of the variety of competition), and source of finance (measured via credit score, personal financial savings, circle of relatives contribution, and project capital) and economic performance (dependent variable) measured with the aid of the return on assets.

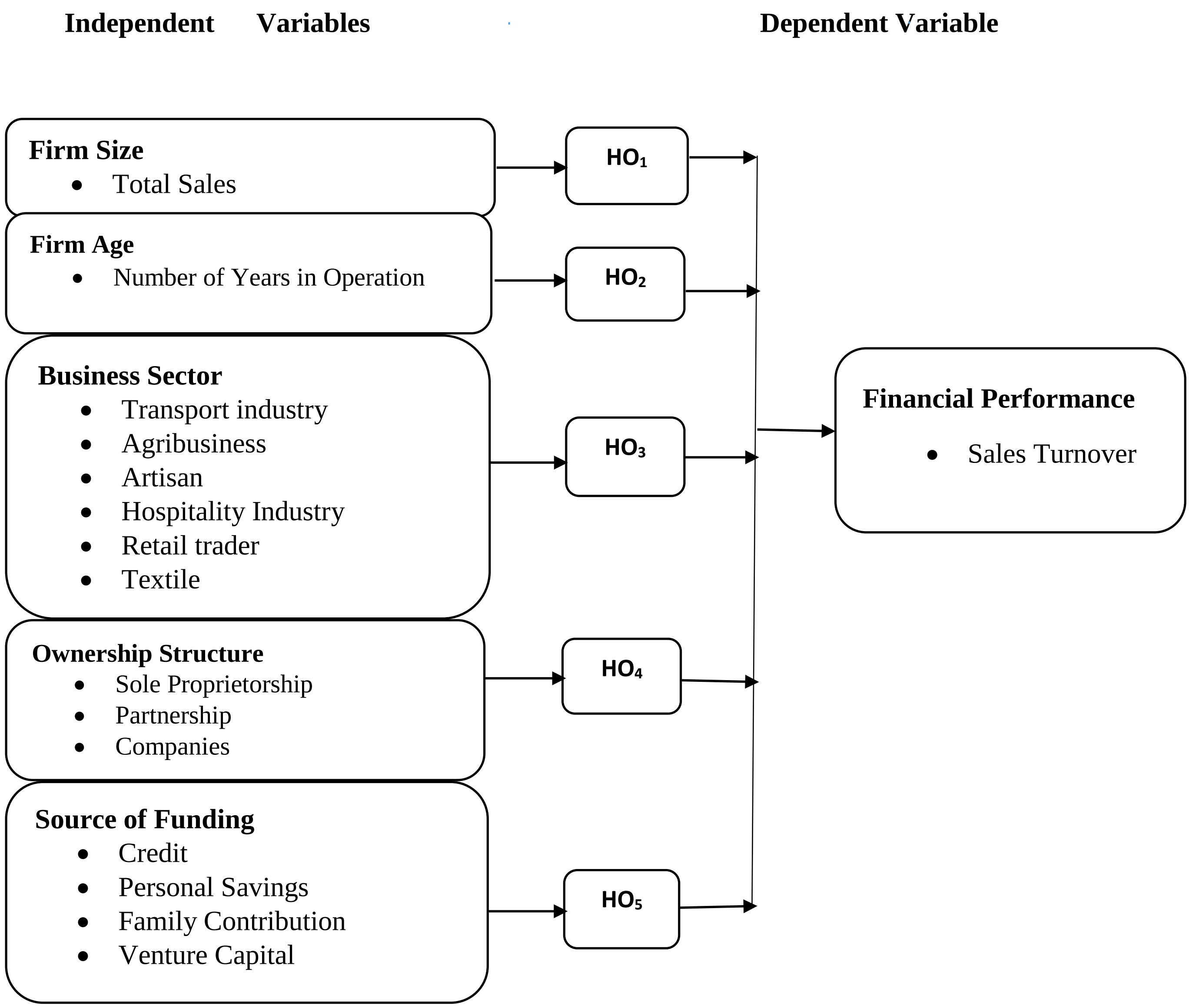

Figure 1: Conceptual Framework

Source: Researcher (2024)

RESEARCH METHODOLOGY

The study employed an explanatory research design to investigate the financial performance of youth enterprises funded by the Youth Enterprise Development Fund (YEDF) in Baringo Central Constituency, Baringo County, Kenya. The target population consisted of 104 youth enterprises accessing Uwezo funds under YEDF from 2018 to 2022, with 83 enterprises selected using simple random sampling, applying the Yamane formula for a 95% confidence level. Structured questionnaires were used to collect primary data, ensuring specificity in addressing variables such as firm size, firm age, ownership structure, business sector, and sources of funding. Pilot testing on 10% of the sample established reliability using Cronbach's Alpha, with a threshold of 0.70 for consistency. Validity was ensured through consultation with experts and adherence to established constructs, content, and criterion validity. Data analysis utilized descriptive statistics for summarizing key characteristics and inferential statistics, including Pearson correlation and regression analysis, to examine relationships and causal effects between firm characteristics and financial performance. The regression model incorporated variables such as firm size, firm age, ownership structure, business sector, and funding sources to determine their influence on financial performance. The study adhered to ethical guidelines, securing necessary approvals and permits to facilitate the data collection process. Findings were presented using tables, figures, and statistical software, ensuring clarity and accuracy in addressing the research objectives.

RESULTS

This research worried investigating the traits of possible organizations and the economic overall performance of kids organizations funded by using YEDF. The independent variables on this have a look at had been company size, company age, enterprise, company possession, and supply of financing. The based variable changed into monetary performance.

Model Summary

Desk 4. five affords the model that became used to elucidate the effect of firm traits at the economic performance of adolescents firms funded via YEDF.

Table 1: Model Summary

Model Summary				
Model	**R**	**R Square**	**Adjusted R Square**	**Std. Error of the Estimate**
1	.681[a]	.463	.419	177617.42700

a. Predictors: (Constant), sector, size, age, fund, ownership

Source: Research Statistics (2024)

Table 1 is a presentation of a summarized regression model. R, R2, adjusted R and the same old mistakes are the values within the version precis. They illustrate the well-being of the regression model in becoming the statistics of analysis. R within the summary is an illustration of the more than one correlation coefficient measuring the quantity of the prediction of the based variable. Fee of R in the version is zero.681. This is a communique of a nice correlation among the unbiased and dependent variable. R2 is the fee of the coefficient of determination and it is 46.three% reflection of firm length, firm age, commercial enterprise region, business ownership and supply of investment elaborating the variety of financial overall performance. The other fifty three.7% is not captured through the model. This fee is a robust fine relationship among firm traits and monetary performance whose implication is that the economic performance of youngsters firms funded by way of YEDF Baringo Constituency Baringo County Kenya is extra tormented by the recognized company characteristics underneath investigation.

Analysis of Variance

Desk 4.6 the evaluation of independence of variables and statistical significance in forecasting the independent variables. The F ratio tests the regression model fitness for the information

Table 2: ANOVA

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	1633820007807.916	5	326764001561.583	10.358	.000[b]
Residual	1892877022495.114	60	31547950374.919		
Total	3526697030303.030	65			

a. Dependent Variable: performance
b. Predictors: (Constant), sector, size, age, fund, ownership

Table 2 presents F-rat of $F(5,60)= 10.358$, of which $P>0.05$ indicates non-significant effect of firm size, firm age, business sector, business ownership and source of funding on financial performance of youth enterprises funded by YEDF Baringo Constituency Baringo County Kenya. This is a contradiction arising by a statistical significant level of 0.000 less than 0.05. Hence the model is fairly a good fit in explaining financial performance of youth enterprises funded by YEDF Baringo Constituency Baringo County Kenya.

Regression Coeffients

Table 2 the assessment of independence of variables and statistical importance in forecasting the independent variables. The F ratio tests the regression model health for the statistics.

Table 2: Regression Coefficients

Model	Unstandardized Coefficients (B)	Std. Error	Standardized Coefficients (Beta)	t	Sig.
	-2091511	877263.4		-2.384	0.02
	-424249	248558.7	-0.283	-1.707	0.093
	212099.7	265697.8	0.114	0.798	0.428
	532158.5	205805.1	0.37	2.586	0.012
	426146.4	171546.9	0.502	2.484	0.016
1	-7336.79	258326.6	-0.004	-0.028	0.977

According to the regression model advanced, conserving all other factors (source of investment, age of the company, possession structure, length of the firm and area of activity) steady at zero, the economic overall performance of YEDF-funded teenagers establishments in Baringo Constituency, Baringo County, Kenya could be -2091510.694 points. This implies a poor correlation of the commercial enterprise characteristics of YEDF-funded youth companies in Baringo Constituency, Baringo County, Kenya. Every other locating is that taking all different impartial variables at zero, a unit increase in the supply of funding can be equivalent to a 532158.507 increase inside the financial performance of YEDF-funded children organizations in Baringo Constituency, Baringo County, Kenya. The increase within the age unit of the enterprise will result in a boom of 212099.734 inside the monetary performance of YEDF-funded teen's establishments in Baringo Constituency, Baringo County, Kenya. A growth inside the ownership structure will result in a boom of 426,146,404 in the financial overall performance of YEDF-funded teen's companies in Baringo Constituency, Baringo County, Kenya. An increase inside the length of the company will result in a lower of -424249.232 inside the monetary overall performance of YEDF-funded adolescents' organizations in Baringo Constituency, Baringo County, Kenya. A growth in the length of the enterprise will bring about a lower of -7336.787 in the economic performance of YEDF-funded children businesses in Baringo Constituency, Baringo County, Kenya.

The study tested hypotheses to determine the relationship between firm characteristics and financial performance of YEDF-funded youth enterprises in Baringo Constituency, Baringo County, Kenya. Findings revealed that the source of funding significantly impacted financial performance, with a p-value of 0.012, supporting Muthoni (2016) that financial constraints suppress performance, and rejecting the null hypothesis. Conversely, firm age (p=0.428), firm size (p=0.093), and business sector (p=0.977) were found to have no significant impact on financial performance, aligning partially with prior studies like Ngatia (2019) and Mallinguh et al. (2020) but differing in context. Ownership structure showed a significant effect (p=0.016), indicating the need for appropriate business structures to enhance financial performance, in line with Alkurdi et al. (2021). These findings emphasize the critical role of funding and ownership structures while challenging traditional assumptions about firm size, age, and sector in the context of YEDF-funded enterprises.

SUMMARY

The study examined the impact of business characteristics on the financial performance of YEDF-funded enterprises in Baringo Constituency, Baringo County, Kenya, using primary data from a sample of 66 respondents over five years (2018-2022). Findings revealed a positive relationship between the source of funding and financial performance, with a unit increase in funding leading to a performance improvement of 532,158,507. Similarly, firm age and ownership structure positively influenced financial performance, contributing 212,099,734 and 426,146,404, respectively, per unit increase. However, firm size and business sector showed negative effects, with unit increases causing performance decreases of -424,249,232 and -7,336,707, respectively, highlighting the complexities of their roles in financial outcomes. These results emphasize the importance of financing and ownership structure while challenging assumptions about the benefits of firm size and sector influence in the context of YEDF-funded enterprises.

CONCLUSION

The study concludes that the financial performance of YEDF-funded youth enterprises in Baringo Constituency, Baringo County, Kenya, is influenced to varying degrees by firm characteristics, including the source of funding, firm age, ownership structure, firm size, and business sector. A strong positive correlation was found between the source of funding and financial performance, highlighting the need for robust financing models to enhance outcomes. Ownership structure also showed a significant positive impact, emphasizing the importance of selecting suitable business structures for improved performance. However, firm age demonstrated a positive but non-significant relationship, suggesting that the length of operation has limited influence on financial performance. Firm size and business sector exhibited negative correlations with financial performance, indicating that these factors may not play a critical role in the financial success of YEDF-funded enterprises in the region. These findings underscore the importance of tailored strategies focusing on financing and organizational structures to optimize the financial outcomes of youth enterprises.

RECOMMENDATIONS

The study recommends prioritizing the source of funding and ownership structure as key factors to enhance the financial performance of YEDF-funded firms in Baringo Constituency, Baringo County, Kenya, as these variables showed a significant positive impact. Efforts should address financing challenges, including eligibility criteria, political interference, and corruption, as highlighted by Sikenyi (2017). Minimal emphasis should be placed on firm size and business sector, as their effects were found to be negligible and insignificant, respectively. Further research is recommended to explore the impact of firm characteristics, such as funding sources, firm age, ownership structure, firm size, and business sector, on the financial performance of YEDF-funded enterprises in other regions to establish broader insights and policy implications.

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