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Proactive Strategies and The Performance of Youth-Owned Enterprises in The Lake Region Economic Bloc, Kenya

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ABSTRACT

Purpose: Youth-owned enterprises (YOEs) are widely recognized as engines of job creation, poverty reduction, and inclusive economic growth, yet a large proportion fail within their first few years of operation, particularly in resource-constrained regions such as Kenya's Lake Region Economic Bloc (LREB). This study sought to establish the effect of proactive strategies on the performance of youth-owned enterprises in the LREB, Kenya.

Methodology: The study was anchored on the Entrepreneurial Theory of the Firm. A concurrent embedded mixed-methods design, guided by a pragmatist research philosophy, was adopted, targeting 71,890 registered youth-owned enterprises drawn from the trade, manufacturing, services, and agriculture sectors in Busia, Kakamega, Kisumu, Homa Bay, and Kisii counties. Using Cochran's (1977) formula, a sample of 382 respondents, comprising 352 enterprise owners and 30 key informants, was drawn through stratified random sampling complemented by purposive sampling of key informants. Data were collected using a structured questionnaire and an interview guide, whose validity and reliability were confirmed through a pilot study involving 38 youth enterprise owners in Nairobi. Quantitative data were analysed using SPSS through descriptive and inferential statistics, while diagnostic tests for outliers, normality, and multicollinearity were conducted before regression analysis.

Findings: Proactive strategies were found to have a strong, positive, and statistically significant correlation with the performance of youth-owned enterprises. The study concluded that proactive strategies, particularly early risk anticipation, mentorship-seeking, and continuous market adaptation, significantly enhance the performance of youth-owned enterprises in the LREB.

Unique Contribution to Theory Practice and Policy: The study recommended that development partners, non-governmental organizations, and county governments institutionalize capacity-building programmes on digital trend forecasting, market scanning, and early-implementation skills to strengthen proactive behaviour among youth entrepreneurs.

Keywords: *Proactive Strategies, Youth-Owned Enterprises, Enterprise Performance*

1. Background of the Study

Proactive strategies refer to deliberate organizational actions through which enterprises anticipate future market changes, identify emerging opportunities, and respond to environmental uncertainties before competitors rather than reacting after changes have occurred (Lumpkin & Dess, 2021). These strategies emphasize forward-looking decision-making, opportunity recognition, continuous innovation, environmental scanning, strategic planning, and timely resource deployment to enhance organizational competitiveness and long-term sustainability (Wheelen et al., 2023). Unlike reactive strategies, which focus on responding to already existing market conditions, proactive strategies enable enterprises to shape their competitive environment through early market entry, customer anticipation, product innovation, and strategic adaptability. Barney and Hesterly (2021) argue that organizations that consistently adopt proactive strategies are better positioned to exploit emerging opportunities, mitigate risks, and sustain superior organizational performance.

Globally, proactive strategies have become an important determinant of enterprise performance, particularly among small and medium-sized enterprises (SMEs) operating in highly competitive and dynamic business environments. In the United States, businesses increasingly invest in market intelligence systems, innovation capabilities, strategic forecasting, and digital transformation initiatives to anticipate customer needs and changing market conditions (Grewal & Levy, 2023). These proactive initiatives have enabled enterprises to improve innovation, strengthen competitive advantage, increase sales growth, and enhance business resilience by responding quickly to technological and market disruptions (OECD, 2023). Similarly, multinational corporations such as Apple, Tesla, and Amazon continuously embrace proactive innovation, predictive analytics, and strategic investments to remain ahead of competitors and sustain long-term organizational performance (Chaffey & Ellis-Chadwick, 2022).

In Africa, proactive strategies have increasingly become essential as enterprises seek to remain competitive within rapidly evolving business environments characterized by technological advancement, economic uncertainties, globalization, and changing customer preferences. In South Africa, SMEs have adopted proactive market expansion, digital innovation, and strategic partnerships to enhance competitiveness, improve customer value, and strengthen enterprise performance (Department of Small Business Development South Africa, 2023). Likewise, Rwanda has promoted proactive entrepreneurship through innovation-driven policies, digital transformation initiatives, and enterprise development programmes that encourage businesses to identify emerging opportunities and respond strategically to market dynamics (Rwanda Development Board, 2023). In Ghana, proactive business planning, market intelligence, and innovation strategies have enabled enterprises to improve competitiveness, increase customer acquisition, and enhance business sustainability despite financial and operational constraints (Boateng, 2022).

In Kenya, youth-owned enterprises operate within an increasingly volatile and competitive business environment characterized by rapid technological advancement, digital transformation, evolving consumer preferences, globalization, and increasing market uncertainty. The Government of Kenya has introduced several policy interventions, including the Youth Enterprise Development Fund, the Kenya Youth Employment and Opportunities Project (KYEOP), the Bottom-Up Economic Transformation Agenda to strengthen entrepreneurship, innovation, and enterprise competitiveness among young entrepreneurs (Ministry of Cooperatives and MSME Development, 2023). These initiatives encourage youth-owned enterprises to adopt proactive business strategies that emphasize innovation, strategic planning, opportunity recognition, and market responsiveness to improve competitiveness and business sustainability (KNBS, 2024). Nevertheless, many youth-owned enterprises continue to face challenges such as inadequate strategic planning, limited environmental scanning, weak innovation capabilities, insufficient market intelligence, and financial constraints, thereby reducing their ability to anticipate market changes and sustain superior business performance (World Bank, 2024).

Performance of youth-owned enterprises refers to the extent to which businesses owned and managed by young entrepreneurs achieve their strategic, operational, and financial objectives through effective utilization of available resources while maintaining competitiveness, adaptability, and long-term sustainability (Richard et al., 2022). Enterprise performance encompasses both financial and non-financial outcomes, including sales growth, profitability, market expansion, customer satisfaction, innovation, operational efficiency, business survival, employment creation, and overall competitiveness (Wheelen et al., 2023). According to Barney and Hesterly (2021), enterprise performance also reflects an organization's ability to generate value, respond effectively to environmental changes, and maintain sustainable competitive advantage through strategic resource utilization. Consequently, high-performing youth-owned enterprises demonstrate greater resilience, adaptability, innovation, and sustained market growth.

Effective enterprise performance demonstrates an organization's capacity to utilize its resources strategically while responding proactively to emerging market opportunities and environmental uncertainties. High-performing youth-owned enterprises exhibit increased profitability, stronger sales growth, greater market expansion, enhanced innovation, improved customer satisfaction, and stronger resilience against economic shocks (OECD, 2023). Lumpkin and Dess (2021) observe that enterprises exhibiting proactive strategic behaviour are more likely to identify market opportunities ahead of competitors, leading to sustained competitive advantage and superior organizational performance. Conversely, poor enterprise performance may be reflected through declining sales, reduced profitability, weak market penetration, limited innovation, poor business resilience, and eventual enterprise failure (UNDP, 2024).

Statement of the Problem

Despite ongoing government and donor support, youth-owned enterprises (YOEs) in Kenya's Lake Region Economic Bloc (LREB) continue to record high failure rates and limited growth. Reports by the Kenya National Bureau of Statistics indicate that 60% of youth enterprises collapse within the first three years of operation, and 80% do not survive beyond five years, a pattern linked to inadequate marketing strategies, financial illiteracy, and limited access to formal markets. Financial constraints remain a key barrier, with 72% of Kenyan youth citing limited access to capital as their primary challenge, while 65% cite bureaucratic hurdles as major impediments. This study, therefore, sought to establish the effect of proactive strategies on the performance of youth-owned enterprises in the Lake Region Economic Bloc, Kenya.

2. Literature Review

Theoretical Framework

The study was anchored on the Entrepreneurial Theory of the Firm. The theory was originally developed by Penrose (1959) and later extended by Kirzner (1973). The theory emphasizes the entrepreneur as the primary decision-maker, innovator, and opportunity-seeker responsible for identifying and exploiting market opportunities ahead of competitors, an emphasis directly relevant to proactive behaviour among youth entrepreneurs in the LREB, who often compensate for limited capital through early market entry, trend monitoring, and anticipatory risk management (Neumeyer & Santos, 2018). A key criticism of the theory is its tendency to focus excessively on the entrepreneur as an individual, potentially overlooking the influence of market structures and institutional environments. Nonetheless, the theory remains applicable in this study as it provides a useful lens for understanding how youth entrepreneurs' opportunity recognition and forward-looking behaviour translate into enhanced enterprise performance.

The study was further complemented by the Resource-Based View (RBV) theory, rooted in the work of Penrose (1959) and later refined by Wernerfelt (1984) and Barney (1991), which holds that enterprises achieve superior performance when they possess and effectively deploy resources that are valuable, rare, and difficult to imitate. In this study, proactiveness is conceptualized as a strategic, intangible resource that enables resource-constrained youth-owned enterprises to compensate for limited physical capital through market sensing, early opportunity recognition, and agility (Kantur, 2021). Within weak institutional environments such as those characterizing the LREB, enterprises that treat proactive behaviour as a strategic resource have been found to perform better, underscoring the relevance of RBV in explaining why proactive youth enterprises outperform their less proactive counterparts (Boso et al., 2023).

Empirical Review

Guliwe (2023) explored proactive marketing practices among South African small and medium enterprises (SMEs) seeking to overcome limited financial access and high market-entry costs. Using a quantitative survey design and statistical analysis of questionnaire data, the study found that proactive value-creation strategies improved enterprise productivity, although it did not specifically examine how youth enterprise owners engage with such strategies, leaving a gap regarding tailored proactive marketing approaches for youth entrepreneurs.

Ngoda et al. (2024) investigated the effect of proactive policy implementation on SME performance in Tanzania through the lens of strategic management theory, using structured questionnaires and statistical analysis. The study established that firms employing pre-emptive, forward-looking strategies outperformed those relying on reactive approaches, though it did not isolate youth entrepreneurship, leaving unclear how proactive policy engagement specifically benefits young business owners in a context such as the LREB.

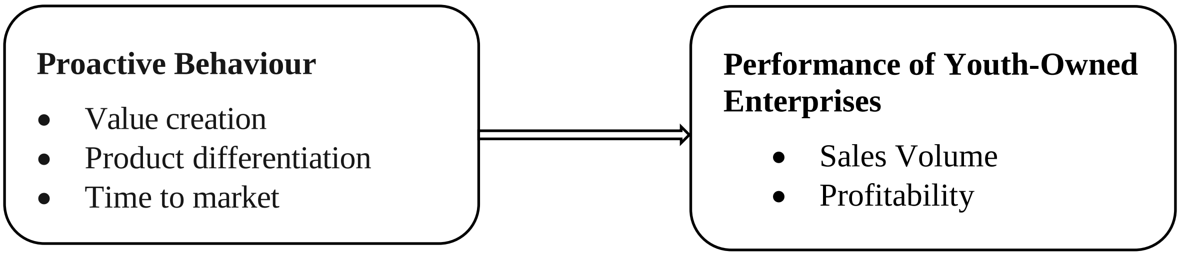
Leul, Bekele, Feleke, and Hailu (2023), grounded in social capital theory, examined how common interest groups enhanced the economic welfare of youth and female entrepreneurs in Ethiopia using a mixed-methods design combining surveys and interviews. The study found that social capital, combined with active community engagement, significantly enhanced enterprise performance, but did not examine proactive marketing practices directly, leaving a gap regarding which specific proactive strategies youth entrepreneurs could adopt to improve enterprise outcomes.

Otieno and Ndung'u (2020) analysed market orientation, innovation, and competitive differentiation among Kenyan enterprises using survey and interview methods guided by market orientation theory. The study found that market-driven, anticipatory strategies significantly enhanced enterprise growth, but it did not focus on youth-owned enterprises within the LREB, leaving a contextual gap regarding the proactive marketing strategies most relevant to youth entrepreneurs in the region.

Collectively, these studies demonstrate that proactive, anticipatory, and forward-looking marketing behaviour consistently enhances enterprise performance across diverse global contexts. However, the reviewed literature predominantly examines general SMEs rather than youth-owned enterprises, and studies focusing specifically on the effect of proactive strategies on youth enterprise performance within the Lake Region Economic Bloc of Kenya remain scarce. This study sought to address this empirical gap.

Conceptual Framework

The conceptual framework of the study illustrates the relationship between proactive strategies, the independent variable, and the performance of youth-owned enterprises, the dependent variable. Proactive strategies were conceptualized through market trend identification, early market entry, early risk management, mentorship-seeking, and digital technology adoption, consistent with Covin and Slevin's (1989) operationalization of proactiveness as an entrepreneurial-orientation dimension. Performance of youth-owned enterprises was conceptualized through sales growth, profitability, market expansion, and customer retention (Akumu & Abuga, 2022).



Independent Variable **Dependent Variable**

Figure 1: Conceptual Framework

3. Methodology

The study adopted a descriptive research design within a positivist philosophy and was carried out among registered youth-owned enterprises (ages 18–35) in the trade, manufacturing, services, and agriculture sectors of Busia, Kakamega, Kisumu, Homa Bay, and Kisii counties, which together constitute the Lake Region Economic Bloc. The target population comprised 71,890 registered youth-owned enterprises. Cochran's (1977) formula, adjusted for a finite population, was applied to determine a sample size of 382 enterprises, proportionately distributed across the five counties using stratified random sampling and Bowley's allocation formula. A structured, closed-ended questionnaire employing a five-point Likert scale, where 5 = Strongly Agree and 1 = Strongly Disagree, was used to collect primary data from enterprise owners/managers. A pilot test was conducted to refine the instrument and assess reliability using Cronbach's Alpha. Data were analysed using descriptive statistics, comprising frequencies, percentages, means, and standard deviations, and inferential statistics, comprising Pearson correlation and simple linear regression analysis, with the aid of the Statistical Package for Social Sciences (SPSS). Prior to inferential analysis, diagnostic tests for normality was conducted to ascertain that the assumptions of regression analysis were satisfied.

3. Results

Response Rate

The study applied a concurrent embedded mixed-methods design involving both quantitative and qualitative data collection. For the quantitative strand, 352 youth-owned enterprises within the Lake Region Economic Bloc (LREB) were targeted. Out of these, 320 enterprises were successfully reached and fully completed the structured questionnaires. This resulted in a response rate of 90.91% and a corresponding non-response rate of 9.09%. According to Mugenda and Mugenda (2018), a response rate above 60% is considered adequate for academic research, enhancing the reliability and representativeness of the results.

In the qualitative component, 30 key informants comprising youth officers, SACCO representatives, trade officials, and youth fund managers were purposively selected. Of these,

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24 participated in face-to-face interviews, yielding a response rate of 80.00% and a non-response rate of 20.00%. The non- responses were primarily due to inaccessibility, scheduling conflicts, or disinterest. Both response rates were sufficient to support comprehensive analysis, ensure data adequacy, and facilitate meaningful triangulation of findings. Table 1 presents the response rate for the study.

Table 1: Response Rate

Components	**Targeted Participants**	**Respondents**	**Response Rate %**	**Non-response**
Quantitative data	352	320	90.91	32
Qualitative data	30	24	80.00	6
Total	**382**	**344**	**90.05**	**38**

As revealed in Table 1, the study documented an impressive overall response rate of 90.05%, which helped to understand how reliable and adequate the data gathered is. A high response rate reflects strong cooperation from participants, which in turn boosts the representativeness, validity, and credibility of the findings on youth-owned enterprises in the Lake Region Economic Bloc. In the quantitative phase, the response rate was 90.91% (320 out of 352), while in the qualitative phase it was 80.00% (24 out of 30). As noted by Babbie (2020) and the foundational standards set by Mugenda and Mugenda (2018), any response rate over 70% is considered excellent in social science research. Recent research by Holtom et al. (2022) supports the idea that such high response rates greatly reduce non-response bias and boost the statistical strength of the findings.

Background Information

The study sought to assess the demographic composition of the youth respondents who participated in the study. Understanding the background characteristics of the participating enterprises. Specifically, the study assessed the gender of the youth entrepreneur respondents and the structural characteristics of youth-owned enterprises.

Gender of The Youth-Owned Entrepreneurs

This study sought to examine the gender distribution of respondents to provide a foundation. Understanding of the demographic composition within youth-owned enterprises (YOEs) in the Lake Region Economic Bloc (LREB). As depicted in Figure 2.

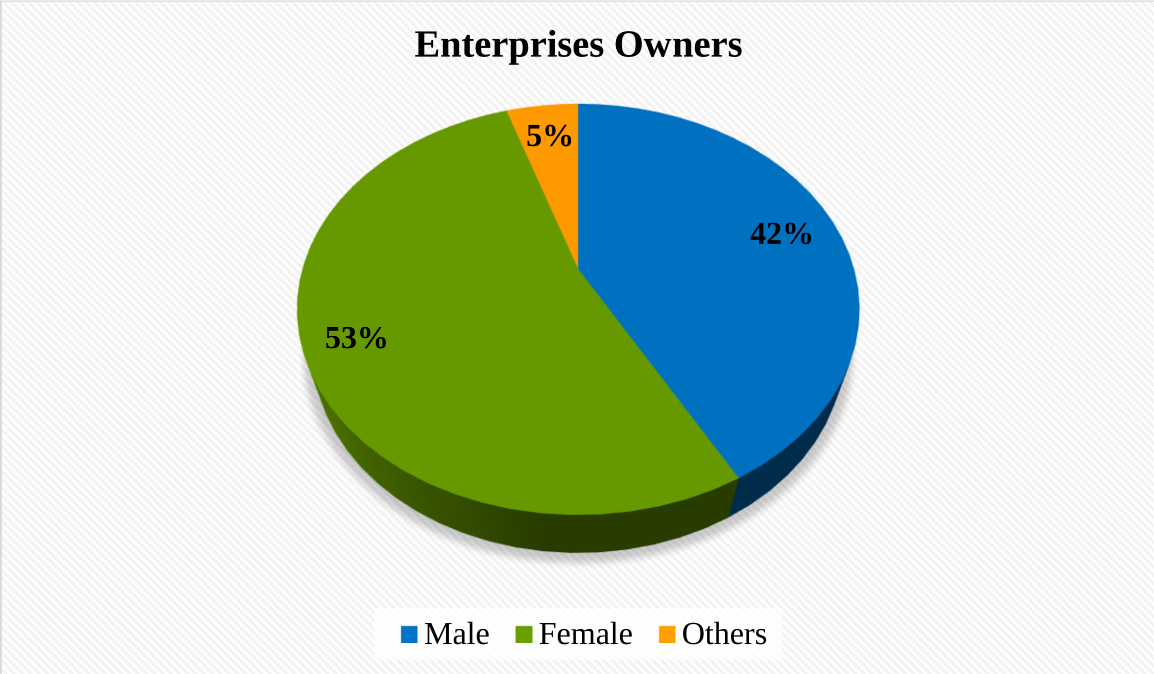

Figure 2: Gender of the Youth -Owners of Enterprises

The gender composition of the respondents, as presented in a pie chart, indicates that the proportion of females who constituted 55.0% (n = 176) of the respondents was the greatest, followed by males of 40.3% (n = 129), and a smaller percentage (4.7%, n = 15) identifying as either non-binary or non- gender respondents. This gender-diverse sample is significant when it comes to placing entrepreneurial marketing and performance into the context of youth-owned enterprises, in this case, Lake Region Economic Bloc (LREB). This distribution suggests a strong female presence among participants' YOEs, and this prompted the researcher to interpret marketing strategy adoption through a gendered lens. Practically, the female majority may help explain higher mean scores on customer intensity and service-oriented innovation in the sample.

Table 2: Nature of Business Sector

No	Nature of Business	Business Sector
1	Retail shop/ Boutique/M-Pesa	Trade
2	Cereal Vending/ General Trading	Trade
3	Poultry/Fish/Crop Vending	Agriculture
4	Hotel/ Restaurant/ Food Vending	Services
5	Salon/ Barbar shop/ Beauty Care	Services
6	Transport/Garage/Motor Services	Services
7	Welding /Carpentry/ Fabrication	Manufacturing

Source: Field Research (2025)

The data indicate that the majority of enterprises are concentrated in retail/trade (20.4%), agriculture (12%), and food and beverage (9.8%) sectors. These sectors typically require low startup capital and serve everyday consumer needs. In contrast, creative media (3.1%), healthcare (2.2%), and education (1.8%) had fewer entries, suggesting barriers such as capital requirements, specialization, or limited local demand. The diverse distribution reflects a multi-sectoral microenterprise landscape, dominated by informal and semi-formal businesses. Understanding this composition is critical for designing targeted interventions, especially in financing, training, and regulatory frameworks.

Descriptive Statistics

Proactive Strategies

The study sought to assess respondents' level of agreement with statements on the effect of proactive strategies on the performance of youth-owned enterprises. Table 3 presents the findings.

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Table 3: Descriptive Statistics on Proactive Strategies

Statement	SD	D	N	A	SA	μ	σ
Adopting new ideas of marketing and sharing agricultural products with the customers has improved performance	0.5%	1.0%	2.5%	56.1%	39.8%	1.689	0.813
Proactive strategies help YOEs perform better	0.3%	0.6%	1,6%	64.4%	33%	4.2938	56098
Managing risks early helps YOEs handle uncertainty	0.3%	0.9%	0.9 %	60.6 %	38.1%	4.3656	.51989
Networking affects enterprise performance for youth	32.%	54.1%	8.3%	3.5%	1.3%	1.85	.789
Digital transformation helps youth stay ahead in the market	0.3%	1.8%	6.3%	36%	52.9%	1.81	.817
Youth entrepreneurs who actively seek mentorship improve their business skills and adaptability.	0.9%	1.9%	0.3%	55.9%	39.1%	4.3125	0.6828
Average						**3.0535**	

Source: Field Data (2025)

The findings in Table 5 reveal that the respondents were aligned on the impact that proactive strategies have on the performance of youth-owned enterprises (YOEs) in the LREB. Early risk management (60.6%; μ=4.37, σ=0.52) recorded the highest agreement, indicating that anticipating and addressing risks before they escalate is seen as key to sustaining operations. This aligns with Ngodaa et al. (2024), who found that forecasting, risk management, and resource optimization significantly enhance enterprise resilience. Dynamic quest mentorship (55.9%; μ=4.31, σ=0.68) was also highly recommended, supporting Linan and Fayolle's (2015) argument that structured guidance improves entrepreneurial skills.

Customer engagement (56.1%; μ > 4.3), through adopting new marketing ideas and direct product sharing, scored similarly high, as shown by a high (μ > 4.30), which is consistent with Schumpeter's (1934) innovation theory, which views proactive market interaction as a driver of competitive advantage. Moreover, anticipatory and proactive strategies are essential for the sustainability and growth of enterprises. It is also clear that the two factors with the highest scores, particularly technology adoption and digital transformation, are regarded as critical for maintaining enterprise competitiveness amid changing markets. The left-tailed response distribution, which confirms the dominance of "agree" and "strongly agree" responses, indicates that disagreement is not widespread.

The patterns observed are in line with Schumpeter's 1934 Theory of Innovation, which views entrepreneurial proactiveness as innovation and innovation as the basis for enterprise performance. Furthermore, Penrose (1959) viewed dynamic capabilities as key growth enablers. In another study, Ngodaa et al. (2024) provided empirical evidence and underscored the significance of proactive policy structures alongside resource optimization in fostering entrepreneurial proactiveness. Qualitative data from interviews confirmed the emerging quantitative patterns in the data, as respondents pointed out the importance of actions that anticipate problems. In conclusion, the findings confirm that proactive strategies, particularly early risk management, mentorship, customer engagement, and technology adoption, are seen as critical to the growth and sustainability of YOEs. This is affirmed by both theoretical foundations and current empirical studies as enabling enterprises to anticipate challenges, leverage opportunities, and maintain a competitive edge. The consistently low levels of disagreement further highlight the importance of integrating proactive strategies into youth enterprise development programs and policy frameworks.

Performance of Youth-Owned Enterprises

The study sought to assess the overall performance of youth-owned enterprises within the Lake Region Economic Bloc (LREB). Performance metrics included growth in monthly sales volume, effectiveness of digital marketing initiatives, customer engagement during promotional campaigns, referral-driven sales, net profit growth, and return on marketing investment (ROMI). These indicators reflect both short-term operational success and long-term business sustainability, and they align with established performance measures for micro and small enterprises in emerging economies, where marketing strategies are increasingly digital and data-driven.

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Table 4: Performance of Youth Owned Enterprises

Statement	SD	D	N	A	SA	μ	σ
My monthly sales volume has increased since I began using specific marketing strategies.	0%	0%	0.30%	46.20%	53.10%	3.7563	0.98736
Digital marketing efforts (e.g., WhatsApp, Instagram, SMS) have resulted in increased product/service demand.	0%	0.10%	0.30%	50.60%	49.10%	3.7844	1.02036
I experience higher customer turnout during promotional campaigns.	0.30%	0.30%	0.90%	50%	49.30%	3.7625	1.07106
I have experienced growth in net profit over the last financial year.	0.30%	2.40%	0.10%	50%	47.30%	3.4438	0.91142
Return on marketing investment (ROMI) has been positive in the past 12 months.	0.30%	0.30%	0.11%	35.60%	64.10%	3.675	3.675
I experience higher customer turnout during promotional campaigns.	0.30%	0.00%	0.30%	59.70%	39.70%	4.0219	1.2605
Average score						**3.7407**	

As shown in Table 4, the results indicate notable gains in market outcomes from marketing strategies. Monthly sales growth (**μ**= 3.76, σ = 0.99) and increased demand through digital marketing (**μ**= 3.78, σ = 1.02) align with the Entrepreneurial Theory of the Firm (Stevenson & Jarillo, 1990) and studies by Gathungu et al. (2014) linking proactive marketing to sales growth.

Promotional campaigns significantly boost customer turnout (**μ** = 4.02, σ = 1.26), while positive ROMI (**μ**= 3.68) supports the Resource-Based View (Barney, 1991) on efficient resource utilization. Muthee & Maina (2021) similarly report measurable returns from youth-led digital promotions. Profit growth (**μ** = 3.44, σ = 0.91) was moderate, reflecting Schumpeter's (1934) view that market expansion often precedes sustained profitability. Overall, with a composite mean of **μ** = 3.74, these results underscore the role of targeted marketing in driving sales, market reach, and long-term viability of YOEs.

In conclusion, the findings indicate that with an average score of **μ** =3.74, entrepreneurial marketing strategies, particularly those focused on digital engagement and promotional efforts, are significantly boosting sales, demand, and customer turnout for over years YOEs in the Lake Region Economic Bloc, Kenya. The results align with the theories, such as the Entrepreneurial

Theory of the Firm, Innovation, and resource management. This highlights the need to continuously enhance these strategies to turn market successes into lasting profitability and sustainability

Correlation Analysis

Correlation is a technique for investigating the relationship between two quantitative, continuous variables. The study adopted Pearson correlation analysis to determine the strength and direction of the association between proactive strategies and the performance of youth-owned enterprises.

Table 5: Correlation Matrix

	Proactive Behaviour
Performance	.752**
**Correlation is significant at the 0.01 level (2-tailed).	

The findings in Table 6 revealed a strong, positive, and statistically significant correlation between proactive strategies and the performance of youth-owned enterprises (r = 0.752, p = 0.000). This indicates that youth-owned enterprises whose owners anticipate market trends, manage risks early, and continuously adapt to changing customer needs tend to record considerably better performance outcomes. The finding is consistent with Ngoda et al. (2024), who established that firms employing pre-emptive, forward-looking strategies consistently outperformed those relying on reactive approaches.

Regression Analysis and Hypothesis Testing

The study tested the following null hypothesis: H_{01}: There is no statistically significant influence of proactive behaviour strategies on the performance of youth-owned enterprises in the Lake Region Economic Bloc, Kenya. Table 6 presents the model summary.

Table 6: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of Estimate
1	.752	.566	.565	.646

Predictor: Proactive Strategies. Dependent Variable: Performance.

Source: Field Data (2025)

The model summary shows a strong positive relationship between proactive strategies and performance (R = .752), with proactive strategies accounting for 56.6% of the variance in the performance of youth-owned enterprises (R^2 = .566). The Adjusted R^2 = .565 confirms the model remains strong after adjusting the sample size.

Table 7: Analysis of Variance (ANOVA)

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	173.003	1	173.003	414.801	.000
Residual	132.630	318	0.417		
Total	305.632	319			

Dependent Variable: Performance. Predictor: Proactive Strategies.

The ANOVA results confirm that the regression model was statistically significant, $F(1, 318) = 414.801$, $p < .001$. This confirms that proactive strategies significantly predict the performance of youth-owned enterprises, and the null hypothesis (H_{01}) was rejected.

Table 8: Regression Coefficients for Proactive Strategies Predicting Performance

Model	B	Std. Error	Beta	t	Sig.
(Constant)	0.839	0.112	-	7.489	.000
Proactive Strategies	0.779	0.038	0.752	20.367	.000

Dependent Variable: Performance.

The regression coefficients show that proactive strategies had a positive and statistically significant effect on performance ($B = 0.779$, $\beta = 0.752$, $t = 20.367$, $p = .000$). The resultant regression model is expressed as:

$$\mathbf{Y} = 0.839 + 0.779\mathbf{X_3} \text{ .... Equation 1}$$

Where Y is the performance of youth-owned enterprises in the Lake Region Economic Bloc, Kenya, and X_3 is proactive strategies. This implies that a one-unit increase in proactive strategies is associated with a 0.779-unit increase in the performance of youth-owned enterprises, holding other factors constant. Consequently, the null hypothesis (H03) was rejected, confirming that proactive strategies have a statistically significant positive effect on the performance of youth-owned enterprises in the Lake Region Economic Bloc, Kenya.

4. Conclusions and Recommendations

Conclusion

The study concluded that proactive strategies have a strong, positive, and statistically significant effect on the performance of youth-owned enterprises in the Lake Region Economic Bloc, Kenya. Enterprises whose owners anticipate market trends, manage risks early, seek mentorship, and adopt digital tools ahead of competitors demonstrate greater flexibility,

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resilience, and competitiveness than those relying on reactive approaches. Early risk management and mentorship-seeking emerged as the most strongly endorsed dimensions of proactive behaviour, underscoring their centrality to youth enterprise performance in the region. While respondents were less convinced of the direct value of networking, the overall pattern of findings affirms that anticipatory, forward-looking behaviour is a critical, low-cost capability that youth entrepreneurs in the LREB can leverage to overcome resource constraints and enhance enterprise outcomes.

Recommendations

The study recommends that development partners and non-governmental organizations prioritize capacity-building programmes that equip youth entrepreneurs with digital trend-forecasting, market-scanning, and early-implementation skills, enabling them to anticipate and respond to market shifts ahead of competitors. County governments within the Lake Region Economic Bloc should also institutionalize structured mentorship platforms linking youth entrepreneurs with experienced business owners, given the strong association observed between mentorship-seeking and enterprise performance. Additionally, given the comparatively lower value respondents attached to networking, targeted sensitization on the strategic benefits of business networks and peer collaboration is recommended to strengthen this dimension of proactive behaviour.

The study further recommends that future research adopt a longitudinal design to establish the causal and cumulative effect of proactive strategies on youth enterprise performance over time, and extend the analysis to other regional economic blocs in Kenya to enhance the generalizability of these findings.

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