

## Abstract

There remains a significant level of unemployment in Kenya especially among the young generation of under 35 years of age. The Government of Kenya, its development partners and private sector continue to put efforts to alleviate this problem. One of their major focus points is entrepreneurship especially at micro and small levels. Unfortunately, these micro and small enterprises have continued to record high mortality rates hence persistence of the unemployment problem. To reduce startup mortality rates business incubation has been evidenced by some studies as a viable solution. However, most incubation activities are done in on-site brick and mortar business incubators requiring face-to-face interactions between the incubators' staff and facilities and incubates. Unfortunately, this model of operation is under serious threat particularly with the advent of COVID 19 pandemic globally. This study aimed at finding out the state of virtual business incubation in Kenya. It was anchored in Schumpeter's Theory of Creative Destruction as improved in the Simon's Model. It employed a descriptive survey research design whereby a semi structured questionnaire was electronically issued to six randomly selected business incubators spread across six counties in the country. The main finding was that business incubators in Kenya had not taken up virtual incubation within a majority of their services, except in training and networking. Lack of reliable ICT infrastructure and failure by the incubators to re-package their services in a manner that would facilitate online delivery were cited as the main challenges facing virtual business incubation in the country. Nevertheless, the study noted that business incubators appreciate the benefits posed by virtual incubation and were optimistic about its future adoption. The study recommends that larger scale indepth studies be carried out to identify specific factors influencing effective virtual business incubation in Kenya.