

# INFLUENCE OF GROUP DYNAMICS ON THE GROWTH OF YEDF- FUNDED YOUTH GROUP BASED ENTERPRISES IN NAIROBI COUNTY, KENYA

Maina., C. W.

Kirinyaga University, KENYA

Correspondence: - *cmaina@kyu.ac.ke*

## ABSTRACT

This research work was conducted in Nairobi County in Kenya. The Youth Enterprises Development Fund (YEDF) was conceived in Kenya in 2006 with an aim encouraging the youth to actively participate in the country's economic growth through enterprise development. It was mandated to extend credit to the youth to start and grow their enterprises. Since most of the youth lack credit collateral the YEDF required them to form groups for them to start group enterprises where each member act as collateral for the group loan. Nairobi County is the smallest but the most populous of Kenyan counties with majority of the youth engaging in entrepreneurial activities in deed it has the highest uptake of the YEDF loans amounting to 2.3 billion and highest repayment rate of 48%. There were in total 255 group enterprises that formed the target population for this research work. A sample size of 156 group enterprises was arrived at and using a self-administered questionnaire data was collected where 121(77%) responses out of the sample were returned. The respondents were group leaders. The main group Dynamics aspects of interest were group leader characteristics and considerations made before joining the group. After analysis of data, it came out clearly that both group leader characteristics and considerations made before joining the group were significant in explaining the growth of youth group based enterprises in Nairobi County. Group leader characteristics especially the, age and entrepreneurial experience played the greatest role followed by considerations made before joining the group. In deed group leader characteristics had  $r$  of 0.297 while for considerations made before joining a group had an  $r$  0.229 showing one-unit increase in group leader characteristics and considerations contributed to 8.8% and 5.3% growth respectfully.

**Keywords:** *Group Leader Characteristics, Considerations Made Before Joining a Group, Youth Enterprises Development Fund, Growth of Youth Group Based Enterprises*