

# The Influence of Work Place Values on Effective Utilization of Youth Enterprise Development Fund in Isiolo County, Kenya.

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## ABSTRACT

The study adopted correlational research and descriptive survey designs. The total study population was 9,602 people. This included a target population of 1,919 youths who have benefitted from YEDF and obtained from the 288 youth groups in Isiolo County. The population also included 7 YEDF officials and 7,676 community members. A sample of 384 respondents was obtained both proportionately and purposively. All the 7 YEDF officials participated in the study. Data collection was done using questionnaires and interviews. Reliability of the instruments was estimated using Cronbach Alpha Coefficients. Questionnaire for youths had a reliability coefficient index of 0.916 while questionnaire for community members had a reliability coefficient of 0.805 which were deemed reliable basing on the threshold set at 0.7 Cronbach Alpha Coefficient Index. Both questionnaires were self-administered. An interview schedule for the key informants was also used and filled by the respondents. Research assistants were hired to assist in the process. The respondents were given time to respond to the questionnaires and those who were not able to read or write were assisted. Data was analyzed by use of descriptive and inferential statistics. The descriptive statistics used in the study was mean, standard deviation, percentages and frequencies while the inferential statistics used was linear regression. The study findings indicated that work place values had significant influence on effective utilization of youth enterprise development fund. The study recommended the use of an online application and notification process to reduce bottlenecks that prevent potential YEDF applicants from applying for the Fund. In addition, beneficiaries should be fully informed about risk assessment and management strategies prior to disbursement of funds. Research findings and recommendations could be used to guide further research as well as policy makers in relation to YEDF.

**Keywords:** Work place Values, Effective Utilization, Youth Enterprise Development Fund, Masculinity, Uncertainty Avoidance, Power Distance, individualism, isiolo County. kenya.

## INTRODUCTION

Worldwide, effective utilization of YEDF enables the fund to achieve its main objective of youth empowerment. This utilization is, however, subject to some influences globally. In the United States of America (USA), for example, upon realization that formal jobs are not always available, the Federal government focused primarily on how to improve the life chances of disadvantaged youth. The high youth unemployment motivated Congress to pass the Youth Employment Demonstrations Projects Act (YEDPA) and to spend billions of dollars to determine what works best for disadvantaged youth. Later, United States policymakers turned toward the broader issue of how best to prepare all youth for careers in the realization of the consistency and universality of the unemployment problem (ILO, 2021).

In Kenya, the Youth Enterprise Development Fund was established by the government in 2006 to provide an on-lending facility to the youth, with low interest rate and flexibility to micro and small enterprises (NYP, 2006). Effective utilization of this fund by the beneficiaries was expected to create employment, which was in line with the government economic recovery strategy (ERS) for wealth and employment creation (2003-2007).

The ERS estimated that, about 500,000 jobs needed to be created annually, of which 88 percent were to come from the Micro and Small Enterprises sector.

Isiolo County has benefited a lot (Kshs 30 million in National Budget of Kenya, 2022/2023) from the YEDF since it is among the counties in Kenya with the highest number of youth groups formed and registered (1150 youth groups and over 23,000 youths). There have also been concerted efforts by the county government of Isiolo to empower youth for instance through the enactment of the Isiolo County Youth Women and Persons with disabilities Enterprise Development Fund Act, (2019). This has led to many youths borrowing funds to start their own businesses, for instance, agribusinesses, table banking, and hawking businesses.

Independent assessment of the social institution's influence on effective utilization of the Youth Enterprise Development Fund is not readily available. Most research done on YEDF have been limited to adequacy, evaluation of the impact, accessibility and effectiveness of the fund (Kisunza & Theuri (2014); Wanjala (2014). Therefore, there has been scanty information on social institutions' influence on effective utilization of YEDF. This study filled this gap by assessing social institutions' influence on effective utilization of the Youth Enterprise Development fund in Isiolo County.

## LITERATURE REVIEW

### Work Place Values Affecting Utilization of YEDF

Sociology is a discipline that has in-depth analysis of people's language, custom, belief, rule, art, knowledge, and phrases that are developed by members of all social groups and gives meaning to the social environment. In it, scholars understand culture in relation to social identity and memory. According to Storm (2010), culture as a system includes values, ideas, and practices that distinguish one group or community from another. One aspect of the influential culture associated with the use of YEDF is workplace values. According to Hofstede, Poonman and Smita (2014), these values guide individual or group behaviour and principles only in the company and other workplaces.

In 1980, Hofstede conducted a survey to identify aspects of workplace values that affect the corporate culture of people of all ages. In this regard, Pathak (2011) conducted a similar survey a few years ago. This shows that workplace values are important to entrepreneurial efforts, especially among the younger generation. Hofstede has developed a model with four aspects of workplace values. The four include fear of risks dubbed uncertainty avoidance, masculinity, individualism, avoidance of bottlenecks dubbed power distance. According to Hofstede, Poonam and Smita (2014), these four aspects motivate young entrepreneurs to engage in entrepreneurship. They also established that if, for example, entrepreneurship is practised and funded in both industrial and developing regions (Europe and America) and developing regions (Asia, Africa, South America) of the world, where young people are diverse, it will be easier for them to face the challenges.

The desire for achievement around the world is the desire for success, but others rely on the need for connection and the following of personal goals in social and economic endeavours. Therefore, differences in cultural values tend to affect the entrepreneurial spirit of young people. For example, failure is unacceptable if the community is aware of the need for achievement. This encourages and influences the behaviour of young entrepreneurs. Similarly, avoiding small cultural and social uncertainties is strongly associated with risk and the willingness of young entrepreneurs to take the initiative. Pathak (2011) described avoiding uncertainty as a mechanism for measuring an individual's or community's ability to deal with the ambiguity and complexity of life.

Therefore, a culture with high avoidance of uncertainty relies on rules and regulations while adopting a formal structure as a mechanism for dealing with uncertainty. These cultures are less tolerant of change and ambiguity. Therefore, young people raised in these communities engage in entrepreneurship only if they believe they will win, and the rules for accessing the Youth Entrepreneurship Fund are clear and diverse. They can meet the funding and spending requirements (Storm, 2010). Similarly, Carswell and Rolland (2014) state

that young entrepreneurs in need of performance are more likely to endanger entrepreneurs than young entrepreneurs in vulnerable societies. In this regard, Pathak (2011) conducted a survey on the impact of cultural practices on US entrepreneurial behaviour. The study combined data from the Global Entrepreneurship Monitor (Gem) and Global Leadership and Organizational Behaviour Effects (Globe) from 42 countries from 2005 to 2008 to bridge these gaps with a step-by-step design. This was done in entrepreneurial related fields.

Practices to avoid uncertainty were negatively associated with career entry, but not with growth desires, but also with practices oriented with performance in career entry. It was further established that there was active connection between these elements. This result therefore suggests that young people who are afraid of entrepreneurial risk do not have the courage to make money for those who have started and are already doing business (Pathak, 2011). Americans are more entrepreneurs than Europeans because of the high need for culture achievement (Pathak, 2011). Young American entrepreneurs give small risk aversion than young people on the European continent.

Similarly, a survey by Pathak (2011) shows that the fear of failure is overwhelming for young people in Europe compared to young people in the United States. Therefore, it is correct to set up a mechanism for young people in high-performing societies to apply for this funding. However, those who avoid uncertainty are challenged to take risks that are not guaranteed to succeed in their culture (Storm, 2010). Figura (2012) argues that a community that emphasizes masculinity, individualism, and distance of power has an important link to the behaviour of young entrepreneurs.

In Sweden, Amao (2019) conducted a survey of young people empowered to promote social change in the community. This study used multiple case study designs by interviewing Swedish youth who participated in a youth empowerment programme. According to that survey, the main goal of involving young people in government and NGO empowerment programmes was to develop friendships with young people. The results also showed that young people wisely chose the means to achieve their goals. As a result, Amao (2019) saw capitalist trends other than communist trends as the main driving force behind the success of individualist entrepreneurs.

Figura (2012) viewed masculine tendencies as a mechanism for expressing aggression and self-assertion in the workplace. Works that emphasize masculinity emphasize self-assertion and outstanding behaviour, fame and material products. This gives these communities a great incentive to do something. Therefore, young people are encouraged or stimulated to become entrepreneurs (Figura, 2012). Semboja and Hatibu (2010) regarded individualist culture as an existing relationship between the individual and the culture of society. To this end, highly individualistic societies place greater emphasis on view, freedom and autonomy entrepreneurial success as a personal achievement rather than a collective achievement. As a result, young people who are not fully motivated to become entrepreneurs cannot rely on encouragement, support and community motivation (Semboja & Hatibu, 2010).

In addition, companies with higher power distances (hierarchies) also show less entrepreneurial activity among young people. According to Pathak (2011), a high-powered distance culture shows an unequal distribution of forces affecting the organization of control mechanisms in entrepreneurship. It also reduces communication between a boss and his or her subordinates. In such a culture, young people find it difficult to involve older people and licensed government agencies in issues that affect the eligibility of the Youth Entrepreneurship Fund. When such young people ask about it, they really avoid asking for clarification for fear of relying on the authorities. As a result, most of these young people miss their interest. This is explained by the difference in young entrepreneurship in the United States compared to Japan and other African countries (Carswell & Rolland, 2014).

In Kenya, a survey was conducted and the conclusion reached was that 83% of respondents prefer YEDF as a source of funding for young people due to flexible collateral requirements and low interest rates (Amenya, Onsongo and Guyo, 2011). Issa and Kiruthu (2019) conducted another survey in Marsabit County, Kenya, based on bureaucratic or power distance and youth achievements. This study used a descriptive study design using simple random sampling. A sample of 84 young people (YEDF beneficiaries) and a total of 4 YEDF

staff were interviewed. Both interview planning and surveys were used to collect the data. Then a descriptive analysis was performed. The results show that creditworthiness is an important criterion for granting young YEDF loans. These prohibitions include processing of loan and procedures of application, and subsequent loan terms.

It was also pointed out that the issue of accountability poses a significant challenge to the dissemination of YEDF among young people in Marsabit County. In particular, most young people are reluctant to use YEDF. This is because YEDF staff receive bribes before providing assistance, most young people are unaware of YEDF procedures, and loan interest rates are unclear. The study found that YEDF's credit status is also an important barrier to YEDF's youth recruitment. Especially in the research field, there were complaints that the process for YEDF to access credits is long and the time from formal application to receipt of funds is unrealistic (Issa & Kiruthu, 2019).

In Isiolo County, MIDP (2018) reports an indirect link between youth corporate failure and the value of two jobs. The first is the lack of insurance benefits and the second is the general approach reflected in the leadership of these young run enterprises and companies. According to the report, 75% of businesses operating in the county are uninsured and entrepreneurs cannot recover in an emergency. Regarding the community approach, the report states that profits from businesses run by young entrepreneurs in the district are used to meet the needs of key individuals at the expense of expanding or increasing those businesses run by YEDF beneficiaries. Therefore, the sustainability of such companies and businesses is a challenge due to the inefficient use of the business resources they contain (MIDP, 2018).

## METHODOLOGY

The study was conducted in Isiolo County using correlational research and descriptive survey designs. The total study population was 9,602 people. This included a target population of 1,919 youths obtained from the 288 youth groups whose members have benefited from YEDF (Isiolo North-160 groups, Isiolo South-128 groups). The population also included 7 YEDF officials in Isiolo County and 7,676 community members directly affected by the programme (an average of 4 relatives per the 1,919 households of targeted YEDF beneficiaries). To constitute a sample of 384 respondents, 277 youths who have benefitted from YEDF were obtained proportionately from the 2 constituencies of Isiolo County (Isiolo North-177, Isiolo South-100). Each of the 277 youths was selected purposively to represent a youth group. All the 7 YEDF officials in Isiolo County participated in the study. The remaining 100 respondents were obtained purposively from community members targeted for the study specifically, mature relatives to the sampled beneficiaries of YEDF. Data was collected by use of questionnaires and Key informant interview schedule. Quantitative data was analyzed using both descriptive and inferential statistics while qualitative data was analyzed thematically.

## RESULTS AND DISCUSSIONS

### Hypothesis Testing

The hypothesis testing was for the statistically significant relationship between workplace values and Isiolo County's YEDF usage.

### Work Place Values Model Summary on YEDF utilization for both members of the community and Youths

Table 28: Work Place Values Model Summary on YEDF utilization for both members of the community and Youths

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.271 <sup>a</sup>	0.074	0.071	0.56819
a. Predictors: (Constant), Work Place Values				

In Table 28, the results show that R is 0.271. This is a simple correlation between workplace values and the effective use of the YEDF. R-squared is 0.074, indicating that 7.4% of YEDF utilization variable can be explained by the variable workplace value, and 92.6% of YEDF utilization variable is due to other factors such as social institutions, social networks and cultural values together with other factors such as reserve of some work days and hours for worship, time management, and especially business expense.

**Work Place Values Regression Coefficients on YEDF utilization for both members of the community and Youths**

Table 29: Work Place Values Regression Coefficients on utilization of YEDF for both members of the community and Youths.

Model	Unstandardized Coefficients		Standardized Coefficients	T	p-value
	B	Std. Error	Beta		
1 (Constant)	2.353	0.127		18.459	0.000
1 Work Place Values	0.213	0.039	0.271	5.463	0.000

a. Dependent Variable: Utilization of Youth Enterprise Development Fund

The P-value, which is displayed in Table 29 above, is 0.000 <0.05. This indicates that the usage of the Youth Enterprise Development Fund has been significantly impacted by workplace values. The considerable impact of workplace ratings on the usage of the YEDF was further supported by the t-value of 5.463>2. As a result, the null hypothesis H0<sub>3</sub> (that there is statistically significant relationship between YEDF use and workplace values in Isiolo County, Kenya) was rejected.

The coefficient B in Table 29 was 0.213. This means that a 1% increase in the workplace values will increase usage of the YEDF by 0.213%, or a 10% increase in the workplace values will increase YEDF usage by 2.13%. In conclusion, in Isiolo County, Kenya, there is a statistically significant relationship between workplace values and the effective use of YEDF.

A simple regression equation for estimating the YEDF utilization is:

$$y = a + bx$$

Where

y = dependent variable

= utilization of Youth Enterprise Development Fund (UYEDF)

a = constant

= 2.353

b = regression coefficient

= 0.213

x = independent variable

= Work Place Values (WPV)

Therefore,

$$UYEDF = 2.353 + 0.213(WPV)$$



Where,

UYEDF= Utilization of Youth Enterprise Development Fund

WPV= Work Place Values

## CONCLUSIONS AND RECOMMENDATIONS

### Conclusions

There is a significant link between workplaces values and efficiency in using the YEDF. Consequently, null hypothesis  $H_{03}$  was rejected

### Recommendations

The YEDF Fund should use an online application and notification process to reduce bottlenecks that prevent potential applicants from applying to the Fund. In addition, beneficiaries should be fully informed about risk assessment and management strategies prior to payment of funds.

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