



**ENTREPRENEURSHIP SKILLS AND THE PERFORMANCE OF SMALL CYBER CAFÉ ENTERPRISES IN NAIROBI CITY COUNTY, KENYA**

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**ABSTRACT**

Small enterprises play a critical role in the development of an economy of any country, this is because the majority of the established business fall under this sector. They are the major source of employment and government revenue. Entrepreneurs need to be more competent and skillful in order to be able to compete and have a long-life span for their business. This study therefore examined entrepreneurship skills and the performance of small cyber café enterprises in Nairobi City County, Kenya. Specifically, the study sought to determine how communication skills, affect the performance of Small Cyber Café Enterprises in Nairobi City County, Kenya and to find out how teamwork skills influence the performance of Small Cyber Café Enterprises in Nairobi City County, Kenya. Simple random sampling technique was used to collect data from 353-cybercafé within Nairobi County; questionnaires were administered to the target population in order to collect the data needed to facilitate reliable formulation of research conclusion and findings. The study collected primary data using semi-structured questionnaires. Collected data was analysed using both quantitative and qualitative techniques. SPSS (version 22) was applied in analysing quantitative data where descriptive statistics were computed and presentations done in percentages, means, SD and frequencies. Inferential data analysis was conducted by use of Pearson correlation coefficient, and multiple regression analysis. The study results were presented through use of tables and figures. The study found that communication skills have a positive relationship on performance of small enterprises cybercafé in Nairobi City County, Kenya. In addition, teamwork skills have positive, significant relationship with performance of small enterprises cybercafé in Nairobi City County, Kenya. The study therefore recommends management of small enterprises to improve on their entrepreneurial skills by embracing entrepreneurial skills and also ensure they have effective and efficient strategic options. This can be achieved by enrolling in short entrepreneurial courses that will help them to enhance their skills.

**Key Words:** Entrepreneurship Skills, Communication Skills, Teamwork Skills, Performance of Small Cyber Café Enterprises

## Background of the Study

The contributions of small enterprises cybercafé to economic growth and development of nations have been widely acknowledged and well documented by researchers and policy makers globally (Kaipande, 2018). Countries all over the world constituting the developed and developing ones have moved away from the former approach to economic growth and development, which focuses on large-scale enterprises (LSEs) to small enterprises, which are considered contributing higher to their economic wellbeing.

Small enterprises cybercafé plays a major role in most economies, particularly in developing countries. Small enterprises cybercafé account for the majority of the businesses worldwide and are important contributors to job creation and global economic development (Davis, 2016). According to the National Enterprise Development Programme (Nedep, 2017), small enterprises cybercafé contributes 40-55% of the World's Gross Domestic Product (GDP) and 50-80 % of the world's employment. However, lack of entrepreneurial skills is a key constraint to small enterprises cybercafé performance and growth in emerging markets and developing countries. This study will focus on determining the effects of entrepreneurial skills on performance of small cybercafé enterprises in Nairobi City County, Kenya.

(Chang, 2016) Argued that entrepreneurship continues to gain with the increased spread of capitalization and globalization. To provide abroad basis for rapid economic growth, statistics indicate that there is no better way to than to dramatically increase in the number of entrepreneurs in the society. Small enterprises Cyber Café sector is highly linked to entrepreneurship (Deon, 2015). (Mashavira, 2021) widely acknowledges the importance of a dynamic small enterprises Cyber Café sector to economic growth. As a result, most bilateral and multi-bilateral agencies, governments and nongovernmental organizations have entrepreneurial training policies in place in order to assist entrepreneurship development.

## Statement of the Problem

Small enterprises cybercafé plays a very critical role in the Kenyan economy contributing almost 80 % of jobs and 30 % GDP. However, the sector is characterized by high early failure due several challenges including inaccessibility to finance and lack of entrepreneurial skills among other factors. Small enterprises cybercafé experiences low survival rates, with 60% of the enterprises leading to failure in business growth in the first 3 years of operation (Nathaniel, 2017). The lack of business growth has resulted to the inability of small enterprises cybercafé to contributing to Kenya's GDP growth as expected. This also leads to failure in competing with larger corporations or access to global market by taking full advantage of the economy for profitability and sustainability (Haku, 2019).

Many small businesses cybercafé in Kenya have one thing in common, they fail before they even start or stabilize. Statistics state that about 20% of small businesses cybercafé fail within their first year. 30% of businesses fail before the end of the second year. By the end of the fifth year, around half of them will have failed. And, at the end of the decade, only 30% of cybercafé will still be in operation, reflecting a 70% failure rate (Mwita, 2018).Entrepreneurs' success depends on the connection of crucial entrepreneurial skills for starting businesses, as well as the survival and development in their early years (Coric, 2017). (Abdul, 2018)Identified lack of entrepreneurial mindset among graduates and thus, degenerate to failed entrepreneurial journey of business owners. As a result of the above findings, this study will therefor intend to examine the influence of entrepreneurial skills on small enterprises, a case study of small Cyber Cafe' in Nairobi City County.

## Study Objectives

Entrepreneurship Skills and the Performance of Small Cyber Café Enterprises in Nairobi City County, Kenya

- i. To determine how communication skills, affect the performance of Small Cyber Café Enterprises in Nairobi City County, Kenya.
- ii. To find out how teamwork skills influence the performance of Small Cyber Café Enterprises in Nairobi City County, Kenya.

## LITERATURE REVIEW

### Theoretical Review

#### Human Capital Theory

Becker originally developed human capital theory. He defined human capital as skills and knowledge that individuals acquire through investments in schooling, on-the job training, and other types of experience. It comprises the stock of knowledge and skills that reside within individuals. Specifically, it includes the unique insight skills, cognitive characteristics, and aptitudes of entrepreneurs. It also includes achieved attributes, accumulated work, and habits that may have positive or negative effect on productivity. It represents a resource that is heterogeneously distributed across individuals and is thus central to understanding differences in opportunity identification and exploitation (Haku, 2019).

The theory suggests that individuals with more or higher human capital achieve higher performance when executing tasks. The theory maintains that knowledge provides individuals with increase in their cognitive abilities, leading to more productive and efficient potential activity. Therefore, if profitable opportunities for new economic activity exist, individuals with more or higher quality human capital should be better than perceiving them. Once engaged in the entrepreneurial process, such individuals should also have superior ability in successfully exploiting opportunities.

Human capital is the most critical agent of SME performance. The recruitment of academically qualified employees is a necessary start for sustainable human capital development in all organizations. Human capacity has become a critical index of competition in the world of business to the extent that the development of such capacities through training has become top priority in designing the strategic plan of business organizations (Ann, 2016).

#### Knowledge Based View

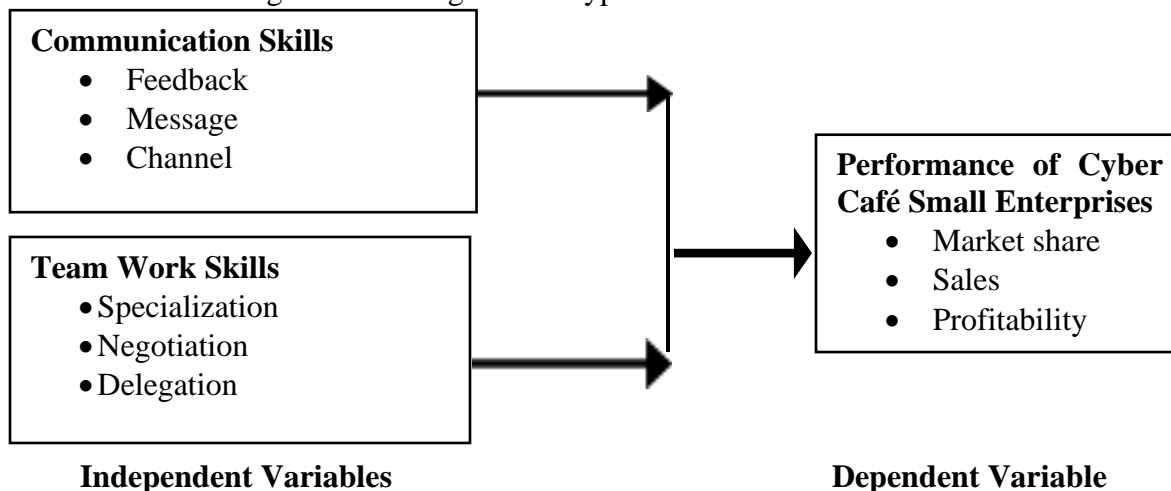
The Knowledge Based View, also referred to as the Intellectual Capital Based View, is rooted in the theories put forward by (Lubart, 2016) which emphasized the importance of knowledge in developing dynamic capabilities. The Knowledge Based View highlights that an organizations' capabilities closely rely on knowledge and intellectual property or assets the organization possess (Mitchelmore, 2017). According to (Haku, 2019) knowledge available in an enterprise is a key resource which should be managed effectively to improve organizational performance and competitive advantage. (Gathoni, 2021) stressed the prominence of absorptive capacity as an enabler of knowledge accumulation and its eventual conversion to innovation capabilities necessary to achieve strategic goals.

#### Conceptual Framework

A conceptual framework considers the theoretical and conceptual issues surrounding research work and form a coherent and consistent foundation that will underpin the development and identification of existing variables. The independent variables in this study are communication skills, teamwork skills. This study will therefore establish the influence of the independent variables on the dependent variable which will be sustainability of small Cyber Café enterprises.

Conceptual framework is a scheme of concept (variables) which the researcher operationalizes in order to achieve the set objectives, (Mugenda, 2017). A variable is a measure of characteristic that assumes different values among subject, (Mugenda, 2017).

This is illustrated in figure 1 showing the two types of the variables.



**Figure 2.1: Conceptual Framework**

### **Communication Skills and Performance of Small Cyber Cafe' Enterprises**

Communication is the act of transferring ideas to ensure clearing meaning (Akomea, 2016). Similarly, (Gathoni, 2021) argue that communication is a social skill that is essential for enhancing business performance. The effect of communication in business performance hangs on some practices that should be in place. According to the model of communication, there should be regularity and an excellent information network to ensure communication success (Kasekende, 2019). (Ncube, 2019) implies that communication is the bedrock of entrepreneurship business. Thus, this depends on particular skills such as listening, speaking and writing, this unique skill help entrepreneur's pass information to their employees and customers through the use of words, adverts, body language, reports and so on.

### **Teamwork Skills and the Performance of Small Cyber Cafe' Enterprises**

Entrepreneurs are often encouraged to work with a team of other people to increase the possibility of idea commercialization (Naser, 2015). The empirical study of (Ncube, 2019) argues that entrepreneur with high quality projects need a partner for financial assistant or idea development.

Teamwork is effective to overcome challenges (Njiru, 2020). The theory of entrepreneurship with specialization and business transfer developed by (Holmes and Schmitz, 2016) denotes that individual has different abilities in developing ideas and opportunities. However, the theory finding was that person with an advantage in entrepreneurship might find it best to specialize in the creation of business and the administrative to someone qualified in management. Therefore, teamwork enables the success and growth of their venture.

## **Empirical Literature Review**

### **Communication Skills**

Human beings naturally are compulsive communicators. In our daily activities in the society, we communicate with people around us and in far places through face-to-face conversations through telephone, internet, letter and a host of others. The significance of communication is very crucial to our continued understanding, cooperation and development not only in the business circle but also in the society. (Haku, 2019) identified communication as a process of obtaining information or expressing thoughts and feelings. According to (Watuka, 2020), communication in its broadest

meaning is the act or acts which produce some kind of response between two or more persons. It takes place through a system of arbitrary signs.

In any business, there is need to co-ordinate the activities, goals or purposes through division of labor and functions as well as through an established hierarchy of authority and responsibilities. It is very crucial to mention that an entrepreneur cannot succeed without communicating with his or her human elements in the organization. An entrepreneur needs a communication string that links people together in his or her day-to-day business activities. Without this, he or she cannot succeed. The point we are emphasizing is that any business organization is made up of socio-technical resources. The social elements are the human beings and interpersonal interactions while the technical elements are the infrastructures put in place to smoothen the effective running of the business. Although it is possible to repair the faults arising from the physical use of the infrastructures, it is not so with the social elements. (Yang, 2018).

There are ways entrepreneurs can achieve effective communication within and outside their enterprises. These include examining the purpose of communication, clarifying ideas before attempting to communicate, considering the content and overtones of their communication or messages, using simple words and sentences, expressing thoughts logically and in a straight forward way, using short sentences and paragraphs, avoiding unnecessary words, avoiding ambiguous words, phrases and sentences, following up messages with actions and approximating actions with the goals of the organization, understanding the physical and human environment when communicating and above all, developing listening skills, and acquiring knowledge/skills of information and communication technologies (Mwita, 2018).

### **Teamwork Skills**

Teamwork is effective to overcome challenges (Katz, 2015). The theory of entrepreneurship with specialization and business transfer developed by (Alimi, 2016) denotes that individual has different abilities in developing ideas and opportunities. However, the theory finding was that person with an advantage in entrepreneurship might find it best to specialize in the creation of business and the administrative to someone qualified in management. Therefore, teamwork enables the success and growth of their venture.

Teamwork enhances coordination and focus of the organization staffs towards striving to a common goal, entrepreneurs should thus encourage teamwork and team spirit through integrating entrepreneurial culture, this enhances organization performance and productivity of the enterprises (Lubart, 2016). Entrepreneurs should portray high level of competencies, inclusive of the attitudes, abilities and skills required to ensure that there is a conducive working environment and smooth operations in the enterprise established by the entrepreneurs (Mashavira, 2021).

### **Performance of Cyber Café Small Enterprises in Nairobi County**

(Singh, 2017) Posited that the goal and system approach focus on meeting the internally-set targets. However, the goal approach is best used when dealing with small businesses due to its simplicity and understandability (Sidek, 2016) and targets are set internally base on the owner-managers interest and capability (Ann, 2016). While the goal approach directs the owner-manager to focus his attention on the financial measures, (Haku, 2019) contended that financial measures of performance, such as sales and profit, may not clearly reflect the quality of the SMEs' performance. Nevertheless, (Nedep, 2017) asserted that SMEs need to adopt a hybrid approach where the financial and non-financial measures of performance are used against a predetermined goal and time frame.

Given the fact that the availability of financial data concerning these performance indicators in small business settings is limited, relying on the financial measure can be misleading despite its objectivity. Therefore, three indices including two financial and one non-financial measure were used in this study based on the manager's perception of growth in sales, growth in profit and customer satisfaction.

(Henry, 2015) While analyzing entrepreneurial skills for growth-oriented business found that entrepreneurial skills are critically important for business growth. (Abdul, 2018) also conducted an analysis of entrepreneur and business skills and training needs in the SMEs in South Africa. Skills studied included; financial, legal, communication, strategy among others. After collecting data from 74 respondents, the results revealed a strong relationship between training in entrepreneurial skills and success of an organization. (Whetten, 2015) Investigated the factors affecting the performance of small enterprises in Limuru Town market in Kenya. Questionnaires were used to collect data from 275 small enterprises and using descriptive research design, SPSS output revealed that access to finance and availability of management experience are the key determinants of business performance. Other factors that were found to affect business performance include; access to business information, access to infrastructure, government policy, and regulation.

(Sarwoko, 2017) Studied entrepreneurial skills and profitability of small enterprises in Nigeria. Data was collected from 200 respondents in Nigeria major cities through a self-administered questionnaire. Entrepreneurial skills including record keeping, communication, and relationship were found to be significant factor required for business success and profitability in Nigeria. (Whetten, 2015) Reviewed that entrepreneurial skills influence the growth and operations of small enterprises, the success of entrepreneur relies on the identification of competencies of start-ups and established businesses, as well as their survival and early year growth.

## **RESEARCH METHODOLOGY**

For this study, a descriptive survey research design was used. Descriptive research design enables the researcher to summarize and organize data in an effective way (Bosire, 2015). It provides tools for describing collections of statistical observations and reducing information to an understandable form. The population of the study consisted of 3000 Cyber Café small enterprises entrepreneurs operating their business within Nairobi County as at 2020 and are registered under the Kenyan Government. (Kenya Bureau of Statistics, 2020).

A sampling frame for the proposed study was derived from Nairobi County database. The sample was obtained using simple random sampling. A sample size of 353 was obtained which constituted 10% of the population forming part of the study. This is validated by (Akomea, 2016) assertion that a sample size of 10% of the target population is large enough and allows for reliable data analysis and testing for significance of differences between estimates.

The sample size of 353 was determined using Yamane formula. The primary data was collected through administering of questionnaires. The pre-test group was sampled randomly and comprised of 10% of the sample size. According to (Hisrich, 2015), 10% of the sample required for a full study should be used in a sample size.

In qualitative technique, the researcher performed content analysis on the findings collected from the open-ended questions and presented in prose form. SPSS (version 22) was applied in analysing quantitative data where descriptive statistics were computed and presentations done in percentages, means, SD and frequencies. Displaying of the information was done in table and figures.

## RESEARCH FINDINGS AND DISCUSSION

Out of 353 questionnaires which were distributed, 324 were duly filled and returned forming a response rate of 92%. According to (Kothari, 2019) a response rate of 50% should be considered average, 60% to 70% considered adequate while a response rate of above 70% should be regarded as excellent. This implies that the response rate of 92% was adequate for analysis, drawing conclusions and reporting.

### Descriptive Statistics

In this section, the study presents findings on Likert scale questions for each of the variables. The questions were analysed using mean (M) and standard deviations (SD). The findings were interpreted as mean value of 0.5-1.4 were interpreted as strongly disagree, 1.5-2.4 as disagree, 2.5-3.4 as moderate, 3.5-4.4 as agree, and 4.5-5.0 as strongly agree. Standard deviation value greater than two is a high standard deviation which means that respondent had differing opinion, if the standard deviation is less than 2 it is a low standard deviation an indication that respondent had similar opinion.

### Communication Skills

Communication plays a pivotal role in entrepreneurship and venture seeking. Moreover, it is essential to identify the decisive role that language plays in conceptualizing venture opportunities and persuading stakeholders about the feasibility of a venture. Effective communication is a primary means whereby entrepreneurs achieve the desired levels of excellence in the development of their organizations. The first objective of the study was to examine the role of communication skills in enhancing the performance of small cybercafé enterprises in Nairobi County, Kenya.

Therefore, respondents were asked to indicate their level of agreement with various statements on communication skills. Respondents indicated whether they agreed or disagreed with the statements. Table 1 presents the findings obtained.

**Table 1: Descriptive Analysis of Communication Skills**

Statements	Mean	SD
Communication skills have assisted in making important business decisions	3.902	1.287
communication skills have promoted innovation in the enterprise	3.756	1.364
communication skills have enhanced problem solving in the firm	3.903	1.371
communication skills has helped in maintaining a good relationship with employees	3.651	1.297
communication skills have enhanced communication in their enterprise	3.614	1.221
<b>Aggregate Score</b>	<b>3.765</b>	<b>1.308</b>

Based on the findings in Table 1, on average, the respondents agreed with the statements as shown by an aggregate mean value of 3.765 and standard deviation of 1.308. Also, the responses did not deviate much from the mean since they were all below 2. The findings specifically showed that the respondents agreed that communication skills have assisted in making important business decisions (M=3.902, SD=1.287); communication skills have promoted innovation in the enterprise (M=3.756, SD=1.364); communication skills have enhanced problem solving in the firm (M=3.903, SD=1.371); communication skills has helped in maintaining a good relationship with employees (M=3.651, SD=1.297); and that communication skills have enhanced communication in their enterprise (M=3.614, SD=1.221).

The study findings agree with (Akomea, 2016) that communication skills measurements had positive and critical effects on small enterprises Cybercafe performance. Also, majority businesses require proper communication, and that performance of enterprises is motivated by aspects that are not related with finances. If an organization had high levels of communication skills, they will

be in a better position to grow and enhance their performance. It also concurs with McFarlin (2019) that communication skills are essential for the managers and owners of any business. Managers and owners of businesses should have the necessary communication skills to communicate effectively in the business world.

### **Teamwork Skills**

Teamwork is the ability to work cooperatively with others to achieve group objectives. A good leader coupled with strong teamwork possesses the potential to achieve organizational goals and paves the path for success. Teamwork involves Leading, Influencing, motivating, and persuading others to achieve goals, observing and coaching other employees, Developing and maintaining good relationships with co-workers and managers and working as part of a team to achieve company goals.

The third objective of the study was to examine the role of teamwork skills in enhancing the performance of small cybercafé enterprises in Nairobi City County, Kenya. Therefore, respondents were asked to indicate their level of agreement with various statements on teamwork skills. Respondents indicated whether they agreed or disagreed with the statements. Table 2 presents the findings obtained.

**Table 2: Descriptive Statistics on Teamwork Skills**

<b>Statements</b>	<b>Mean</b>	<b>SD</b>
I engage in team building activities	3.975	1.345
We enhance teamwork in the enterprise	3.968	1.477
Teamwork has enhanced the enterprise performance	3.942	1.676
I acknowledge working in a team	3.869	1.239
It enhances a conducive environment	3.777	1.146
It facilitates goal achievement	3.971	1.470
<b>Aggregate Score</b>	<b>3.917</b>	<b>1.392</b>

From the findings in Table 2, the respondents agreed on average with the statements regarding technical competence as indicated by an aggregate mean of 3.917 and standard deviation of 1.392. The finding specifically show that the respondents agreed that they engage in team building activities (M= 3.975, SD= 1.345); that they enhance teamwork in the enterprise (M= 3.968, SD= 1.477); and that teamwork has enhanced the enterprise performance (M= 3.942, SD= 1.676). The findings further show that the respondents agreed that they acknowledge working in a team (M= 3.869, SD= 1.239); that it enhances a conducive environment (M= 3.777, SD= 1.146); and that their teamwork skills have helped them with achievement (M= 3.971, SD= 1.470). This is in line with (Kothari, 2019) assertion that entrepreneurship-training programmes mostly focus on entrepreneurial skills, which include knowledge, experience and aptitudes of entrepreneurs. Similar studies by (Ebiringa, 2019) showed that business management skills if covered on entrepreneurship training would lead to positive impact on business impact. A study by (Alimi, 2016) concludes that training competence covers acquisition of knowledge relevant to entrepreneurship as well as acquisition of skills to manage the business which influences trainee behaviour and performance.

Team building strengthens the relationships between members of a group (Heathfield, 2021). Individual members appreciate each other's diversity while working toward common aims and objectives. Team building refers to the daily interactions that employees have while working together to do the tasks their professions need (Henry, 2015). This is a natural kind of team development that can be achieved if the group takes the time to develop a set of team rules. These norms guide group members' interactions within the team and with the rest of the organization.



### Performance of Small Enterprises

Respondents were asked to indicate the level to which they agreed or disagreed with various statements that related with performance of small enterprises Cybercafe in Nairobi City County, Kenya. Table 3 presents the findings obtained.

**Table 3: Descriptive Analysis of Performance of SMEs**

	Mean	SD
We have been able to improve our market share in comparison to our competitors.	3.928	1.152
We have attracted a significant number of new customers	3.797	1.238
Relative to major competitors, our enterprise has been able to cover a large market share	3.795	1.226
Our sales volume has increased.	3.796	1.318
Our enterprise has been able to achieve profitability objectives.	3.784	1.258
<b>Aggregate Score</b>	<b>3.819</b>	<b>1.236</b>

Results in Table 3 show that the respondents were in agreement with the statements. This is as indicated by an aggregate mean value of 3.819 and standard deviation of 1.236. Respondents specifically agreed that they have been able to improve our market share in comparison to our competitors (M=3.928, SD=1.152); that they have attracted a significant number of new customers (M=3.797, SD=1.238); relative to major competitors, their enterprise has been able to cover a large market share (M=3.795, SD=1.226); their sales volume has increased (M=3.796, SD=1.318); and that their enterprise has been able to achieve profitability objectives (M=3.784, SD=1.258). The study findings concur with those of Tahseen and Ramayah (2017) that the success of any business depends on some pivotal resources whereby the most crucial yet intangible resource is entrepreneurial skills. Also, it is essential for owners of small businesses to have diverse skills, imagination, creativity, and be able to identify new opportunities. Those factors are very crucial because they influence the performance of the company both as they start and later on.

### Correlation Analysis

Correlation analysis is applied in determining the level and the direction of the relationship between two variables. The relationship was considered small when  $r = \pm 0.1$  to  $\pm 0.29$ , while the relationship was considered medium when  $r = \pm 0.3$  to  $\pm 0.49$ , and when  $r = \pm 0.5$  and above, the relationship was considered strong. Table 4 presents the correlation analysis findings between the study variables.

**Table 4: Correlations**

	Performance	Communication Skills	Teamwork Skills
Performance	Pearson Correlation	1	
	Sig. (2-tailed)		
	N	172	
Communication Skills	Pearson Correlation	.702**	1
	Sig. (2-tailed)	.000	
	N	172	172
Teamwork Skills	Pearson Correlation	.736**	.261
	Sig. (2-tailed)	.000	.325
	N	172	172

The findings in Table 4 show that communication skills and performance of small enterprises Cybercafe in Nairobi City County, Kenya have strong, positive and significant relationship ( $r=0.702$ ,  $p=0.000$ ); teamwork skills is also seen to have a strong positive and significant relationship with performance of small enterprises Cybercafe in Nairobi City County ( $r=0.736$ ,

$p=0.000$ ). These findings show that the independent variables (communication skills, teamwork skills) had strong positive relationship with performance of small enterprises Cybercafe in Nairobi City County, Kenya. The study findings agree with (Akomea, 2016) that communication skills, teamwork measurements had positive and critical effects on small enterprises Cybercafe performance.

### Multiple Regression Analysis

#### Model Summary

The study computed model summary to determine the amount of variation in growth of small cybercafé enterprises in Nairobi City County, Kenya as a result of changes in communication skills, and teamwork skills.

**Table 5: Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.763 <sup>a</sup>	.582	.577	.39130

a. Predictors: (Constant), Communication skills, teamwork skills

In table 5, the R squared value was 0.582 which suggests that 58.2% variation in improved performance of small enterprises Cybercafe in Nairobi County, Kenya can be explained by changes in communication, teamwork skills. The remaining 41.8% suggest that variations observed in performance of small enterprises Cybercafe in Nairobi County, Kenya can be explained by other aspects that were not discussed in this study. The findings also show that R (correlation coefficient) is 0.763 implying that the variables included in the model have a strong positive relationship.

The finding concurs with (Buttner, 2017) that the performance of small enterprise cyber café is influenced by so many factors that cannot be exploited in one research finding, in his finding he found that entrepreneurs of small enterprises cybercafé not only require negotiation, communication, life and marketing skills since they only lead to a variation 47.2% on small enterprises cybercafe.

#### Analysis of Variance

Analysis of variance was used to determine significance of the model developed. The significance of the model was tested at 5% level of significance.

**Table 6: ANOVA**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	69.628	4	17.407	113.686	.000 <sup>b</sup>
	Residual	25.551	167	0.153		
	Total	95.179	171			

a. Dependent Variable: performance

b. Predictors: (Constant), communication skills, teamwork skills

Result in Table 6 shows that the p-value obtained (0.000) was less than the selected level of significance (0.05). This is an indication that the model was significant and can be used in predicting performance of small enterprises Cybercafe in Nairobi County, Kenya. The findings further established that the f-calculated value (113.686) was greater than the f-critical value ( $F_{4,167}=2.426$ ). These results suggest that communication skills, teamwork skills significantly influence performance of small enterprises Cybercafe in Nairobi City County, Kenya.

(Haque, 2016) found that entrepreneurship skills significantly influence the performance of small enterprises and dependent variable changes according to the level of the independent variable.

## Beta Coefficients of the Study Variables

**Table 7: Coefficients**

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	.713	.149		4.785	.010
1 Communication skills	.218	.058	.188	3.764	.031
Teamwork skills	.334	.034	.480	9.955	.000

a. Dependent Variable: Performance

Beta coefficient values were fitted in the regression model and formed the following regression equation;

$$Y = 0.713 + 0.218 X_1 + 0.334 X_2 + \varepsilon$$

From the findings, communication skills have a positive relationship with performance of small enterprises Cybercafe in Nairobi City County, Kenya ( $\beta = 0.218$ ,  $P = 0.010$ ). Communication skills had a positive relationship with performance of small enterprises Cybercafe in Nairobi County, Kenya. This shows increasing communication skills by a single unit resulted to an increase growth of small enterprises Cybercafe in Nairobi County, Kenya.

Teamwork skills was found to statistically and significantly explain performance of small enterprises Cybercafe in Nairobi County, Kenya ( $\beta = 0.334$ ,  $P = 0.000$ ). This indicates that teamwork skills have positive, significant relationship with performance of small enterprises Cybercafe in Nairobi County, Kenya. From the findings it can be deduced that increasing teamwork skills will result to an improved performance of small enterprises Cybercafe in Nairobi County, Kenya.

### Conclusion

The study found that Communication Skills has a positive relationship with effect of entrepreneurial skills on the performance of small cybercafé enterprises in Nairobi City County, Kenya. The relationship was significant. Based on the findings, the study concludes that increasing communication skills by a single unit will result to an improved performance of small cybercafé enterprises in Nairobi City County, Kenya.

Teamwork skills was found to statistically and significantly explain performance of small cybercafé enterprises in Nairobi City County, Kenya. This indicated that teamwork skills have positive, significant relationship with performance of small cybercafé enterprises in Nairobi City County, Kenya. From the findings, the study concluded that increasing teamwork skills will result to an improvement in performance of small cybercafé enterprises in Nairobi City County, Kenya.

### Recommendations

The study found that communication skills positively influence performance of SMEs. The study therefore recommends business owners of SMEs to improve on their communication skills by embracing proper channels of communication and also ensure that they have effective and efficient strategic options. This can be achieved by enrolling in short entrepreneurial courses that will help them to enhance their skills. They can also attend seminars and other workshops that are prepared to help entrepreneurs enhance their skills and learn from other successful entrepreneurs.

### Suggestions for Further Studies

The main focus of this study was to establish the performance of small cybercafé enterprises in Nairobi City County, Kenya. The study explained 58.2% variation in improved performance. The remaining 41.8% suggest that variations observed in performance of small cybercafé enterprises

in Nairobi City County, Kenya. This study therefore recommends a study to be done on other factors that can explain growth such as creativity, risk taking, management skills.

This study was limited to SMEs in Nairobi City County, Kenya; the study thus recommends replication of this research study in other counties to facilitate comparison and generalization of research findings. Other studies should focus on other enterprises like micro and medium and large enterprises.

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