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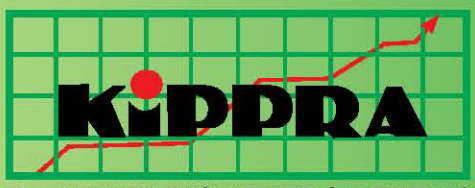

The KENYA INSTITUTE for PUBLIC
POLICY RESEARCH and ANALYSIS

Examining Youth Employment Preference in Kenya

Esther Owino and Edith Wairimu

DP/213/2018

THE KENYA INSTITUTE FOR PUBLIC POLICY
RESEARCH AND ANALYSIS (KIPPRA)

YOUNG PROFESSIONALS (YPs) TRAINING
PROGRAMME

Examining Youth Employment Preference in Kenya

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Kenya Institute for Public Policy
Research and Analysis

KIPPRA Discussion Paper No. 213
2018

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Published 2018

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ISBN 9966 817 00 6

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This paper is produced under the KIPPRA Young Professionals (YPs) programme. The programme targets young scholars from the public and private sector, who undertake an intensive one-year course on public policy research and analysis, and during which they write a research paper on a selected public policy issue, with supervision from senior researchers at the Institute.

KIPPRA acknowledges generous support from the Government of Kenya and the Think Tank Initiative of IDRC.

Abstract

In Kenya, youth (age 18-34 years) has been facing employment challenges yet they are in their crucial stage of transitioning from dependence to self-reliance. They are also the majority in the country and are expected to drive social, economic and political developments. To address employment challenges, the government, non-government institutions and private sector has come up with interventions aimed at offering financial support, offering entrepreneurial skills and offering jobs to the youth. Despite the efforts, little is known on what matters for the youth in terms of their employment preference and determinants of employment preferences. The objective of this study is to inform decision makers on youth employment preference that can help in recruiting, retention and motivation of youth in the labour market. Specifically, the study aimed at establishing the youth employment preference and explore the factors related to youth employment preferences. A total of 650 youth participated in the study between November 2017 and March 2018, involving 127 unemployed, 343 employed and 180 self-employed youth. The study used a multinomial logit model to examine the determinants of youth employment preference in the private sector, public sector and self-employment in Kenya. The results indicate that, largely, youth prefer employment in public sector than in private sector due to job security and better payment. Youth employment preference in either private, public or self- employment are influenced by education, income, job security, participation in decision making and career growth among others. Employed youth and self-employed prefer their current employment in private sector and self-employment, respectively, possibly because it was the only alternative available to them and also education level was not a hindrance to employment in the two sectors. Most youth in self-employment were in their first job and had limited work experience, which is a requirement in public and private employment and therefore their preference of self-employment. For employers to provide job security for the youth and improve on their company's productivity, the government needs to collaborate with the private sector in ensuring that youth acquire skills demanded in the labour market, and link skilled youth to employers, which is likely to lead to employment of skilled youth, high profit, provision of good working conditions including job security. With the current government move in providing tax abatement to the private sector who offer youth internship intended to enhance employability of youth, the government needs to monitor internship programmes to ensure that the private sector does not make internship and industrial attachments an opportunity for engaging cheap labour from youth as interns. Youth involvement during designing, implementing and evaluating programmes aimed at them is important in ensuring that what is provided relevant to the them.

Abbreviations and Acronyms

ANOVA	Analysis of Variance
BHPS	British Household Panel Survey
BOPI	Brainard Occupational Preference Inventory
CRB s	Credit Reference Bureaus
ERSWEC	Economic Recovery Strategy for Wealth and Employment Creation
GHC	Global Happiness Council
HELB	Higher Education Loans Board
ICT	Information Communication Technology
IIA	Independence of Irrelevant Assumption/Alternative
ILO	International Labour Organization
KIHBS	Kenya Integrated Household Budget Survey
KIPPRA	Kenya Institute for Public Policy Research and Analysis
KNBS	Kenya National Bureau of Statistics
KRA	Kenya Revenue Authority
ME	Marginal Effects
MLE	Maximum Likelihood Estimation
MNL	Multinomial Logit Model
MTP	Medium Term Plan
NGOs	Non-Government Organizations
ODK	Open Data Kit
OECD	Organization for Economic Cooperation and Development
PWC	Price Waterhouse Coopers
SMS	Short Message System
UN	United Nations
UNDP	United Nations Development Programme
WGS	World Government Summit

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1. Introduction

1.1 Background of the Study

Policy makers and Non-Government Organizations (NGOs) have recognized the importance of measurers of subjective well-being to monitor progress and inform decision making (O' Donnell et al., 2014). Similarly, the Global Happiness Council (GHC), a global network of leading academic specialists in happiness and key practitioners, in recognition of the importance of people's well-being have been producing Global Happiness Policy Reports that are usually published annually and presented at the World Government Summit (WGS). This report provides evidence and policy advice to participating governments on best practices to promote happiness and well-being.

While considering well-being as preference and with the assumption that preference fulfilment brings satisfaction, some authors have used preference-based approach to measure well-being. For instance, Harsanyi (1997) considers well-being in terms of preferences while Parfit (1984) states that there are three main accounts of well-being including objective lists, preference satisfaction and subjective well-being. The subjective well-being of an individual can be reflected by employment preference. Understanding individual's employment preference as a reflection of subjective well-being is important since employment preference impacts the lives of both current and future generations (Karlsen, 2001). Further, people's well-being has been found to be an important predictor of labour market outcomes, job finding and future job prospects when being out of work, productivity when being in work and firm performance (De Neve and Oswald, 2012; Krause, 2013; Gielen and van Ours, 2014; Harter et al., 2002; Edmans, 2011; Oswald et al., 2015).

Some studies have also recognized that understanding alignment of youth employment preference and the reality of labour market is important in enhancing youth well-being and raising labour productivity (OECD, 2017). The argument is that if youth employment preferences mirror the reality of jobs and can be satisfied, youth may indeed enjoy well-being. Furthermore, youth who can fulfil their career aspirations and find jobs that bring about greater satisfaction at work are also likely to be more productive in the workplace and in society at large.

In realization that the composition of labour supply is continuously changing, for example as more millennials with preferences that are different from previous generations enter the labour market, there is need to understand their employment preference in an effort to reduce unemployment.

Previous youth studies show that the youth, popularly referred to as millennial, are likely to determine and shape the work culture in the 21st century and the world of work in the years to come as they are considered to have unique work preferences that distinguish them from their predecessors (the baby boomers and the generation x born between 1945-1963 and 1964-1980, respectively).

According to a study in 75 countries by PWC (2011), the following were highlighted as some of the distinguishing work preferences of the youth/millennial interviewed: most of them are digital natives and with technology dominating every aspect of millennials lives; majority believe that access to technology makes them more effective at work. However, technology is often a catalyst for intergenerational conflict in the workplace and many millennials feel held back by rigid or outdated working styles. They are also committed to their personal learning and development and prefer flexible working hours compared to cash bonuses. The youth also would want to move up the career ladder faster and would want their work to have a purpose and to contribute something to the world. The brands that appeal to them as consumers are the same that appeal to them as employers. The findings from the PWC (2011) study are corroborated by other studies (Incentive Research Foundation, 2015 and Deloitte, 2016) on millennials.

Establishing the factors that influence employment preference may shed more light on interventions that need to be put in place by various stakeholders to enhance achievement of youth preference. Several studies have been conducted to examine the factors that determine employment preferences among individuals. Some of these studies have focused on individuals or professionals from various fields such as health, agriculture, among others (Guraya and Almaramhy, 2017; Omar et al., 2015; Pascual, 2014; McGraw et al., 2012; Turban et al., 1993). Other studies have examined preferences of college students and fresh graduates in different fields of study (Maria et al., 2013; Başlevent and Kirmanoğlu, 2012). Studies of youth labour market in Kenya have focused on determinants of unemployment (Veronica et al., 2013; Wamuthenya, 2010) and labour force participation (David, 2012; Harry, 2014). Some of the factors that have been identified to have influence on employment preference include education level, number of hours worked, gender, location of work, income, job security, among others.

1.2 Problem Statement

The Kenya Vision 2030 under the Third Medium Term Plan acknowledges that unemployment and under-employment especially for the youth is high. During the Second Medium Term Plan (MTP) period, several empowerment initiatives for the youth were undertaken. Over time, the country has also adopted some key

policy documents including Vision 2030, Economic Recovery Strategy for Wealth and Employment Creation (ERSWEC) and the National Youth Policy document that has also acknowledged the problem of youth unemployment and prescribed policies to deal with it (UN, 2005). Despite these efforts, unemployment and under-employment among the youth remain a challenge; for instance, about 85 per cent of the unemployed were aged below 35 in 2015/2016 (KNBS, 2018).

As much as policies and initiatives are important in ensuring youth employment, understanding youth preference in terms of where they prefer to work and what determines their preference is important in ensuring their participation in the labour market, uptake of youth initiatives, labour productivity and their well-being. Little attention, however, has been paid to subjective aspects of life of youth in the labour market, which can be reflected by employment preference. The few youth preference studies that have been conducted in the developed countries focused on youth within specific sectors. This study will look at youth work preference in the context of a developing country. It is important to investigate the nature of work preferences among the Kenyan youth as they constitute the majority of the labour force. Failure by the government to take youth employment preferences into consideration may lead to developing labour policies and employment creation strategies that conflict with youth interests, and therefore exacerbating the current youth employment challenges in the country.

1.3 Objectives of the Study

The overall objective of the study is to examine the youth employment preference that can help in recruiting, retention and motivation of youth in the labour market.

1.3.1 Specific objectives

1. To determine youth employment preference in Kenya
2. To determine factors that influence youth employment preference in Kenya

1.3.2 Research questions

1. Do youth prefer wage employment or self-employment
2. Which factors influence youth employment preference?

1.4 Justification of the Study

To solve the problem of youth employment, there is need to understand youth employment preferences in specific sectors such as public, private and self-employment. Establishing employment preference and identifying factors that determine employment in specific sectors can create a more transparent environment in which employees and employers can make well informed decisions to foster job satisfaction, performance and career longevity. Accordingly, by understanding these factors, employee turnover can be reduced. The results of the study will help in formulating policies that are more effective in addressing youth unemployment and are anchored on evidence.

1.5 Operational Definition of Terms

Self-employment is defined as persons who earn neither a wage nor a salary but earn their income through exercising their professional and/or business on their own account and at their own risk (Parker, 2004).

Millenials are defined as people born between 1980 and 2001 and also referred to as Y generation (children of globalization) (Turkey, 2014).

1.6 Scope and Limitation of the Study

The definition of youth adopted in this study is that of people who have attained the age of 18 but have not attained the age of 35 as defined by the Constitution because the study is based in Kenya (Government of Kenya, 2010). In addition, most initiatives by the government meant to enhance employment target people with an Identification Card, which is only acquired once a person has attained 18 years. The sample of the youth (aged between 18 and 35 years) interviewed involved three groups that included employed, self- employed and unemployed. Employed youth were derived from the manufacturing and information and communication technology (ICT) sectors because the sectors have high growth potential and have accommodated majority of the youth. Unemployed youth were sourced from recruitment agencies while self-employed youth were accessed through the Public Procurement Oversight Authority where they have registered their business with an aim of benefiting from Access to Government Procurement Opportunities (AGPO). This was because of lack of a sampling frame for the youth from the Kenya National Bureau of Statistics; the national institution that is mandated to collect data in the country.

Although the study targeted youth across the country, youth interviewed were mainly from Nairobi. In addition, since the study adopted online data collection methods that included use of questionnaires designed in google form and Open Data Kit (ODK), youth in rural areas experienced a challenge in accessing the questionnaires due to lack of internet. Further, self-employed youth in rural areas had a challenge of accessing online questionnaires when one's browser was not upgraded and if a respondent did not have an Android-enabled phone because ODK is mainly an Android application and operates in upgraded browsers. Nevertheless, a large sample was considered to take care of non-response.

1.7 Organization of the Paper

This paper is organized in nine sections. Section two presents the literature review which focuses on youth unemployment challenges, factors influencing youth employment preferences and theoretical framework. Section three presents conceptual framework and research methodology. The section on research methodology describes the sampling design and data collection, methods of data collection, data sources and data types. Section four presents results of unemployed youth employment preference. Information on employment preference for self-employed youth is presented in Section five. Section six presents information on employment preference of employed youth. In Section seven, challenges that youth face are presented while Section eight discusses the findings and finally conclusion and recommendations are presented in Section nine.

2. Literature Review

2.1 Youth Unemployment Challenges

The world's youth population is at an all-time high at 1.8 billion people aged 15 to 29 years. Most of these young people are living in developing countries across the globe. In Africa, up to 70 per cent of the population is under the age of 30 while slightly more than 20 per cent are between the ages of 15 and 24 (ILO, 2012). This scenario is not much different for Kenya where the population is largely youthful. The median age in Kenya is estimated at 19 years and about 38 per cent of the population is below 35 years (Government of Kenya, 2007). To this extent, therefore, if youth are to be defined as those aged between 18 and 35 years in the Kenyan context, then they will determine and shape the country's socio-economic and political future. Unfortunately, Kenyan youth like their counterparts in most of the countries across the globe are experiencing major unemployment challenges.

The youth employment challenge in Kenya is triggered, among other things, by the combination of a rapid growth of educated youth, a slow pace of job creation in the formal economy and underemployment in the informal sector. Various studies have established a significant association between unemployment and under-employment with threat to social, economic and political stability of nations (Urdal, 2012). Similarly, Azeng et al. (2013) reported a significant association between youth unemployment and increased risk of political instability.

2.2 Factors Influencing Youth Employment Preference

Omar et al. (2015) conducted a descriptive study to investigate the factors affecting job selection preferences of accounting students in three Malaysian private universities. Job selection preference was the dependent variable while starting salary, gender, employer reputation and working environment were the independent variables. Questionnaires were used to collect data from 200 undergraduate students who enrolled in accounting. A five-point Likert scale was used to rate the factors. Using Pearson correlation to examine the relationship between the independent and the dependent variables, results of the study revealed that starting salary, employer reputation and working environment had a significant relationship with job selection preference while gender was not significant.

While exploring factors related to job preferences among youths living in marginalized and non-marginalized areas in Sabah of Malaysia, Balan et al. (2017) focused on four dimensions of job choice: communality, job goals, job comfort and self-realization. The study also engaged in comparative analysis based on the

demographic factors of gender and ethnic group (Malays, Chinese and other ethnic groups in Sabah). Information was collected using questionnaires from a sample of 732 youth with 521 and 211 marginalized and non-marginalized, respectively, all aged 15 to 30 years. The survey respondents ranked the importance of each item in influencing their job preference using a 5-point Likert scale that ranged from 'not important' to 'very important'. A t-test was used to test for differences between marginalized and non-marginalized youths while ANOVA tested for differences of ethnicity within the groups of marginalized and non-marginalized youths. Job comfort was the main dimension influencing overall job preferences among both marginal and non-marginal youth populations. While using a t- test, the study showed that the non-marginalized young women in Sabah preferred jobs that were located close to where they lived, that allowed them to become familiar with their work colleagues and that provided them with opportunities to assist others. Among the marginalized youths, self-realization was the only dimension that demonstrated significant differences between males and females. A one-way ANOVA analysis found no differences between the three main ethnic groups in non-marginalized areas in the context of the four dimensions of job preference.

Using primary data in which 370 respondents were surveyed, Maria et al. (2013) estimated a logistic regression to determine the factors that influence employees in Davao City to work in call centres. In addition, some 60 randomly selected people of other occupations such as engineers, human resources personnel, and teachers of different fields were included in the study for comparative purposes. Results revealed that most of call centre agents were single with an average age of 24 years old, and 51.3 per cent were at college level and only around 45 per cent were college graduates. Result of the logit analysis showed that call centre as a job preference is significantly affected by civil status, educational attainment, salary, job prospect, work hours, work environment, and geographical location. Other variables such as age, parents work status, household income, peer influence, and in-demand job turned out to be insignificant. Another finding was that job prospects influence take-up of a specific job, implying that if the abilities, qualifications, and desires of an individual fit the conditions, it will give a possibility to choose working in a call centre. The study recommended supporting the right policy which guarantees a friendly business environment and the availability of appropriately skilled labour force, including language capability. In addition, the government should implement policies that encourage the call centre sectors and provide them with the necessary infrastructure in terms of physical and human capital.

Groot and Brink (1999) used a sample of 3,836 wage –earners in data from the 1995 wave of the British Household Panel Survey (BHPS, 1991) to study job satisfaction and preference drift. The questionnaires were used to collect data and a seven-point (7) Likert scale was used to value the job attributes. In the 1-7 scale 1

represented 'not satisfied at all', 7 is 'completely satisfied' and 4 is 'neither satisfied nor dissatisfied'. The overall job satisfaction was measured by the response to question on how satisfied or dissatisfied the respondent was with their job using the same 1–7 scale. Results of the study showed that 12.5 per cent of the workers valued their job satisfaction at less than 4, while nearly 80 per cent evaluated it at more than 4 on a 1–7 scale. The study estimated two specifications: the standard ordered probit model and the extended model which allows for preference drift. Results revealed that higher wages increase job satisfaction.

Başlevent and Kirmanoğlu (2012) examined whether employees' preferences for various job attributes are associated with their individual characteristics in ways that are in line with hierarchy of need theories. The job attributes considered were a job that allows one to use his/her initiative, a secure job, a high income earning job, a job that allowed one to combine work and family and a job that offered good training opportunities. The study used data from the fifth round of the European Social Survey released on 26 October 2011 for 19 countries. Results of the study showed influence of socio-demographic and dispositional characteristics and socialization experiences on opinions regarding the importance of five different desirable job attributes. The results further indicated that female employees care more about being able to combine work and family responsibilities while younger workers value training opportunities more highly than older ones. Job security was found to be more important for those who had been unemployed in the past. The study concluded that the hierarchy of needs theories are valid in the context of job attitudes in the sense that the ranking of preferred job attributes is quite predictable once individual characteristics are accounted for.

McGraw et al. (2012) studied factors influencing job choice among agricultural economics professionals and found that job choice was a function of advancement opportunities, a positive work environment, good salary, and a desirable location. The study, which used a customary probit modeling approach to model the choice between academic and government positions, also found that an employee's personal sector preference had the largest marginal effect on job sector choice. Precise attribute preferences such as the importance of supportive colleagues may be more helpful to candidates choosing a specific position within a sector. In this study, a total of 2,200 agricultural economics professionals 539 in government 1,657 in academia and four unknowns were identified and surveyed online using Snap Survey Software (Snap Surveys, 2007).

McAuliffe et al. (2016) used a discrete choice model to study factors influencing job preferences of health workers providing obstetric care in Malawi, Mozambique and Tanzania. Mixed logit models were fitted to the discrete choice data from each country to estimate job preferences. All choice scenarios presented to individuals

contained two unlabelled alternatives (two job descriptions). Each job was described by six attributes, four of which had two levels (location, equipment, professional development and human resource management) and two of which had three levels (pay and housing). Binary mixed logit models were used to estimate the probability of an individual choosing a given alternative (job 2) over the other (job 1). The study's findings showed that the strongest predictors of job choice were access to continuing professional development and the presence of functioning human resources management. Pay and allowances were important and significantly positively related to utility, but financial rewards were not a fundamental factor underlying employment preferences, as many may have previously believed. Further, there was diminishing marginal utility in relation to pay in the three countries while location (urban vs rural) had the smallest effect on utility for job choice in all three countries.

Turban et al. (1993) investigated the preferences compared with reasons given for accepting and rejecting job offers by applicants of a large chemical company in the USA. Specifically, the study sought to answer the following questions: which job attributes applicants reported they preferred in a job, which attributes applicants indicated influenced their job offer decision, and whether the preferred attributes were important in the job offer decision. Most applicants' ranked type of work as the most preferred job attributes. There were differences, however, in the reasons applicants gave for accepting or rejecting the job offer. Specifically, the job was rejected because of the location and accepted because of the type of work. A comparison of job attribute preferences with the importance of those attributes in the employment decision suggested that preferences were more similar to reasons given for accepting than for rejecting the job.

A study by Centre for Health Economics Research and Evaluation in 2011 which examined job preferences of students and new graduates in nursing found that salary was an important factor in making nursing jobs attractive, although non-pecuniary benefits are also important. In addition to salaries, supportive workplace culture and high quality of care were also found to make nursing jobs attractive. The study which was conducted in Australia used models of heterogeneity to best-worst information and allow for heteroskedasticity across choice nodes. Thus, allowing for flexible unobserved heterogeneity in preferences and possible shifts in scale across the best-worst choices. The results suggested that although there is significant scale heterogeneity, there is no evidence of systematic shifts in scale across best-worst choices.

Pascual (2014) examined factors that affected the career choice among third year students at University of Rizal System in Morong and established that the students strongly agreed that the availability of work after finishing college degree

is the first consideration in choosing a course followed by choosing a course as a personal choice. When the least mean value of factors that affect students in choosing a course is considered, peer's preference of course choice got the least mean value of 1.90. The other was the consideration of the students' family business. The study used descriptive assessment method of research to describe the preferred course of the students and the determined factors affecting their course preference. Descriptive normative method of research was also used and descriptive correlational method of research since one of the objectives of the study was to determine factors related to the course preference and suited course of the students. The data were gathered with the use of a validated questionnaire checklist, Brainard Occupational Preference Inventory (BOPI) scale, and students' general grade and elective subject grades when they were in third year.

In Guraya and Almaramhy (2017), factors that influence the career specialty preferences by the undergraduate medical students were examined using a self-administered questionnaire which was distributed to 3rd through 5th year undergraduate medical students at Taibah University, Saudi Arabia. The study found that most respondents preferred General Surgery as their career specialty. The pressing factors influencing the medical students' choice were driven by specialties that matched their expectations and capabilities and the medical fields with innovative technologies. There was no significant influence of family or friends on specialty selection

2.3 Theoretical Framework

This study is based on Lancaster's theory of value and on Random Utility Model (RUM). The Lancaster's theory assumes that utility is derived from the underlying characteristics or attributes and not necessarily from the product itself. In Random Utility Model (RUM), it is assumed that utility has a systematic and a random component that cannot be observed directly ((Lancaster, 1966; McFadden, 1973; Manski, 1977). Random Utility Model (RUM) further assumes that a decision maker chooses the alternative that offers the highest utility (Green, 2003).

Given the possibility that employment preference of the youth might change the utility function condition of the expected outcome, the question is that of modelling the link between preferences, and the expected outcome within the utility function. In measuring individual preference, it can be argued that individual preference can be ranked and therefore an ordered logit or ordered probit model would be appropriate for analyzing factors affecting preference decision (Gan and Luzar, 1993; Mackenzie, 1992; Jakobsson et al., 1995).

If the dependent variable is nominally distributed, a Multinomial Logit model would be appropriate to analyse factors influencing employment outcome in a certain sector and the estimation procedure is the Maximum Likelihood Estimation (MLE) (Wamuthenya, 2010; Brixiová et al., 2014).

One advantage of choice models in which a Multinomial Logit Model is included is that obtaining preferences by having respondents choose a single preferred option from among a set of options is more realistic. A Multinomial Logit Model is thus a better method of approaching actual decision processes (Merino-Castello 2003). To add on, a Multinomial logit model is the best in relation to other models because preferences are elicited by asking respondents to choose one alternative from those presented, such as preference of public, private or self-employment, rather than asking respondents to rank alternatives, or give them a rating. Use of Multinomial Logit Model is also justified because the analysis is based on Random Utility Theory (RUT) rather than *ad hoc* techniques or axiomatic measurement theory. Furthermore, in the context of employment preference by youth in Kenya, one would argue that since jobs are created at low rate, the economy is not mature enough to offer the luxury of people to choose where they would prefer to be employed. With this reasoning, a decision to work in public, private or self- employed is not sequential/ordered but depends on the sector in which one finds employment. For instance, some people choose to join private sector or self-employment awaiting public sector employment while others leave private sector or public sector for self-employment and vice versa. These choices do not assume any order, therefore justifying the use of a Multinomial Logit Model.

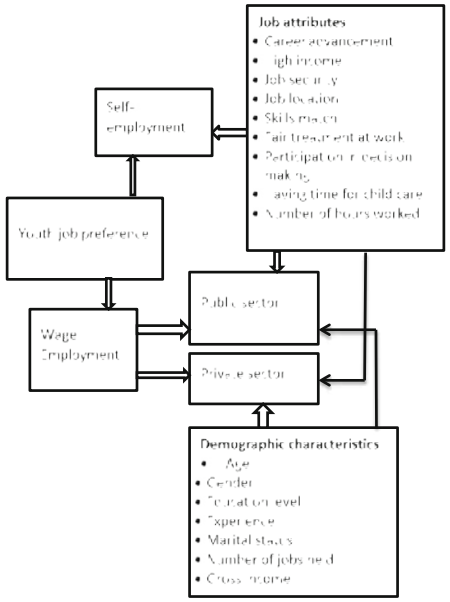
A limitation of implementation of multinomial logit model, however, is the assumption of Independence of Irrelevant Assumption (IIA) (Train, 2003). The IIA means that a person's choice between two alternative outcomes is unaffected by other choices that are available. The IIA condition is usually tested with the Hausman-McFadden test (McFadden et al., 1976; Hensher et al., 2005). If the test for IIA is significant, assumption of IIA is rejected and the conclusion is that Multinomial logit model is inappropriate. In the scenario that the multinomial logit model is deemed inappropriate, other models that relax the assumption of the IIA assumptions associated with error terms can be used and they include the nested logit model (NL model), probit models, or Random parameters logit model (Train, 2003).

3. Research Methodology

3.1 Conceptual Framework

Based on the reviewed literature, an individual's employment preference can be influenced by socio-economic characteristics and employment attributes. Some of the socio-economic characteristics that can influence employment preferences include educational attainment, work experience, gender, marital status and age. Some of job attributes that might have significant influence on employment preference include income, job security, location of work, participation in decision making, opportunity for career growth and match between actual and preferred working hours, among others. Figure 3.1 shows the interaction of various factors that are considered to influence employment preference among the youth in the public sector, private sector and in self-employment. A youth is likely to choose either to be employed or go for self-employment in specific sectors. Youth preferring wage employment over self-employment, would prefer employment in the public sector instead of the private sector because of high wage rate earned and also other benefits such as job security and career opportunities (World Bank, 2016; KIPPRA, 2013). Some youth may prefer self-employment due to flexible working hours and location of work (Pernilla and Eskil, 2008). Youth preference for self-employment or being employed is hypothesized to be influenced by job/organization' attributes, demographic characteristics and social networks (Figure 3.1).

Figure 3.1: Conceptual framework



Source: Author's conceptualization

3.2 Research Approach

The study adopted a quantitative method of which data was collected through survey questionnaires. Three categories of youth were sampled: employed, unemployed and self-employed. The youth interviewed were aged between 18 and 35 years. Secondary data was also sourced to analyze the background of youth preference in employment.

3.3 Sources of Data

The study used primary data that was collected from unemployed youth, youth in wage employment and self-employed youth.

3.4 Sample Size

A total of 650 respondents were interviewed out of which 180 were self-employed, 127 were unemployed and 343 employed: ICT 202 and manufacturing 141.

3.5 Sampling of Respondents

3.5. 1 Sampling procedure for unemployed youth

To arrive at unemployed youth, two recruitment agencies were selected. The two recruitment agencies differed in the manner that they register and link the unemployed to the employers. While one of the recruitment agencies has a Curriculum Vitae (CV) database form for non-advertized vacancies which is filled by people searching for a job, the other recruitment agency uses social media particularly the WhatsApp platform to link employers and job seekers.

Two distinct approaches were used in the two recruitment agencies to reach out the unemployed youth. For the recruitment agency with CV data base, at the first stage of sampling, the 42-job title/type in the CV database form for non- advertized vacancies formed the clusters. Of the 42-job title, 15 clusters were considered because of their high probability of involving youth. The selected clusters included Accountants (DB 04), Bankers (DB 26), Airline/tours (DB 10), Secretaries (DB 28), Doctors/Health professionals (DB 12), Motor industry (DB 13), Insurance industry (DB 14), Marketing managers (DB 21), Agricultural/horticulture (DB 27), valuers/property/land economics (DB 32), research (36), Educationist/lecturers (DB 38), general including drivers and cleaners (DB 42).

Registered youth below 35 years at the time of survey and who were unemployed at the time of registering in the recruitment agency were sampled. An Excel sheet

was used to capture details of unemployed youth that included name of the youth, year of birth, course studied for those who had certificate, diploma and degree education, skills attained, year of graduation for graduates, date of registering with the agency, respondent phone number and respondent email address.

The sampled respondents were contacted through phone and were asked whether they had gotten a job. Youth who were not yet employed were asked for their consent to participate in the study in which a total of 400 youth consented in participating in the survey. On accepting to participate in the survey, youth were requested to confirm their email address through phone call or through a Short Message System (SMS). A questionnaire developed using google form was then shared through email to all the 400 unemployed youth. For a pretest, the questionnaire was shared with 13 youth and they were given four days to fill in the questionnaire and submit. For the overall study, out of the 400 youth who consented to participate in the study, 90 including the 13 respondents considered for the pretest filled the questionnaire either online or through a phone interview.

For the second recruitment agency, the Program Manager who handles or is the administrator of the WhatsApp platform was the contact person with the youth. Youth usually register their interest in a job on a WhatsApp platform where in the event of a job opportunity, it is posted on the platform and the qualified and interested youth apply. The Manager shared the questionnaire through WhatsApp with 200 youth and a total of 37 respondents filled and submitted their responses. From the two recruitment agencies, a total of 127 youth out of 600 filled and submitted the questionnaires.

3.5.2 Sampling procedure of employed youth in manufacturing and ICT sectors

A sample of employed youth was drawn from the ICT and manufacturing sector. A total of 141 youths employed in private manufacturing firms were interviewed from Industrial Area and Baba Dogo in Nairobi. For youth employed in the ICT sector, the study adopted two strategies to collect data from 172 youth and 30 youth employed in private and public ICT institutions, respectively, all based in Nairobi. To access the youth employed in private ICT firms, Nairobi Central Business Division (CBD) was purposively sampled as the location for data collection because that is where most of ICT shops are located. Using random sampling approach, data were collected from youth employed in ICT premises in Kenyatta Avenue, Tom Mboya Street, Kimathi Street and Moi Avenue, all within the CBD.

3.5.3 Sampling procedure of self- employed youth

A published list of youth who have registered their business under Access to Government Procurement Opportunities (AGPO) on the Public Procurement Oversight Authority (PPOA) website was used as a sampling frame for self-employed youth. The list contains business operated by women, youth and people with disabilities. Business are registered under categories that include General, Information Communication and Technology, Retail/Wholesale/Trade, Security/ Cleaning Services, Hospitality/Catering/Events organization/Performing arts, Construction and Agribusiness/Food supplies. Up to 2,000 youth were selected and questionnaires were sent to them through email of which 180 responded.

3.6 Data Collection Tool and Data Collection

Semi- structured questionnaires were administered to the three categories of youth: employed, unemployed and self-employed. A questionnaire designed using google form was used to capture data from the unemployed youth. To administer questionnaire to employed and self- employed youth, questionnaires were designed in Open Data Kit (ODK) and integrated with Enketo to enable web based data capture and data capture with other gadgets that are not of Android application because ODK is an Android application.

The information collected from the youth were characteristics perceived by youth to constitute quality employment they preferred to engage in such as job security, career development, flexible working hours, high income, work hours, geographical location and employment benefits. Other aspects considered included respondent educational attainment, challenges encountered while searching for a job, access by respondents to government initiatives, among others.

3.7 Model Specification

Following the utility maximization assumption of Random Utility Theory (RUM) in which this study is anchored in, a youth represented by an a individual *i* will only choose a particular employment alternative *j* if the utility, U_{ij}, he/she derives from this alternative is greater than that from another alternative *k*, in the choice set. That is:

$$U_{ij} > U_{ik} \qquad 1$$

The utility derived from alternative *j* (U_{ij}) is composed of a deterministic component (V_{ij}) and a random part ε_{ij} such that the utility is a sum of the two components (Gujarat, 2007).

$$U_{ij} = V_{ij} + \varepsilon_{ij} \qquad 2$$

The deterministic component V_{ij} comprises the measured attributes of the alternatives in the choice set and attributes of the chooser (Maddala, 1983), random component ε_{ij} introduces uncertainty regarding choice.

While arguing that a rational individual has preferences and chooses employment alternatives based on it, choice models are the most appropriate in analyzing youth employment preference. Guided by the measurement scale of the dependent variable, the multinomial logit model (MNL) was used in analyzing factors influencing youth employment preference in this study.

The choice of the model was based on its ability to perform better with discrete choice studies (McFadden, 1974). The model can examine preference between a set of mutually exclusive and highly differentiated employment categories preferences such as employment in private, public and self-employment. The probability that a youth prefers one category of employment is restricted to lie between zero and one.

Choice models in which multinomial logit model is one of them are derived from the utility maximization hypothesis. This hypothesis assumes that a decision maker's choice is the result of his/her preferences. The decision maker selects the alternative with the highest preference or utility. The utility that a decision maker associates with an alternative is specified to be the sum of deterministic and random components. The deterministic component is a function which depends on observed attributes of the alternative and observed individual characteristic of the decision maker. The random component is a random process representing the effect of unobserved attributes of the alternative and unobserved characteristics of the decision maker. Multinomial logit model assumes that outcome categories for the model have the property of Independence of Irrelevant Alternatives (IIA) (McFadden, 1974). The assumption requires that the inclusion or exclusion of categories does not affect the relative risks associated with the regressors in the remaining categories.

The estimation using multinomial logit model requires defining the reference category with which the results will be compared. Thus, the sector preference which most resembled the dominant sector with a majority of respondent was used as the reference category (private sector). With respect to this paper, the multinomial model allows the dependent variable to take three mutually exclusive values, j=1, 2, or 3 where j=1 is public sector, j=2 is private sector and j=3 represent self- employment.

The analytical model can be expressed as follows:

$$\mathbf{Pr}[Y_i = j] = \frac{\exp(\beta_j^{'} X_i)}{\sum_{j=0}^{j} \exp(\beta_j^{'} X_i)} \qquad 3$$

where *Pr [Y_i = j]* is the probability of preferring either being employed in public sector or being engaged in self-employment with employment in private sector as the reference employment category, *j* is the number of employment categories set, *j = o* is private sector, X_i is a vector of the predictor (exogenous) variables, β_j is a vector of the estimated parameters

The empirical model is as follows:

$$\begin{aligned} \Pr efcategory = {} & \beta_0 + \beta_1 Agecate + \beta_2 gender + \beta_3 Educationlevel + \beta_4 Experience + \\ & \beta_5 jobsheld + \beta_6 \,\mathrm{Re}\, sidence + \beta_7 Countyresidence + \beta_8 Maritalstatus + \\ & \beta_9 Employstatus + \beta_{10} Gros\sin come + \beta_{11} Mismatch + \beta_{12} income + \\ & \beta_{13} job\sec urity + \beta_{14} Careeradvancement + \beta_{15} Partdecision + \\ & \beta_{16} fairtreatment + \beta_{17} Locationwork + \beta_{18} flexibleworkinghrs \end{aligned} \qquad 4$$

The variables in equation four (4) are described in Table 3.1. Preference is a dependent variable in determination of factors influencing youth employment in private, public or self-employment. The dependent variable was measured as an observed response to employment preference which takes three possible outcomes. The explanatory variables can take positive or negative effects.

The variable gender measured as a dummy variable takes the values of 1 when a respondent was a male and 0 if otherwise. It was hypothesized to either positively or negatively influence employment preference. Differences in aspirations or interests between genders may feed into observed differences in preferences and outcomes in the labour market. However, a study by Wamuthenya (2010) reported a significant participation of male household in all sectors (public, private and informal sector). Also, male and female may have difference in preference particularly with regard to hours of working. Women may prefer employment where they have flexible working hours. Various studies have reported mixed results on effect of working hours on job satisfaction while others argue that hours mismatch is what matters for job satisfaction. For job or employment satisfaction to be realized, working hours mismatch is what matters and not the number of hours worked (Global Happiness Policy Report, 2018). Working hours mismatch is defined as the difference between the actual and the desired number of working hours in which individuals differ in their preferences for how much they want to work. Mismatch between preferred and actual hours worked has been found to reduce individual well-being (Wooden et al, 2009; Wooder and Heineck, 2012; Iseke 2014, Angrave and Charlwood, 2015).

Employment status taking value of 1 if unemployed, 2 if employed and 3 if self-employed was hypothesized to influence preference in a specific sector either positively or negatively. While unemployed youth could prefer any of the sector to get income to meet their basic needs, employed youth could prefer self-employment to be involved in their own decision making and high income or prefer wage employment where salary is guaranteed at the end of month particularly for those in the public sector, unlike the self-employment that is faced with uncertainty. Self- employed youth could prefer self-employment due to flexible working hours, high income and ability to make own decision.

Age that was measured as a categorical variable was hypothesized to influence employment preference positively or negatively. Based on the aspects that individuals consider important, various age categories of youth can prefer sectors that possess those characteristics. For instance, young people may prefer sectors that offer opportunities for career development and high income while the older category may not consider much career development aspects.

Location of work variable measured as dummy with 1 taking rural and 2 urban was included in the study to establish individual's area of residence influence on employment preference. Youth in rural areas can prefer employment in private sector or public sector unlike youth in urban areas who would prefer self-employment because of low employment and low wages in urban areas. Youth also in counties that have opened up in terms of access to information are likely to prefer employment sector as a result of information gained.

Education and training systems are key determinants of youth employment outcome. Education variable was captured as a categorical variable with 1 taking the lowest category of primary education and 7 the highest category representing university education (masters). Education level was postulated to have either a positive or a negative influence on employment preference of the youth. In influencing employment preference positively, education can provide young people with skills and attitude to prepare them for the world of work and therefore facilitate school to work transition (ILO, 2013). The youth can therefore prefer employment in public sector where skills match is considered in employment unlike in private and self-employment. On the other hand, more educated workers have high expectations from their jobs and are therefore easily dissatisfied (Clark and Oswald, 1996). In an event that the sector is not offering what the more educated youth consider important, education level may influence preference of that sector negatively. In conclusion, quality of match between a worker's education/skills required by a job is an important component of job satisfaction and therefore preference while skill under-utilization has a strong negative effect on satisfaction (Allen and Van Der Velden, 2001).

The *a priori* sign expectations of various explanatory variables to youth employment preference are based on previous empirical results. The description, measurement and *a priori* independent variable effect expectations of variables that were used in the model are presented in Table 3.1.

Table 3.1: Description of dependent and independent variables used multinomial logit model

Variable	Coefficient	Description	Measurement	Expected sign
Dependent: Preference	*Prefcategory*	Preference category; 1= Public	Categorical variable	
		2= Private		
		3= Self-employed		
Independent variables				
Gender	*Gender*	Gender of the youth	0= Female; 1= Male	
Employment status	*Employstatus*	Employment status of the respondent	1= Unemployed	±
			2=Employed	
			3=Self employed	
Age	*Agecate*	Age category respondent	1= 15-19 years	±
			2= 20-24 years	
			3=25-29 years	
			4=30-34 years	
Residence	*Residence*	Respondent region of residence	1= Rural 2= Urban	±
County residence	*Countyresidence*	Respondent county of residence	All the 47 counties Nairobi taking 1 and Nyamira=47	±
Current education level	*Educationlevel*	Youth's level of education	1= Primary education incomplete	±
			2= Primary education complete	
			3=Secondary education incomplete	
			4= Secondary education complete	
			5= College/TVET Education	
			6= University education (under graduate)	
			7= University education masters	
Skills Match	*Skillsmatch*	Match between education/training and skills required by a job	Skills match; 1= Yes; 0= No	+

Marital status	*Maritalstatus*	Respondent marital status	1= Married; 0 otherwise	±
Experience	*Experience*	Working experience of the youth	Years	±
Jobs held	*jobsheld*	Number of jobs held by respondent	Number	±
Employment attributes	*Grossincome*	Gross income for self- employed and employed and expected income for unemployed	Whether income influence preference 1= Yes; 0= No	+
	jobsecurity,	Job security	Whether job security influence preference 1= Yes; 0= No	+
	careerdevelopment=	Career advancement	Whether career advancement influence preference 1=Yes; 0= No	+
	Partdecision=	Participation in decision making	Whether participation in decision making influence preference 1=Yes; 0= No	+
	fairtreatment	Fair treatment at work place	Whether fair treatment influence preference 1=Yes; 0= No	+
	Locationwork	Location of work	Whether location of work influence preference 1=Yes; 0= No	+
	flexibleworkinghrs	Flexible working hours	Whether flexible working hours influence preference 1=Yes; 0= No	+

4. Unemployed Youth Employment Preference

This section presents demographic characteristics of unemployed youth, unemployed youth employment preference and multinomial logit results reflecting factors that influence unemployed youth employment preference.

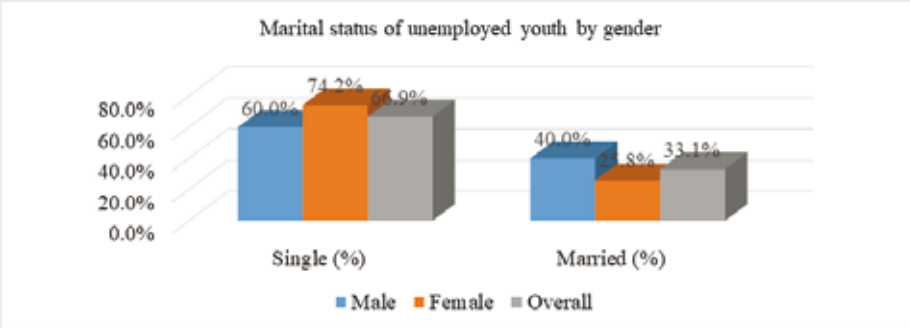
4.1 Descriptive Statistics of Unemployed Youth Sample

The descriptive statistics presented in this section comprise demographic and socio-economic characteristics. Demographic characteristics comprise age, residential area, gender, and current education level of the respondent. The socio-economic characteristics considered working experience, job search, number of jobs held before by unemployed youth and expected salary range.

4.1.1 Demographic and socio economic characteristics of the unemployed youth sample

Most unemployed youth (46.5%) were aged between 25 to 29 years followed by 31.5 per cent aged between 20 and 24 years with the rest of youth in the age of 30 to 34 years. Most respondents (83.7%) were from urban areas. Out of the 127 unemployed youth sampled for the survey, 87 youth were from Nairobi followed by Kiambu with 12, Kisumu and Trans Nzoia with 3 while other counties had two or one respondent. Overall, most unemployed youth (66.9%) were single. Across gender, more female (74.2%) were single in comparison to their male counterparts who were married (Figure 4.1).

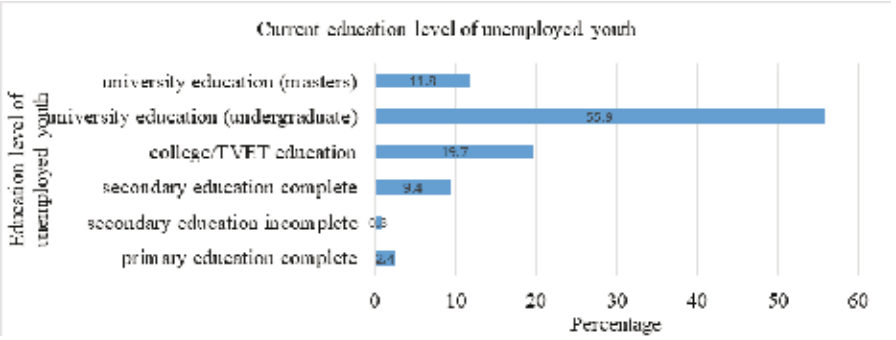
Figure 4.1: Marital status of unemployed youth by gender



With regard to current education level of respondents, most of the sampled youth (55.9%) had university undergraduate education followed by those with TVET education (19.9 %) (Figure 4.2). The respondents graduated between 2001 and 2017. Most respondents (21.1%) graduated in 2015 and 19.3 per cent graduated

in 2016 with 11.9 per cent and 10.1 per cent having graduated in 2016, 2013 and 2012, respectively.

Figure 4.2: Current education level of unemployed youth



4.1.2 Job search and working experience

Only 3 (2.3%) out of 127 respondents reported that they were not searching for a job. Two of these respondents had given up in job search while the other one was advancing education. The 124 (97.7%) respondents who were searching for a job had a mean of 18.8 months of searching for a job with a minimum of 1 month, a maximum of 98 months with a standard deviation of 18.3 months.

A total of 64 out of the 127 unemployed youth had an average of 7.8 months working experience, a minimum of 1.0 month and a maximum of 24.0 months with a standard deviation of 7.0. However, some youth had experience of up to 180 months. Unemployed youth had held before an average of 2.6 jobs with a minimum of one and a maximum of six jobs.

4.1.3 Expected income by unemployed youth

More than a half of the youth (57.3 %) expected a salary range of Ksh 41,001 to Ksh 80,000. A significant proportion (25%) of respondents expected a salary range of Ksh 20,001 to Ksh 40,000 (Table 4.1).

Table 4.1: Unemployed respondent expected salary range

Expected Income range once employed (Ksh)	Frequency	Percentage
Less than 20,000	5	4.0
20,001 to 40,000	31	25.0
40,001 to 80,000	71	57.3
100,000 to 120,000	12	9.7
Above 120,000	5	4.0
Total	**124**	**100.0**

4.2 Unemployed Youth Preferences

4.2.1 Unemployed youth preference by age

Across all the age categories, unemployed youth preferred employment in the public sector, followed by private sector with a small proportion preferring self-employment. None of the respondents at the age of between 30 and 34 years preferred self-employment (Table 4.2).

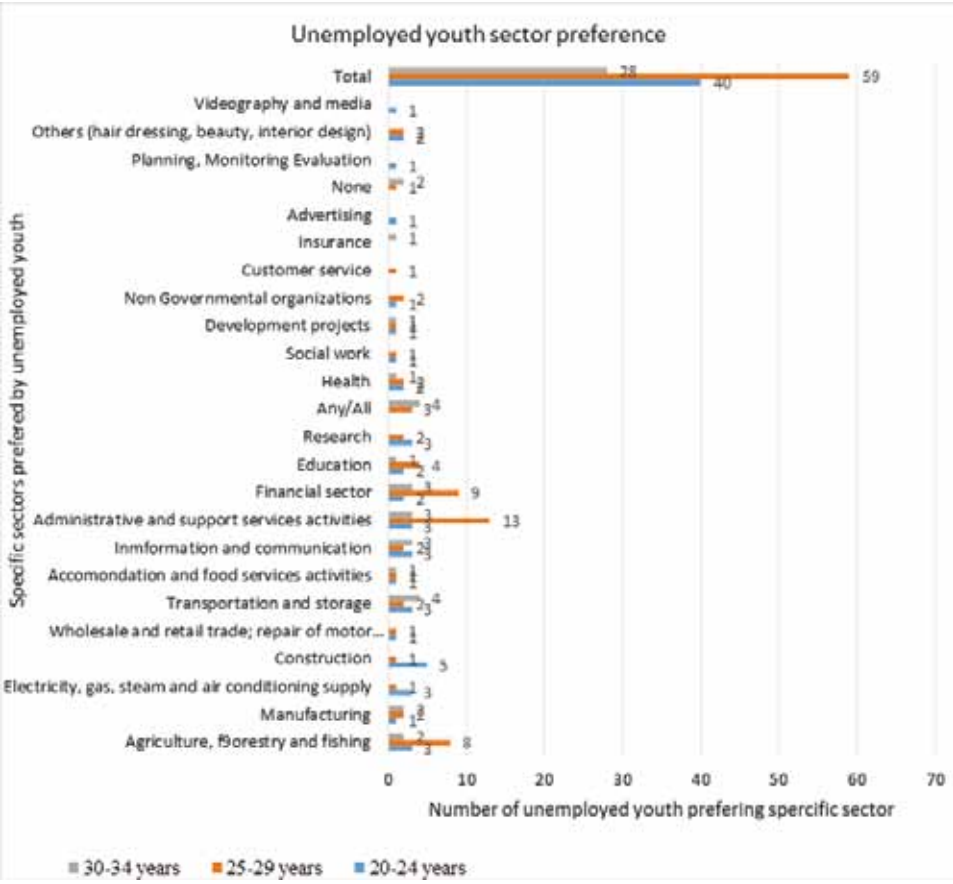
Table 4.2: Employment preference across the age categories

Age category	Public sector (%)	Private sector (%)	Self employed (%)	n
20-24 years	67.5	22.5	10.0	40
25-29 years	53.4	43.1	3.4	58
30-34 years	65.4	34.6	0.0	26
Total	**60.5**	**34.7**	**4.8**	**124**

4.2.2 Specific sectors in which unemployed youth preferred to work in

Most of unemployed youth (19) in which 3, 13 and 3 were between the age of 20 to 24, 25 to 29 and 30 to 34 years, respectively, preferred employment in administrative and support services activities. The next preferred sector by majority of youth 14 and 13 was financial sector and agriculture, forestry and fishing, respectively (Figure 4.3).

Figure 4.3: Specific sectors where youth prefer to work



4.2.3 Unemployed youth employment preference by education

Although most unemployed youth (75) preferred employment in public sector, eight out of the 13 respondents with Masters' education preferred self-employment (Figure 4.4).

Figure 4.4: Employment preference across education level of respondents

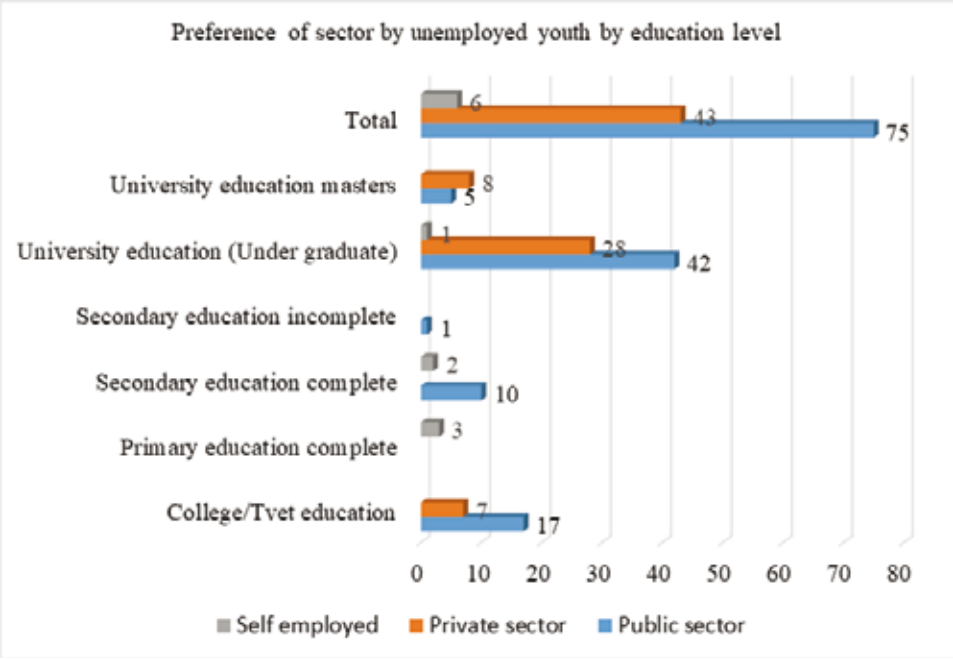
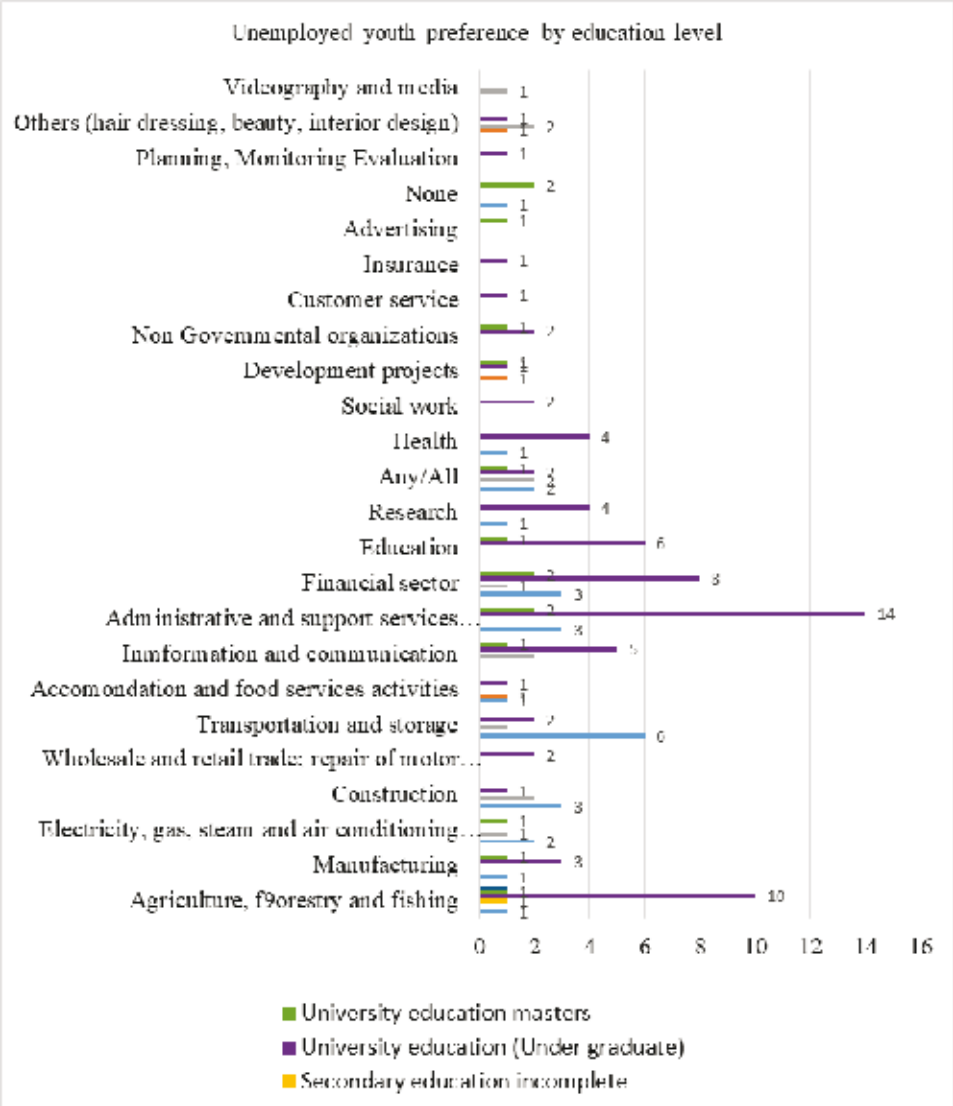


Figure 4.5: Specific sector preference for work by youth by education level



4.2.4 Unemployed youth employment preference by marital status

Up to 60.5 per cent of unemployed youth preferred employment in the public sector. Similarly, both the married and single preferred public sector employment followed by employment in the private sector with only a small proportion preferring self-employment (Figure 4.6)

Figure 4.6: Employment preference to specific sectors by marital status

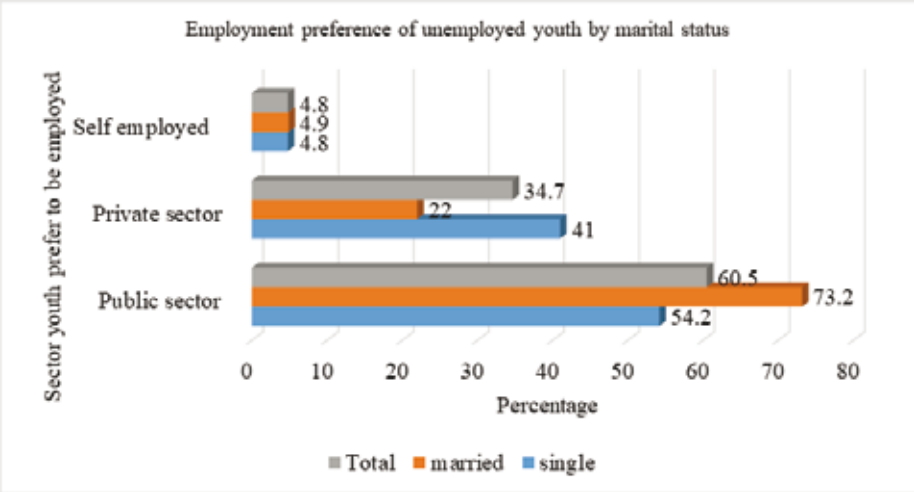
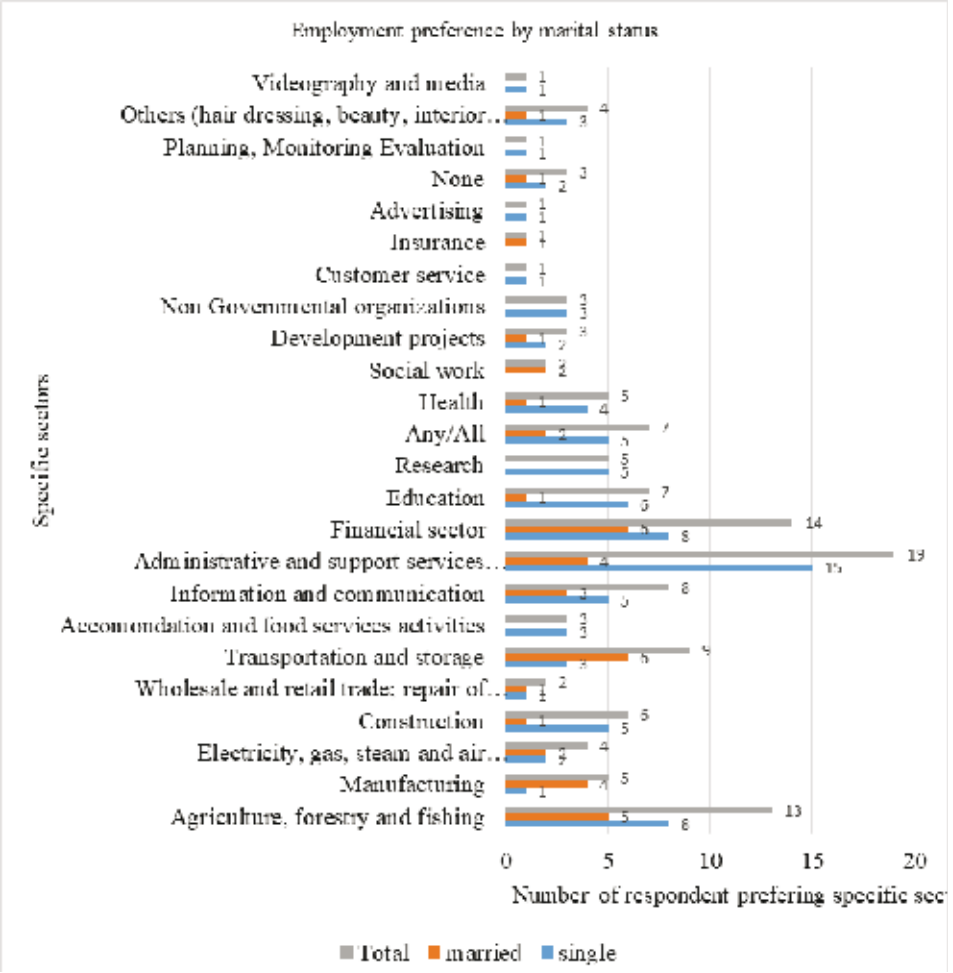


Figure 4.7: Employment preference of unemployed youth by specific sectors



4.2.5 Reasons why unemployed youth prefer working in specific sector

The public sector is largely preferred by unemployed youth because of job security, location of work and career growth. Fair treatment, career growth and income are the main factors influencing preference in private sector while location of work, income and job security are considered as important factors influencing self-employment preference (Table 4.3).

Table 4.3: Reason for preferring to work in specific sectors

Reasons prefer certain sectors	Public Sector (%)	Private sector (%)	Self-employed (%)	Total
Income	58.1	35.5	6.5	62
Job security	78.4	17.6	3.9	51
Career growth	61.2	36.7	2.0	98
Participation in decision making	59.3	37.0	3.7	27
Fair treatment	44.4	55.6	0.0	18
Location of work	66.7	22.2	11.1	9

4.2.6 Whether preference of youth influenced by a friend or a relative

Only three and four unemployed youth indicated that their preference to work in public sector and private sector, respectively, was influenced by a friend or a relative.

4.3 Multinomial Logit Model Results of Unemployed Youth

Table 4.4 shows multinomial logit results of unemployed youth preferring to work in private sector and engaging in self-employment compared to being employed in the public sector. Of the 17 variables included in the model, four of them that included having skills needed for the job, flexible working hours, skills match and work being fulfilling and rewarding aspects of the employment were omitted in the analysis because of collinearity problem. Marital status and career growth negatively influenced preference for private sector employment in relation to employment in public sector at 5 per cent and 10 per cent significant levels, respectively. These results imply that unemployed youth who are married are likely to prefer employment in private sector compared to unemployed youth who are single. In addition, unemployed youth are likely to experience career growth in the public sector than in the private sector. The current education level, however, positively influenced preference for employment in the private sector at 10 per cent significant level. The explanation is that the private sector could be offering

youth with higher education a higher salary unlike in the public sector which is likely to influence unemployed youth preference.

None of the variable was significant in the self-employed equation. The explanation could be that unemployed youth could not prefer self-employment because of lack of start-up capital.

Marital status, career growth and current education level variables influence preference of public and private sector employment as reflected by the Marginal Effects (MEs). As indicated by MEs, marital status and career growth influences preference of public sector positively at 5 per cent level while current education level negatively influences public sector employment preference at 1 per cent significant level. Marital status and career growth influences preference of private sector employment negatively at 5 per cent level while the current education level influences private sector employment preference at 1 per cent significant level (Table 4.4).

Table 4.4: Multinomial logit regression results on determining factors that influence preference of working in private or self-employed by unemployed youth

Multinomial logistic regression	Number of obs=127				
	LRchi^2(24)=70.1				
	Prob>chi^2=0.000				
Log likelihood = -68.432971	PseudoR^2=03387				
specprefer	Coefficients		Marginal effects		
Public (base) outcome)					
	Private	Self employed	Public	Private	Self-employed
Agecate	0.4776 (0.325)	-21.3154 (7668.743)	-0.0878 (0.0578)	0.0878 (0.0578)	0.0000 (0.0002)
Gender-	-0.0509 (0.4481)	85.0936 (11209.3)	0.0093 (0.0823)	-0.0093 (0.0823)	0.0000 (0.0007)
Maritalstatus	-1.1617** (0.5151)	65.8986 (13310.13)	0.2135** (0.0876)	-0.2135** (0.0876)	0.0000 (0.0006)
Currenteducationlevel	0.9605* (0.3468)	-54.0155 (5107.988)	-0.1765*** 0.0567	0.1765*** (0.0567)	0.0000 (0.0005)
AreaofResidence	0.272 (0.684)	31.6087 (29184.76)	-0.05 (0.1254)	0.05 (0.1254)	0.0000 (0.0004)
Countyresidence	-0.005 (0.0197)	0.2026 (906.0216)	0.0009 (0.0036)	-0.0009 (0.0036)	0.0000 (0.0000)
Grossincome2	0.0581 (0.2479)	14.6796 (5713.157)	-0.0107 (0.0455)	0.0107 (0.0455)	0.0000 (0.0001)

Incomeprefer	-0.0291 (0.428)	16.8619 (5714.638)	0.0053 (0.0786)	-0.0053 (0.0786)	0.0000 (0.0002)
Jobsecurityprefer	0.3411 (0.4469)	38.6325 (14667.5)	-0.0627 (0.0814)	0.0627 (0.0814)	0.0000 (0.0004)
Careergrowthprefer	-0.898* (0.4803)	64.6242 (12282.64)	0.165** (0.0835)	-0.165** (0.0835)	0.0000 (0.0006)
Partdecisionprefer	-0.0123 (0.5279)	63.8788 (10451.6)	0.0023 (0.097)	-0.0023 (0.097)	0.0000 (0.0006)
Locationpref	-0.0858 (0.8181)	87.5896 (30265.57)	0.0158 (0.1503)	-0.0158 (0.1503)	0.0000 (0.0008)
_cons	-6.053*** (2.3402)	-151.431 (70247.98)			

Data source: Survey data 2017 and 2018

*Note: Figures in parenthesis are the standard errors associated with the coefficient estimates***p<0.01, ** p<0.05 and *p<0.10 mean significant at 1%, 5% and 10% probability levels, respectively.*

5. Employment Preference for Self-Employed Youth

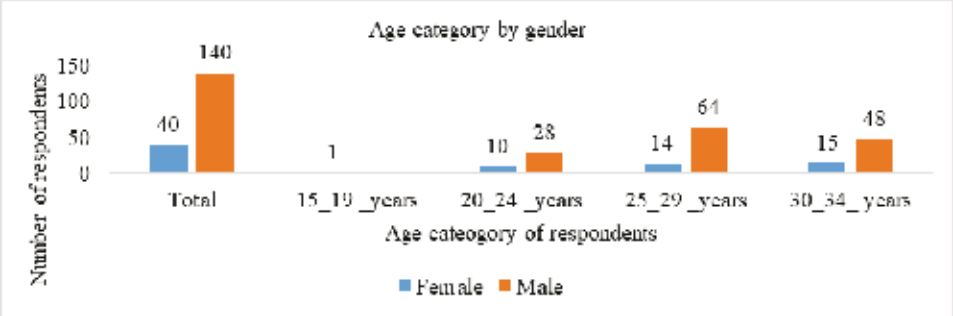
This section presents general characteristics of self-employed youth sample, self-employed youth preference and the multinomial logit regression results indicating the factors that influence employment preference of self-employed youth.

5.1 General Characteristics of Self-employed Youth Sample

5.1.1 Age and gender of self-employed youth

The survey involved 180 self-employed youth with 140 male and 40 female. The larger proportion of the sample comprised youth aged between 25 and 29 years followed by those aged 30 to 34 years and 20 to 24 years. Only one respondent was in the age bracket of 15-19 years (Figure 5.1).

Figure 5.1: Age category by gender



5.1.2 Marital status of respondent by age and gender

A majority of male and female in the age bracket of between 30 and 34 years were married (Table 5.1)

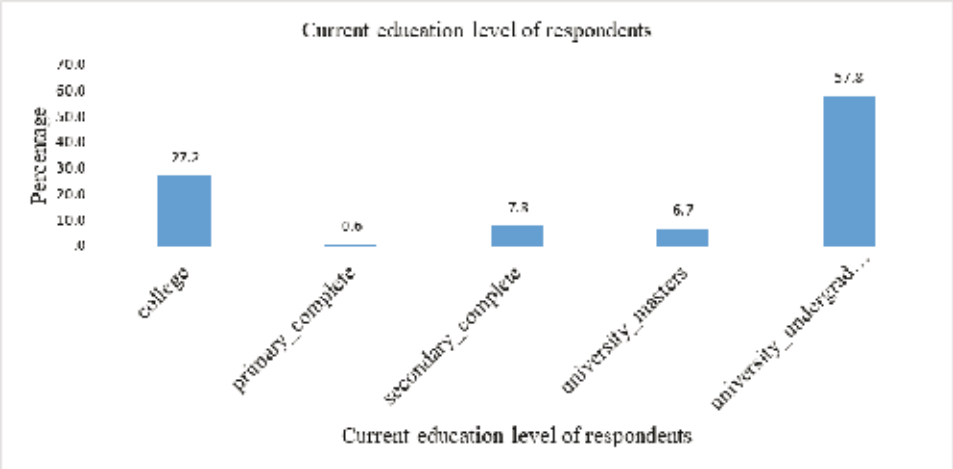
Table 5.1: Marital status of respondents by age

		Marital status of the respondents		Total
Gender of the respondent	**Age category**	**Married**	**Single**	
Female	15-19 years	0	1	1
	20-24 years	1	9	10
	25-29 years	0	14	14
	30-34 years	9	6	15
	Total	10	30	40
Male	20-24 years	0	28	28
	25-29 years	30	34	64
	30-34 years	38	10	48
	Total	68	72	140

5.1.3 Current education level of the respondents

Up to 57.8 per cent of respondents attained university undergraduate degree. Respondents with college degree were up to 27.2 per cent followed by those with secondary education 7.8 per cent while university Masters were 6.7 per cent. A small proportion of 0.6 per cent had primary education. The one with primary education has skills such as driving and his business is shoe making (Figure 5.2).

Figure 5.2: Education level of the respondent

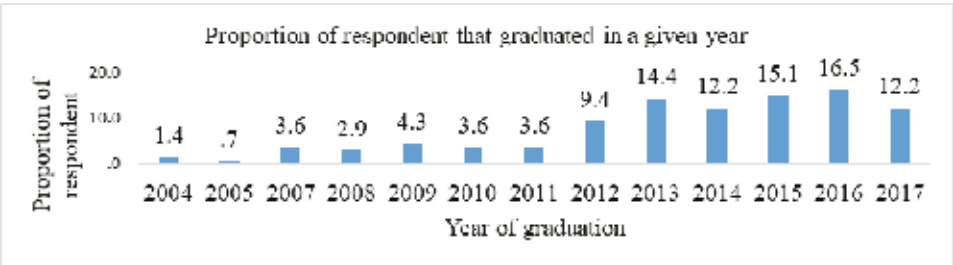


Source:

5.1.4 Year that the respondent graduated

Respondents graduated between 2004 and 2017 with most respondents as represented by 16.5 per cent graduating in 2016 followed closely by respondents who graduated in 2015 and 2013 as represented by 15.1 and 14.4 per cent, respectively (Figure 5.3).

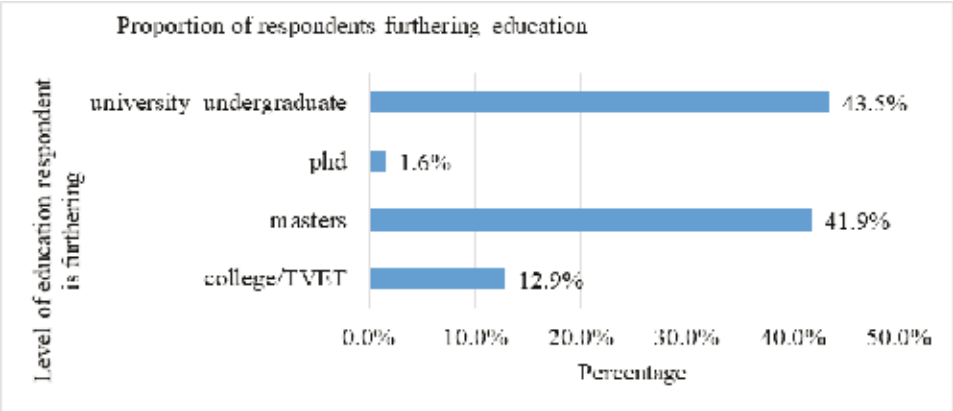
Figure 5.3: Graduation year of the respondents



5.1.5 Respondents furthering education by current education level

Most respondents were furthering undergraduate degree and Masters' degree as represented by 43.5 per cent and 41.9 per cent, respectively (Figure 5.4).

Figure 5.4: Respondents furthering education



Source:

5.1.6 Area where respondent resides and county of residence

Most respondents reside in urban areas as represented by 85 per cent of the sample. A large proportion of respondents represented by 76.1 per cent were working in the same county that they were residing in. More than a half of respondents were from Nairobi as represented by 55.6 per cent, followed by Kiambu with 6.7 per cent which was closely followed by Mombasa and Nakuru as represented by 6.1 per cent (Table 5.2).

Table 5.2: County of residence of respondents

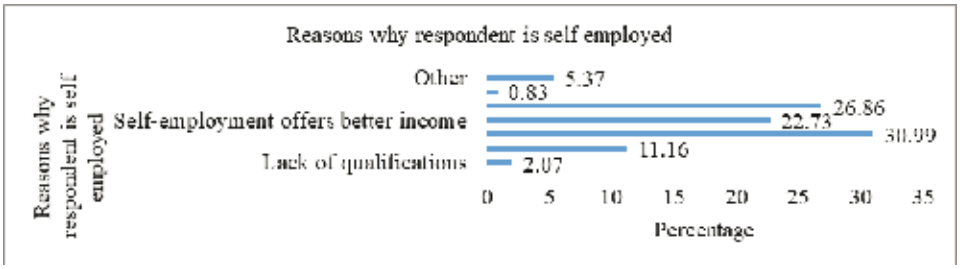
County of residence of the respondent	Frequency	Percent (%)
Baringo	2	1.1
Bomet	2	1.1
Bungoma	1	0.6
Garissa	1	0.6
Homa Bay	1	0.6
Kajiado	5	2.8
Kakamega	4	2.2
Kericho	1	0.6
Kiambu	12	6.7
Kirinyaga	2	1.1

Kisii	1	0.6
Kisumu	2	1.1
Kitui	1	0.6
Laikipia	3	1.7
Machakos	2	1.1
Makueni	1	0.6
Meru	1	0.6
Mombasa	11	6.1
Nairobi	100	55.6
Nakuru	11	6.1
Nyandarua	5	2.8
Nyeri	2	1.1
Siaya	2	1.1
Tharaka Nithi	1	0.6
Turkana	1	0.6
Uasin Gishu	4	2.2
West Pokot	1	0.6
Total	**180**	**100.0**

5.1.7 Reasons why respondent is self-employed

Lack of adequate opportunities, preference for self-employment and high income were cited by 31.0 per cent, 26.9 per cent and 22.7 per cent of respondents, respectively, as the main reasons why they were in self-employment. Only a small proportion of respondents indicated being in self-employment because they lacked qualifications and that there was already a family business as represented by 2.07 and 0.83 per cent, respectively (Figure 5.5).

Figure 5.5: Reasons why respondent is self employed



5.1.8 Whether respondent is satisfied with the current job (self-employment) and reasons for preferring self-employment

Most respondents (88.3%) indicated that they are satisfied with their current job of being in self-employment. Some of the reasons that were cited by most respondents (13.5%) as to why they prefer self-employment is that it allows growth opportunities, and work is rewarding and fulfilling. Ability to make own decisions, flexible working hours were also among the aspects cited by 13.1 and 12.8 per cent of respondents, respectively. Location of work was only a consideration by a few respondents (1.0%) (Table 5.3).

Table 5.3: Reasons why respondents prefer self-employment

Reasons for preferring self-employment	Frequency	Percentage
Good income	44	7.6
Job security	44	7.6
Work is fulfilling and rewarding	78	13.5
I have the skills necessary to do the job (skills match with job)	45	7.8
Self-employment allow flexible working hours	74	12.8
Good and/or stable future earnings prospects	45	7.8
Growth opportunities	78	13.5
Ability to make my own decisions	76	13.1
Ability to employ other people	64	11.0
Location of work	6	1.0
Ability to work from home	24	4.1
Other specify*	2	0.3
Total	**580**	**100.0**

Other specify include that the respondent failed to secure employment for lack of connections*

5.1.9 Where respondent preferring wage employment would prefer to be employed and reasons for their preference

The study also sought to find out whether those who were self-employed would prefer wage employment and reasons for their preference. Most respondents (44.44%) indicated that they would prefer to be employed in any sector mainly because of income, job security, where they can apply skills they learned, have room for career development, have flexible working hours and work in location that is convenient (Table 5.4).

Table 5.4: Where respondents preferring wage to self-employment would prefer to work and the reasons for their preference

Where respondent prefer to work	Frequency	Percentage	Reasons for respondent preference
Any	8	44.4	• Income • Job security • Skills match • Room for career development • Flexible working hours
Private	3	16.7	• Income • Job security • Skills match • Room for career
Public	7	38.9	• Room for career development • Job security • Fair treatment • Flexible working hours
Total	**18**	**100.00**	

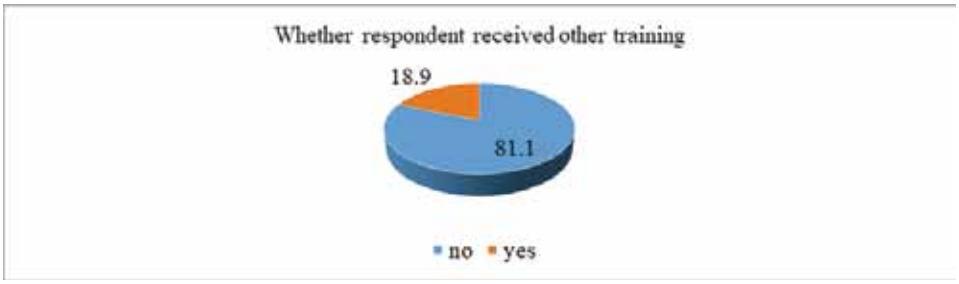
5.1.10 Number of hours that the respondent works per day and duration respondent has been in current business

The respondents had a mean of 9.2 working hours per day, a minimum of 1 hour and a maximum of 24 hours with a standard deviation of 3.5 hours. Respondents had also been in the current business in minimum one month while others were in business for 144 months.

5.1.11 Application of the skills learned in school by the respondents and whether respondents have received other training(s)

Up to 70.6 per cent of the respondents are applying the skills learned in school in their current job. Only a small proportion (18.9%) of respondents reported to have received other training (Figure 5.6).

Figure 5.6: Whether respondent received other trainings



Some of the trainings that respondents had received included tendering and project management, technical training and networking, administration, computer skills, graphics design, risk management, corporate governance and internal auditing, energy management, online banking, civil works, poultry keeping, entrepreneurship skills, financial management, cleaning and landscaping among others.

5.1.12 Some of key challenges that the respondents face(d) in their business

Lack of start-up capital and finances to sustain business were cited by most respondents (31.6%) as a challenge facing the respondent's business. Other challenges reported by the respondents included lack of market (customers) as mentioned by 17.6 per cent and failure to get tenders due to corruption as reported by 11.0 per cent (Table 5.5).

Table 5.5: Challenges faced by self- employed youth

Challenges faced by self-employed youth	Frequency	Percentage
Lack of start-up capital, finances/credit to sustain business	135	31.6%
Lack of connections	24	5.6%
Lack of market (lack of customers)	75	17.6%
Lack of employees/personnel/trained staff/reliability of employees	9	2.1%
Fraud/Theft/Security	6	1.4%
Delay in payment/Bad debts	16	3.8%
Failure to get tenders due to reasons such as lack of experience, lack of connections, corruption and bureaucracy	47	11.0%
Lack trust because of new entrants	7	1.6%
Long working hours	1	0.2%
Stiff competition/unhealthy price competition from giant company	19	4.5%
Licensing	2	0.5%
Financial instability/market uncertainty	8	1.9%
Lack of exposure/information	14	3.3%
Not able to break-even/low income	7	1.6%
A lot of documentation required to start up business/ unfair legal requirements	9	2.1%
Tender deposits	3	0.7%
Tribalism	3	0.7%
Lack of space/location of work/rent	8	1.9%

Default by clients	1	0.2%
High taxes, e.g on phones and laptops	2	0.5%
Market over value papers than skills	1	0.2%
Discrimination for being young	1	0.2%
Disregard of innovation	1	0.2%
AGPO certificate does not apply	1	0.2%
Bad reception in public offices when calling consistently/harassment from government agencies	5	1.2%
Business skills, e.g records keeping, information on doing business	12	2.8%
Lack of machines/equipment	1	0.2%
Cheap imports from China	1	0.2%
None	8	1.9%
Total	427	100.00%

5.1.13 Coping strategies used by respondent to manage the challenges

To cope with financial challenges, 18.6 per cent of respondents borrowed credit from relatives/friends/groups/banks/suppliers. A total of 14.1 per cent of respondents reduced the impact of lack of customers/market by expanding connections through networking with people, use of social media, and reading newspapers to get information on tenders. Other coping mechanisms used by the respondents included adopting new marketing strategies/sourcing for cheap raw materials to cut costs, being patient/persistent, confidence, dedicated/ignoring rejection and moving on and working efficiently (Table 5.6).

Table 5.6: Coping strategies used by self-employed youths

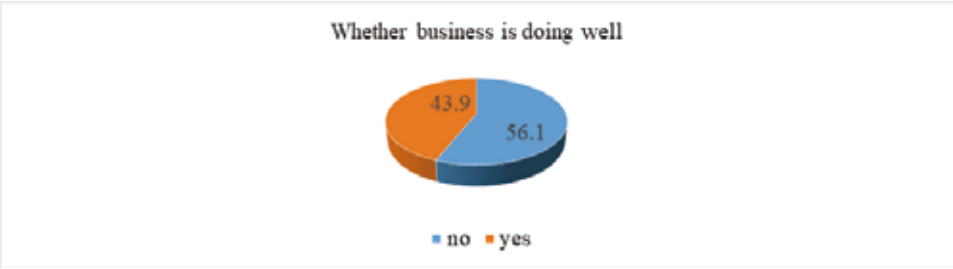
Coping mechanisms	Frequency	Percentage
Borrowing from relatives/friends/groups/banks/ suppliers	61	18.7
Praying	3	0.9
Partnered/ joint venture	7	2.1
Doing market survey/understanding market environment	9	2.8
Constantly reminding customers about debt/following up the relevant departments	9	2.8
Increased effort/vigorous in searching clients/being flexible	7	2.1
Acquiring reliable personnel and use networks	4	1.2
Expanding connections through networking with people, by use of social media, reading newspapers	46	14.1

Side hustling beside relying on business	10	3.1
Adopting new marketing strategies/Sourcing for cheap raw materials to cut costs	31	9.5
Focusing on more promising business and invest money in business/diversification	6	1.8
Approaching retail stores	1	0.3
Training employees/taking students for attachment/ enhance team work	10	3.1
Being vigillant to avoid theft	1	0.31
Insuring the business	1	0.31
Being patient/persistent, confidence, dedicated/ ignoring rejection and moving on	30	9.17
Asking for advance payment from clients	3	0.92
Doing regular field visit	1	0.31
Choosing to sell at large scale at small profit	2	0.61
Used savings	6	1.83
Asking for guidance from experienced people/experts	10	3.06
Advertisements	2	0.61
Putting structures in place	1	0.31
Reduced stock	1	0.31
Ensure quality products	1	0.3
Creation of business website	1	0.3
Maintained good customer relations	4	1.2
Applying many tenders	5	1.5
Drawing own business plan	7	2.1
Government initiative, e.g youth fund	1	0.3
Working efficiently	22	6.7
Looking for AGPO backed tenders	1	0.3
Planning to relocate from Kenya to Rwanda to evade corruption	1	0.3
Decided to work as a cartel	3	0.9
Volunteer services to acquire brand for future	1	0.3
Reading entrepreneurship books/studying/self-learning	6	1.8
Reducing expenditure by working on his/her own	1	0.3
Acquiring mandatory items	3	0.9
Sub-contracting/ avoiding debt	3	0.9
Avoiding debts	3	0.9
Use of kick backs	1	0.3
Closing early	1	0.3
Total	327	100.0

5.1.14 Whether the business is registered and whether the business is doing well

Most businesses (97.2 %) are registered with only 2.8 per cent not registered. Some of the reasons given by respondents who have not registered business included that the business is still small, there is no good reason to register the business, lack of enough capital to expand hence registration, it is small scale business, earns low income, the business is uncertain and business is not yet settled. Asked whether they are interested in registering their business, three of them replied yes while two reported not interested in registering. Up to 43.9 per cent of respondents acknowledged that their businesses are doing well (Figure 5.7)

Figure 5.7: Whether business is doing well



5.1.15 Whether the respondents are searching for a job and reasons for searching for a job

Up to 43.9 per cent of respondents indicated that they were searching for a job. The respondents are mainly searching for jobs to gain extra income to support their businesses. Other reasons for searching for jobs include growth opportunities and gain extra experience (Table 5.7).

Table 5.7: Reasons why self-employed youth are searching for a job

Reason for searching for a job	Frequency	Percentage
No enough money	7	18.9
Need extra income	15	40.5
Looking a new job	2	5.4
Others*	13	35.1
Total	**37**	**100.0**

Others include searching for job in line with the university degree, looking for growth opportunities, get practical experiences, for career progression, job security, to gain extra experiences, to get extra capital to facilitate the business and that the company has not made business for a long time.*

5.1.16 Whether this is the respondents first job

A large proportion of respondents (79%) in self-employment were in their first job. Out of the 21 per cent who reported that the current job was not their first job, respondents had average of 2.4 jobs with a minimum of 1 job and a maximum of 6 jobs (Table 5.8).

Table 5.8: Respondents experience in months and number of jobs held before the current one and monthly income

Experience and number of jobs held	N	Minimum	Maximum	Mean	Std. Deviation
Number of jobs held by the respondent	37	1	6	2.32	1.20
Duration of experience that respondents have in months	37	3	120	45.92	38.43
Monthly earnings of the respondents in Kenya Shillings	129	851	200,000	38166.19	34833.69

Eight responses on monthly income have been excluded from the analysis and they include 30, 120, 500,000, 500,000, 500,000, 650,000, 1,200,000 and 3,000,000.

5.1.17 Whether the respondents are aware of initiatives targeting the youth

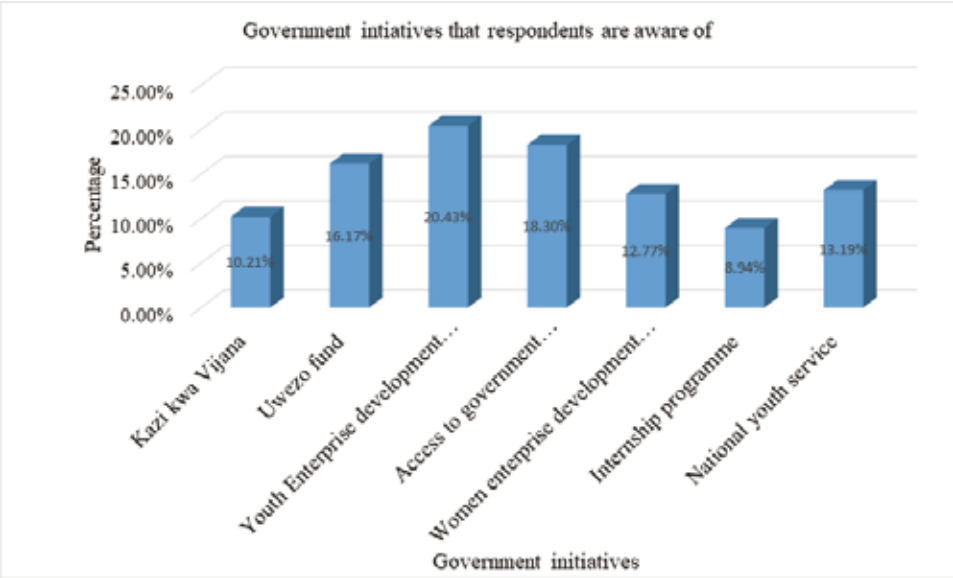
More than a half (53.3 %) of the respondents indicated awareness in initiative's targeting the youth. Among the initiatives that respondents were aware of included 72.9 per cent are aware of government initiatives, 21.9 are aware of government and non-governmental initiatives, 3.1 per cent are aware of only non-governmental initiatives while 2.1 per cent are aware of other initiative, called Global Business and Leadership Programme (Table 5.9).

Table 5.9: Specific initiatives that the respondents are aware of

Initiatives that the respondent are ware of	Frequency	Percentage
Government initiative	70	72.9
Government and Ngo initiatives	21	21.9
Ngo initiatives	3	3.1
Other	2	2.1
Total	**96**	**100.0**

Most respondents are aware of Youth Enterprise Development Fund, Access to Government Procurement Opportunities, *Uwezo* Fund and Women Enterprise Development Fund (Figure 5.8).

Figure 5.8: Government initiatives that the respondents are aware of



5.1.18 Benefit from government initiatives by respondent

Overall, only 26 respondents reported to have benefited from the government initiatives. The highest proportions of respondents as represented by 55.8 per cent who benefited from access to government opportunities followed by six who benefited from Youth Enterprise Fund which was closely followed by Uwezo Fund as reported by four respondents. Only one person reported to have benefited from *Kazi kwa Vijana*, Women Enterprise Fund and National Youth Service (Table 5.10).

Table 5.10: Proportion of respondents that reported to have benefited from specific government initiatives

Initiatives that respondent benefited from	Frequency	Percentage
Kazi kwa Vijana	1	2.9
Uwezo Fund	4	11.8
Youth Enterprise Development Fund	6	17.7
Access to Government Procurement Opportunities	19	55.9
Internship programme	2	5.9
Women Enterprise Development Fund	1	2.9
National Youth Service	1	2.9
Total	**34**	**100.0**

5.1.19 Types of benefits received from government initiatives

Respondents benefited through business structure and financial support (Table 5.11)

Table 5.11: Type of benefits received from government initiatives

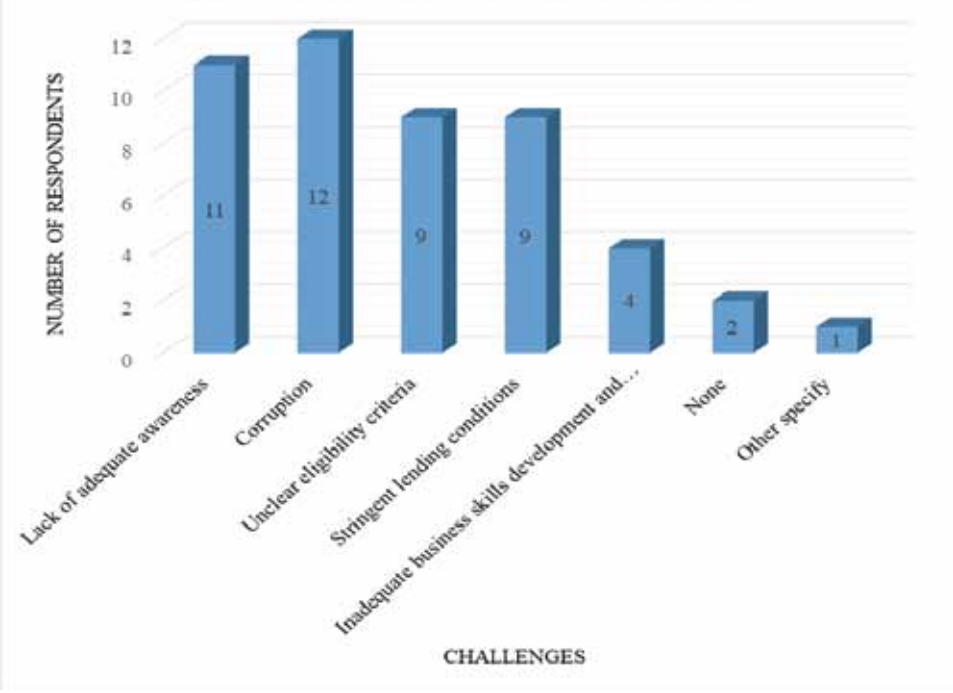
Type of benefit received	Frequency
Financial support/cash	5
Internship	3
Training and skills	4
Infrastructure/business structure	11
Other(s) specify*	6
Total	**29**

*Other (s) specify * benefits include registration of business and accessing tenders*

5.1.20 Challenges faced while accessing government initiatives

Corruption, lack of adequate awareness, unclear eligibility and stringent lending conditions were cited as the most challenges that self-employed youth face while accessing government opportunities (Figure 5.9).

Figure 5.9: Challenges faced by youth while accessing government initiatives



Other specify in the graph include requirement of paper work in application that need a lot of time*

5.1.21 Non-government initiatives

Two respondents reported to have benefited from the non-government organizations/institutions that included private sector organizations, NGOs and churches. The respondents benefited through employment, internship and acquiring training skills. The respondent reported lack of awareness, corruption, unclear eligibility and stringent lending as some of the challenges that are associated with accessing NGOs initiatives by youth.

5.1.22 Awareness of government and non-government organizations targeting the youth

Four respondents who indicated to have been aware of both government and non-government initiatives targeting the youth. One of them benefited from Access to government opportunity of which his business structure was supported and he also benefited through sensitization programme. One respondent also benefited from *Kazi kwa Vijana* through training skills. Two respondents of the four, benefited from grant from IFAD to boost their business.

5.2 Employment Preference for Self-employed Youth

5.2.1 Employment preference of self-employed youth by age

Overall, 166 out of 180 respondents preferred self-employment, 11 respondents preferred public sector employment while only 3 respondents preferred employment in the private sector. Across all the age categories, youth preferred their current job of being in self-employment (Table 5.12).

Table 5.12: Sector employment preference of self-employed youth by age

Age category	Public	Private	Self-Employed	Total
15-19 years	0	0	1	1
20-24 years	3	0	35	38
25-29 years	5	0	73	78
30-34 years	3	3	57	63
Total	**11**	**3**	**166**	**180**

5.2.2 Employment preference of self-employed youth by education level

Irrespective of education level, the respondents preferred their current employment status of self-employment (Table 5.13).

Table 5.13: Employment preference of self-employed youth by education level

Current education level	Public	Private	Self-Employed	Total
Primary education complete	0	0	1	1
Secondary education complete	0	1	13	14
College/TVET education	6	1	42	49
University education (undergraduate)	4	1	99	104
University education (masters)	1	0	11	12
Total	**11**	**3**	**166**	**180**

5.2.3 Employment preference of self-employed youth by gender

Although across the two gender, 128 male and 38 female preferred self-employment, none of the female respondents preferred employment in the private sector (Table 5.14).

Table 5.14: Employment preference of self-employed youth by gender

Gender	Public	Private	Self-Employed	Total
Male	9	3	128	140
Female	2	0	38	40
Total	**11**	**3**	**166**	**180**

5.2.4 Employment preference of self-employed youth by marital status

Whereas six respondents who were single preferred employment in public and private sector, a total of eight married respondents, six of them preferred employment in public sector while two preferred employment in the private sector. Only few single and married respondents preferred employment in the private sector (Table 5.15).

Table 5.15: Employment preference by marital status

Marital status	Public	Private	Self-Employed	Total
Single	5	1	96	102
Married	6	2	70	78
Total	**11**	**3**	**166**	**180**

5.2.5 Employment preference of self-employed youth by experience

A total of 133 out of 180 of self-employed respondents reported that they did not have work experience (Table 5.16).

Table 5.16: Employment preference by work experience

Whether respondent has work experience	Public	Private	Self-Employed	Total
No	9	1	133	143
Yes	2	2	33	37
Total	**11**	**3**	**166**	**180**

5.3 Multinomial Logit Model Results of Self-employed Youth

Marital status, area of residence and location were found to determine employment preference in the public sector and self-employment as indicated by the marginal effects. While marital status and location positively influenced public sector employment at 10 per cent significant level, area of residence of respondent negatively influenced preference of employment in the public sector. The explanation is that respondents in rural areas preferred employment in the public sector than respondents in urban areas. Marital status and location of work negatively influenced self-employment preference at 10 per cent, and area of residence positively influenced self-employment preference at 1 per cent significant level. The explanation is that married youth were more concerned on the location of work when it comes to preference unlike the single youth who may be willing to work wherever the work is available. Youth in urban areas preferred self-employment possibly because of availability of opportunities in urban areas unlike in rural areas (Table 5.17).

Table 5.17: Multinomial logit regression results on determining factors that influence preference of working in public or private sector by self-employed youth

Multinomial logistic regression	Number of obs= 180				
	LR $chi^2(32)$= 53.37				
	Prob > chi^2=0.0103				
Log likelihood = -29.782313	Pseudo R^2=0.4726				
	Coefficients		Marginal Effects		
Variables	Public	Private	Public	Private	Self-employed
Agecate	-1.2188	57.6891	-0.0567	9.36E-08	0.0567
	(0.7807)	(10946.91)	(0.0363)	90.000)	(0.036270
Gender	-0.1726	-31.2942	-0.008	-5.07E-08	0.00803
	(0.9257)	(36253.39)	(0.0431)	(0.000106)	(0.04306)

Maritalstatus	2.1907*	-20.6777	0.1019*	-3.36E-08	-0.1019241*
	(1.1889)	(16342.24)	(0.0553)	(0.000064)	0.05529
Currenteducationlevel	-0.3582	-9.9606	-0.0167	-1.61E-08	0.01666
	0.52	(6687.147)	(0.0242)	(0.00003)	(0.0242)
AreaofResidence	-2.3954**	1.402	-0.1114***	2.41E-09	0.11145***
	(0.9399)	(20752.11)	(0.0435)	(3.37E-05)	(0.04352)
Countyresidence	-0.0118	-0.1126	-0.0005	-1.82E-10	0.00055
	(0.027)	(562.3921)	(0.0013)	9.72E-07	(0.00125)
Grossincome2	0.4143	12.8223	0.0193	2.08E-08	-0.01928
	(0.3488)	(6286.184)	(0.0162)	(3.77E-05)	(0.01622)
Incomeprefer	-0.1384	-21.5656	-0.0064	-3.49E-08	0.00644
	(1.0693)	(29272.59)	(0.0498)	(7.73E-05)	(0.04975)
Jobsecurityprefer	-2.0332	14.7202	-0.0946	2.40E-08	0.09460
	(1.3337)	(23652.15)	(0.0616)	(5.64E-050	(0.06159)
Workfulfillingrewarding	-0.7062	-44.3358	-0.0329	-7.18E-08	0.03286
	(1.0823)	(27127.48)	(0.0504)	(0.000132)	(0.05036)
Careergrowthprefer	-1.8409	12.3049	-0.0857	2.00E-08	0.08565
	(1.5209)	(15921.69)	(0.07130	(4.33E-05)	(0.07133)
Partdecisionprefer	-2.167	-14.8046	-0.1008	-2.39E-08	0.10082
	(1.9892)	(18889.02)	(0.0931)	(5.18E-05)	(0.09313)
Locationpref	4.1601**	61.2634	0.1936*	9.91E-08	-0.193551*
	(2.3921)	(23596.45)	(0.11260	(0.0002)	0.11262
Haveskillsjob	0.4372	-21.5529	0.0203	-3.50E-08	-0.02034
	(1.3691)	(13427.84)	(0.0637)	(6.44E-05)	0.06372
Flexibleworkinghrs	-0.4188	-56.4292	-0.0195	-9.14E-08	0.01949
	(1.298)	(20226.28)	(0.0604)	(0.0002)	0.06038
Skillsmatch	-1.1514	-9.8986	-0.0536	-1.60E-08	0.05357
	(0.8877)	(20020.320)	(0.0414)	(4.25E-05)	(0.04142)
Cons	5.1786	-131.5545	-	-	-
	(3.9616)	(123686.9)			

Data source: Survey data 2017 and 2018

*Note: Figures in parenthesis are the standard errors associated with the coefficient estimates***p<0.01, ** p<0.05 and *p<0.10 mean significant at 1%, 5% and 10% probability levels, respectively.*

6. Employment Preference for Employed Youth

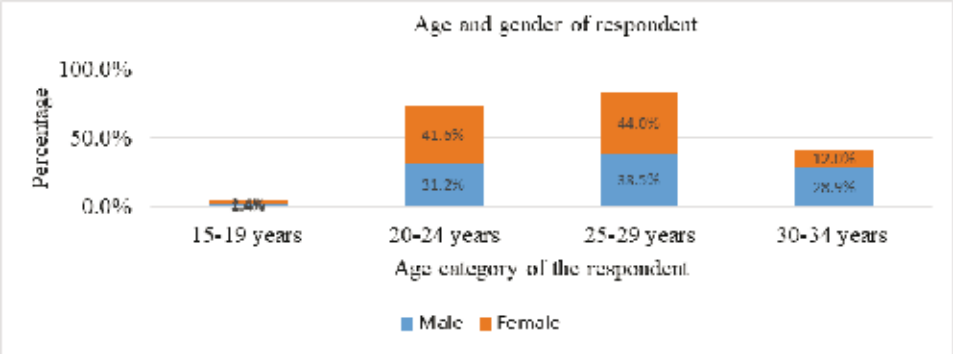
This sections presents general characteristics of employed youth sample, employed youth preference and the multinomial logit regression results that indicate the factors that influence employment preference of employed youth.

6.1 General Characteristics of Employed Youth Sample

6.1.1 Age and gender of employed youth

Employed youth sample comprised 218 male and 125 females. Across gender, most respondents as represented by 44.0 per cent and 38.5 per cent female and male, respectively, were in the age bracket of 25 to 29 years (Figure 6.1).

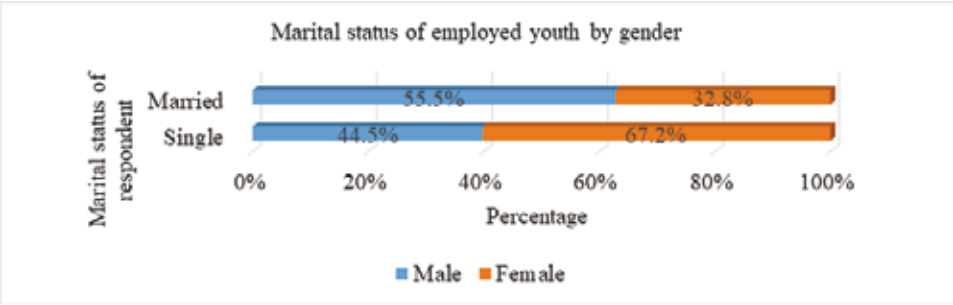
Figure 6.1: Age and gender of employed youth



6.1.2 Marital status of employed youth by gender

Most respondents were not married (52.8%). However, an interesting finding is that most of the male respondents (55.5%) were married as opposed to their female counterparts, most of whom were not married. This phenomenon could be indicating a demographic transition that can partly be attributed to increased education attainment by women in recent years. Literature shows that increased education attainment for women is likely to significantly affect age at marriage as it creates economic alternatives to getting married and bearing children. Additionally, increased education could also imply that for women the utility of being single might exceed the utility of being married (Figure 6.2).

Figure 6.2: Marital status of employed youth by gender



6.1.3 Education attainment by gender

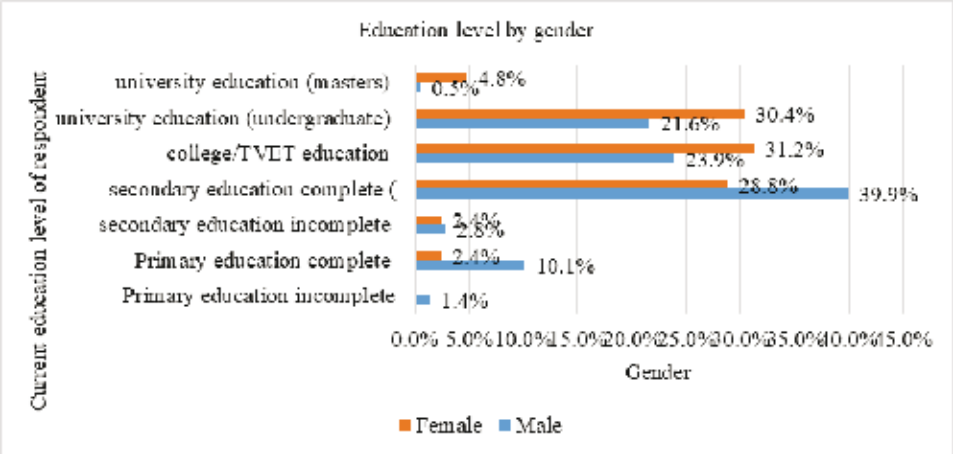
Analysis of education attainment of the respondents indicates that 89.2 per cent of the respondents had secondary education and above. Of these respondents, 26.5 per cent and 24.8 per cent had college/TVET education and university education, respectively, while 2 per cent had Master's degree (Table 6.1).

Table 6.1: Current education level of employed youth

Current education level by gender	Frequency	Percentage
Primary education incomplete	3	0.9
Primary education complete	25	7.3
Secondary education incomplete	9	2.6
Secondary education complete	123	35.9
College/TVET education	91	26.5
University education (undergraduate)	85	24.8
University education (masters)	7	2.0
Total	**343**	**100.0**

Further analysis of education by gender reveals that 86.5 per cent of male respondents and 95.4 per cent of female respondents had secondary education and above. However, more female respondents had college and university education compared to their male counterparts. Disaggregation of education attainment by gender is further described in Figure 6.3.

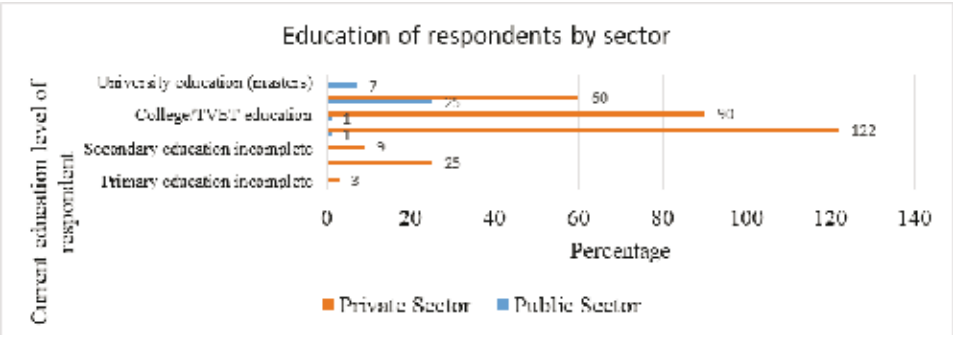
Figure 6.3: Current education level of respondent by gender



6.1.4 Education level by sector analysis

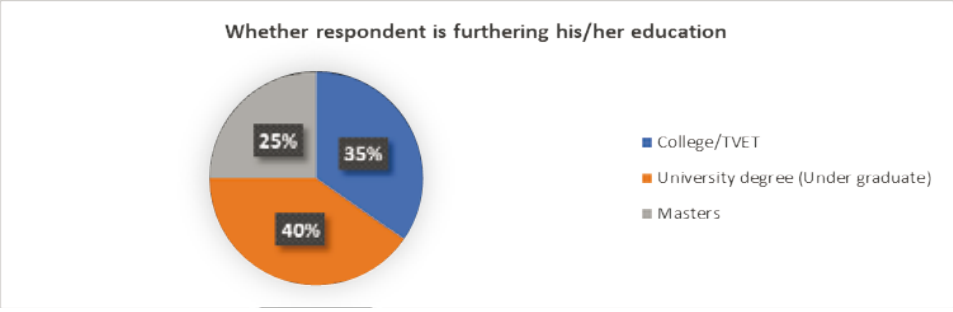
Most respondents in private sector had secondary education, followed by college and university education. This is contrary to the public sector where most of the respondents had Bachelors degree followed by Masters degree as shown in Figure 6.4.

Figure 6.4: Current education level of respondent by sector



On whether the respondents are furthering their education, 15.0 per cent indicated that they are furthering their education at various levels, with most pursuing Bachelors degree as shown in Figure 6.5.

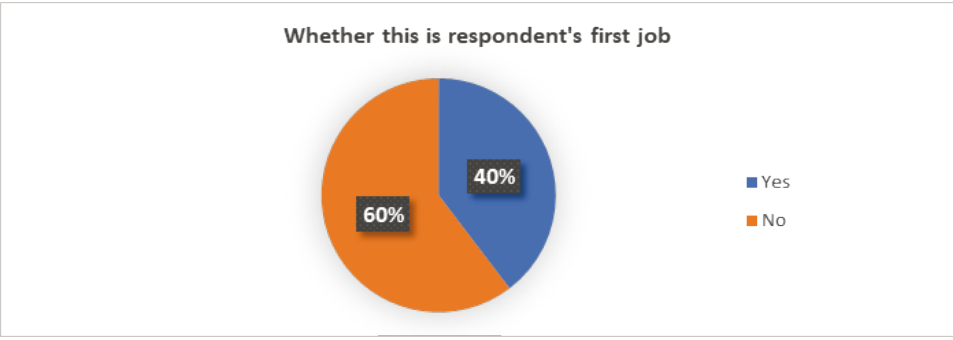
Figure 6.5: Respondent furthering education



6.1.5 Working experience of employed youth

Sixty (60) per cent of respondents indicated that the job they were holding was not their first job. The average number of jobs they had held before was 3 and the average years of experience was 3 years which is an indication that youth have some experience contrary to the popular belief that they are inexperienced (Figure 6.6).

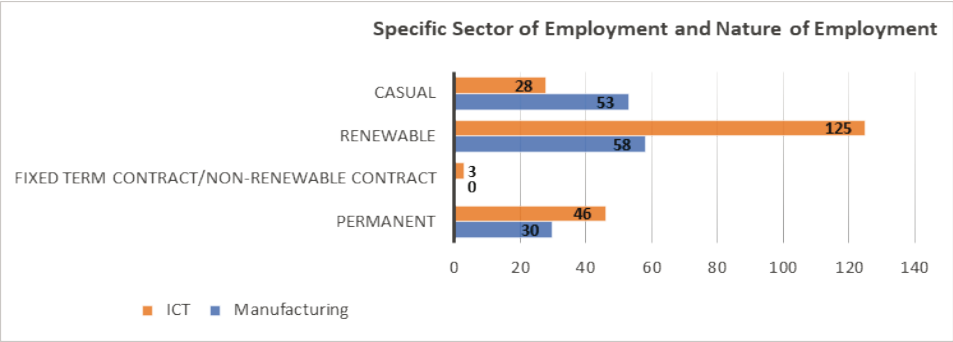
Figure 6.6: Whether job held by respondent is first job



6.1.6 Nature of employment

Ninety (90) per cent of the respondents were working in the private sector with majority of them (55%) working under contracts that were renewable and only 18 per cent were under permanent employment. Those working in the public sector were mostly employed under permanent terms. Further analysis into the nature of employment by specific sectors shows that those working in the ICT sector seem to have better terms, since most were either having renewable contracts or were permanently employed as opposed to the manufacturing sector where there were a significant number of casuals as shown in the Figure 6.7.

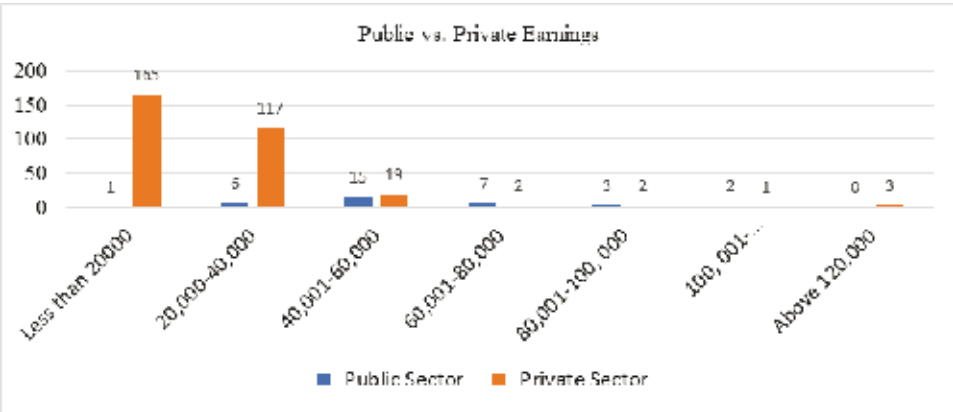
Figure 6.7: Sector of employment and nature of employment



6.1.7 Earnings by sectors

Overall analysis of earnings shows that 48.0 per cent of the respondents were earning less than Ksh 20,000 followed by those earning Ksh 20,000 - 40,000. Analysis by sector of employment, however, show that the public sector seems to have better remuneration than private sector. For instance, most of those employed in the public sector were earning Ksh 40,001-60,000 followed by those earning Ksh 60,001-80,000 as opposed to the private sector where most were earning less than Ksh 20, 000 and Ksh 20,000-40,000. These findings concur with a comparative study by KIPPRA on public-private sector wage differentials in Kenya which found that there exists wage differences between private and public sector with a wage premium favouring the public sector (Figure 6.8).

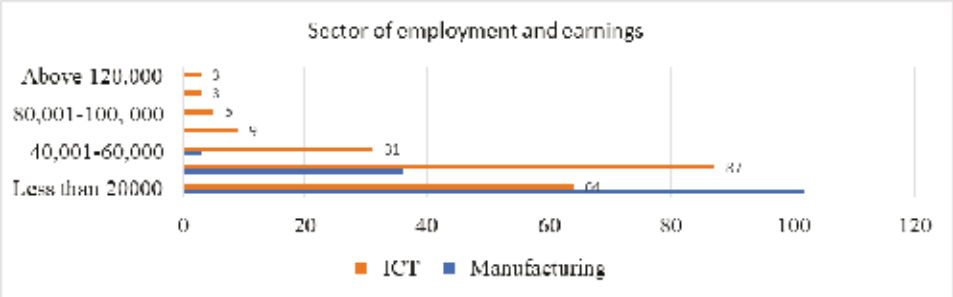
Figure 6.8: Earnings per month by sector of employment



Analysis of earnings by specific sector shows that those employed in the ICT sector are remunerated better than those in the manufacturing sector. For instance, those employed in the manufacturing sector were mostly earning less than Ksh 20,000. This can partly be attributed to the nature of jobs in the manufacturing sector, were a good proportion are casual jobs. However, in the ICT sector , most

were earning Ksh 20,000-40,000 and a significant number were also earning 40,001-60,000 (Figure 6.9).

Figure 6.9: Monthly earnings by sector of employment



6.1.8 Employment benefits that respondents receive

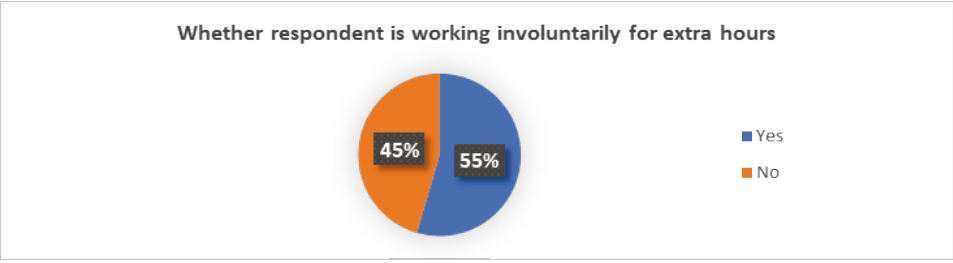
Regarding employment benefits, only 40 per cent of the respondents were having employment benefits, with most receiving house allowance, health insurance and retirement contribution by their employers (Figure 6.10).

Figure 6.10: Employment benefits received by respondents

6.1.9 Working hours by employed youth

The average number of working hours was 8.6 hours with most indicating that they work for extra hours. Of those who work extra hours, 52 per cent are not paid for the extra hours worked (Figure 6.11).

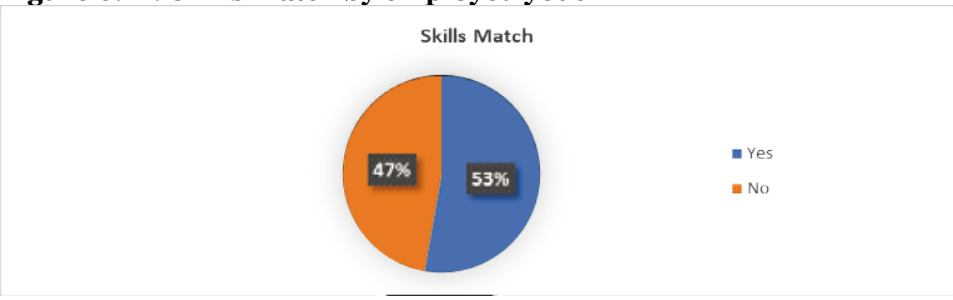
Figure 6.11: Whether respondents are working involuntarily for extra hours



6.1.10 Skills match by employed youth

Fifty-three (53) of the respondents indicated that the skills they learnt/acquired in school are applicable to the job they are currently doing, which is contrary to existing literature on youth employment that there is a skills mismatch among the youth. On whether they had received any job-related training from their current employers, only 43 per cent had received such training (Figure 6.12).

Figure 6.12: Skills match by employed youth



6.1.11 Employment preference

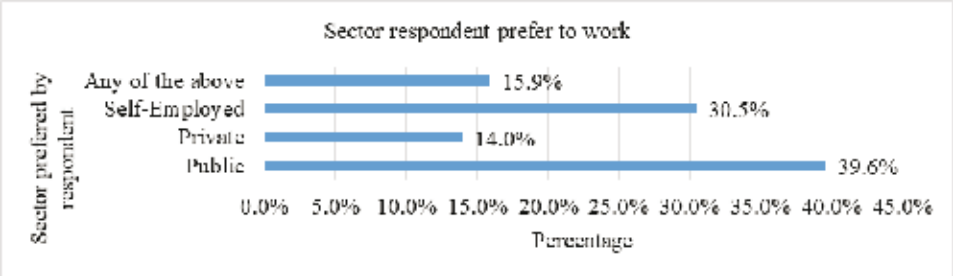
Overall, 51.3 per cent of the respondents prefer their current jobs. Those preferring current job were mainly in the private sector as represented by 86.9 per cent. Even though most prefer their jobs, 66 per cent of the respondents indicated that they are currently looking for another job while 68 per cent said that they may not be in their current jobs 2-3 years from now (Table 6.2).

Table 6.2: Employment preference of current employment by employed youth across the sectors

Preference for current employment	Public Sector	Public Sector (%)	Private Sector	Private Sector (%)	Total
Yes	23	13.1%	153	86.9%	176
No	11	6.6%	156	93.4%	167
Total	**34**	**9.9%**	**309**	**90.1%**	**343**

Of those who do not prefer their current work, most of them would prefer to be employed in the public sector followed by self-employment and private sector as shown in the Figure 6.13. Those who would prefer to be employed in the public sector cited job security as the major reason followed by income and room for career advancement.

Figure 6.13: Sector that employed youth preferred to work in



6.2 Employment Preference by Employed Youth

The study established the employment preference of youth in either private, public or self-employment. Since there were two questions which included preference in current employment and sector preference of respondents who did not prefer the current employment, those who preferred current employment and the current employment was in private sector were considered to prefer private sector employment. Similarly, respondents who preferred current employment and they were employed in public sector were considered to prefer private sector employment. For respondents who preferred any sector, the factors that were considered to influence their employment were assessed and preference of either being in private, public or self-employment was determined.

6.2.1 Employment preference of employed youth by age category

Across all the age categories, respondents preferred private sector employment. An explanation could be that most respondents interviewed were in private sector employment (Table 6.3).

Table 6.3: Employment preference by age

Age category	Public	Private	Self-Employed	Total
15-19 years	2	3	1	6
20-24 years	31	68	21	120
25-29 years	35	90	14	139
30-34 years	20	45	13	78
Total	**88**	**206**	**49**	**343**

6.2.2 Employment preference of employed youth by gender and current education

A small proportion of respondents of both gender preferred employment in public sector and self-employment (Table 6.4). Across all sectors, most respondents had secondary education, college/TVET education and university education (undergraduate). Only five and two respondents with Masters' degree preferred public sector and self-employment, respectively (Table 6.4).

Table 6.4: Employment preference by gender

Gender	Public	Public (%)	Private	Private (%)	Self-Employed	Self-Employed (%)	Total
Male	51	23.4%	134	61.5%	33	15.1%	218
Female	37	29.6%	72	57.6%	16	12.8%	125
Total	**88**	**25.7%**	**206**	**60.1%**	**49**	**14.3%**	**343**

Table 6.5: Employment preference by current education level

Current education level	Public	Private	Self-Employed	Total
Primary education incomplete	0	3	0	3
Primary education complete	5	12	8	25
Secondary education incomplete	1	6	2	9
Secondary education complete	20	77	26	123
College/TVET education	23	63	5	91
University education (undergraduate)	34	45	6	85

University education (masters)	5	0	2	7
Total	**88**	**206**	**49**	**343**

6.2.3 Employment preference by marital status

Most respondents (66.7%) who preferred private sector employment were married. Almost an equal proportion of respondents who were single and married preferred self-employment (Table 6.6).

Table 6.6: Employment preference by marital status

Marital status	Public	Public (%)	Private	Private (%)	Self-Employed	Self-Employed (%)	Total
Single	57	31.5%	98	54.1%	26	14.4%	181
Married	31	19.1%	108	66.7%	23	14.2%	162
Total	**88**	**25.7%**	**206**	**60.1%**	**49**	**14.3%**	**343**

6.3 Multinomial Logit Model Results of Employed Youth

Current education level and job security positively influenced employed youth preference of public sector at 1 per cent level while marital status negatively influenced employed youth preference of working in public sector at 10 per cent significant level. Gross income and job security negatively influenced employed youth preference of private sector employment at 1 per cent level while marital status and work being fulfilling negatively influenced employed youth preference of private sector employment at 5 per cent level. The results indicated that participation in decision making, work being fulfilling and income influenced employed youth preference for self-employment at 1 per cent, 5 per cent and 10 per cent, respectively. To the contrary, current education and skills match negatively influenced employed youth preference of self-employment. The aspect of work being fulfilling and participation in decision making influenced employed youth preference in self-employment at 1 per cent level while income negatively influenced preference of self employment at 10 per cent level. Current education and skills match negatively influenced self-employment preference at 1 per cent and 10 per cent level, respectively (Table 6.7).

Table 6.7: Multinomial logit regression results on determining factors that influence preference of working in private or self-employment by employed youth

Multinomial logistic regression	Number obs=343				
	Lchi²(32)= 180.78				
	Prob>chi²=0.0000				
Log likelihood = -229.70545	Pseudo R= 0.2824				
specprefer	Coefficients		Marginal effects		
Public (base outcome)	Private	Self_ Employed			
Private	Coef.	Coef.	Public	Private	Self employed
Agecate	-0.0375	-0.0775	0.0059	-0.0017	-0.0042
	0.2337	0.3242	0.0302	0.0332	0.0227
Gender	0.0097	0.2484	-0.0068	-0.0134	0.0202
	0.3447	0.5096	0.0447	0.0503	0.0367
Maritalstatus	0.6607*	0.7214	-0.08867*	0.0684	0.0203
	0.3563	0.527	0.0455	0.0516	0.0377
Currenteducationlevel	-0.6235***	-0.9809***	0.090591***	-0.04633**	-0.04426***
	0.1723	0.2274	0.0208	0.0222	0.0143
AreaofResidence	-2.227	10.0316	0.0117	-0.9858	0.9741
	1.9106	554.9086	12.7900	33.6317	46.4185
Countyresidence	-0.0465	-0.0141	0.0054	-0.0070	0.0016
	0.032	0.0466	0.0039	0.0052	0.0037
Grossincome2	-0.1132	-0.0327	0.0131	-0.0172*	0.0041
	0.1863	0.3075	0.0241	0.029317	0.0234
Incomeprefer	-0.4272	0.588	0.0330	-0.1081	0.075081**
	0.4138	0.5299	0.0526	0.0567	0.0358
Jobsecurityprefer	-2.4914***	-2.3132***	0.324974***	-0.28247***	-0.0425
	0.4476	0.609	0.0463	0.0574	0.0403
Workfulfillingrewarding	-0.7084	0.828	0.0582	-0.17036**	0.112196***
	0.5284	0.6069	0.0652	0.0735	0.0417
Careergrowthprefer	-0.3456	-0.124	0.0405	-0.0511	0.0106
	0.5899	0.8177	0.0731	0.0942	0.0647
Partdecisionprefer	1.4534	4.9805***	-0.2733	-0.0553	0.32854***
	1.386	1.2961	0.1680	0.1746	0.0612
Locationpref	0.5131	0.9581	-0.0780	0.0290	0.0490
	1.0515	1.3708	0.1347	0.1490	0.0953

Haveskillsjob	-0.934	-0.0701	0.1035	-0.1542	0.0507
	0.6684	0.9532	0.0844	0.1002	0.0709
Flexibleworkinghrs	2.606	2.3307	-0.3379	0.3008	0.0370
	1.7549	1.7287	0.2196	0.2292	0.0959
Skillsmatch	0.1646	-0.54	-0.0055	0.0607	-0.05515*
	0.3278	0.469	0.0422	0.0471	0.0334
_cons	8.6486**	-17.0058	-	-	-
	4.0395	1109.819			

Data source: Survey data 2017 and 2018

*Note: Figures in parenthesis are the standard errors associated with the coefficient estimates***p<0.01, ** p<0.05 and *p<0.10 mean significant at 1%, 5% and 10% probability levels, respectively.*

7. Challenges Youth Face while Searching for a Job

This section outlines the challenges that that the three categories of youth (unemployed, employed and self-employed) face while searching for a job, and the proposed recommendations.

7.1 Challenges Faced by Unemployed Youth While Searching for a Job

Most youth (31.6%) cited lack of experience. Lack of opportunities was reported by 12.9 per cent. Up to 11 per cent of respondents mentioned corruption. Failure to get response from job application and interviews, tribalism and lack of networks were among the challenges youth faced.

Table 7.1: Challenges faced by unemployed youth while searching for a job

Challenges youth face in job search	Frequency	Percentage
Lack of required experience	49	31.61
Bureaucracy	1	0.65
Network required	10	6.45
Job canvassing	1	0.65
Getting no responses	12	7.74
Lack of opportunities	20	12.90
Nepotism	6	3.87
Corruption	17	10.97
Less qualification	5	3.23
Tribalism	10	6.45
Network required	3	1.94
Harassment	5	3.23
Job incompatibility	3	1.94
Scam	2	1.29
Job security	1	0.65
Financial constraints	2	1.29
None	2	1.29
Competition	2	1.29
Mandatory documents e.g good conduct, helb clearance	1	0.65
Lack of information where jobs are	3	1.94
Total	**155**	**100.00**

7.1.1 What youth look for while searching for a job

Income, job security and career advancement were considered by most respondents as important aspects considered in a job (Table 7.2).

Table 7.2: What youth look for while searching for a job

What youth look for in a job	Frequency	Percentage
Job security	3	2.19
Career advancement	15	10.95
Experience	7	5.11
Flexible working hours	1	0.73
Income	69	50.36
Innovation	2	1.46
Job security	19	13.87
Location	3	2.19
Career growth opportunity	1	0.73
Skills match	3	2.19
To improve their backgrounds	7	5.11
White jobs/job satisfaction	7	5.11
Total	**137**	**100.00**

7.2 Challenges Self-employed Youth Face While Searching for a Job

Corruption was mentioned by most as the main challenge facing the youth while searching for a job. Other challenges mentioned included lack of opportunities, lack of working experience, nepotism, and tribalism (Table 7.3).

Table 7.3: Challenges youth face while getting a job

Challenges faced by youth	Frequency	Percentage
Corruption	143	21.22
Lack of opportunities	95	14.09
Lack of requisite skills	31	4.60
Nepotism	82	12.17
Lack of working experience	98	14.54
Lack of statutory requirement (e.g clearance from KRA, HELB, CRB, CID, Ethics and Anti-Corruption Commission	34	5.04
Canvasing	62	9.20
Job scam	48	7.12

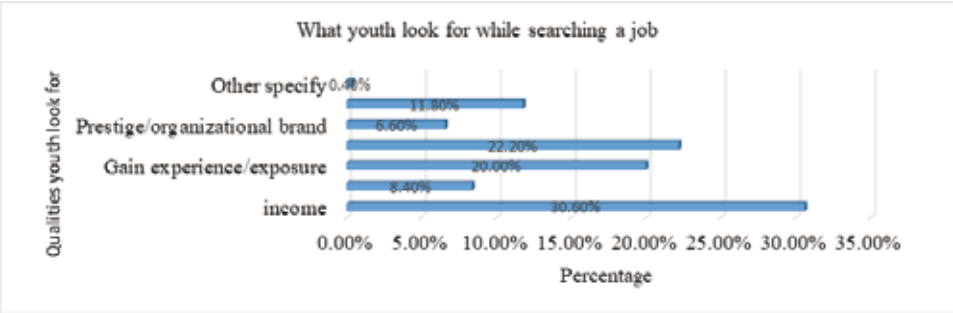
Tribalism	80	11.87
Other specify*	1	0.15
Total	**674**	**100.00**

Other specify represent old people do not want to retire*

7.2.1 What self-employed youth look for while searching for a job

Income, career growth and exposure to gain experience were the important aspects reported by respondents that youth look for while searching for a job (Figure 7.1).

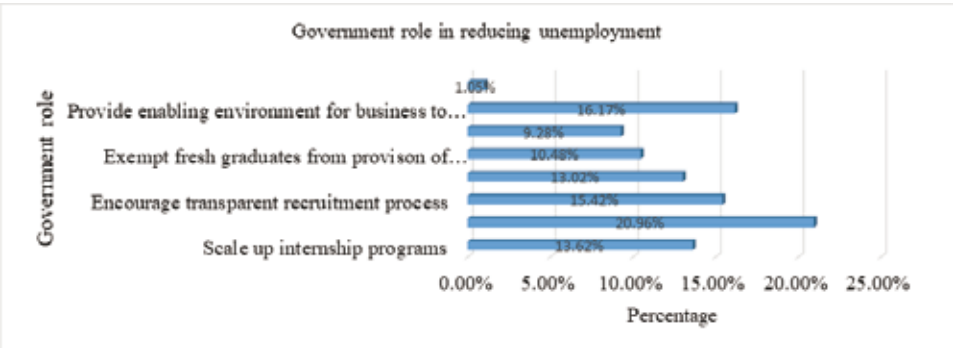
Figure 7.1: What youth look for while searching for a job



7.2.2 What role respondents think the government can play to reduce youth unemployment

Facilitating entrepreneurship programmes through start-up capital, providing an enabling environment for business to thrive and encouraging transparent recruitment process were the main roles that respondents mentioned that the government need to do in ensuring reduced youth unemployment (Figure 7.2).

Figure 7.2: Government role in reducing unemployment



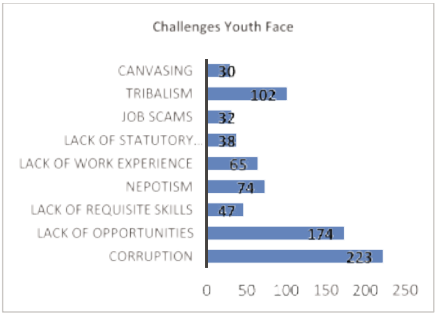
Other on the graph include increase the 30% tender allocation for youth since it*

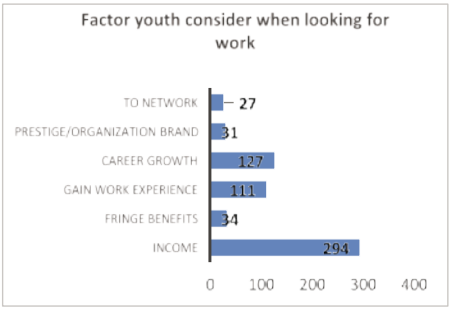
is still limited, consider boy child up to 40 years under category of youth, reduce the work experience required in jobs, focus on skills instead of papers, support in country manufacturing instead of relying on imports and stop allowing multinationals to bring people to work in the country for jobs that the local people can perform

7.3 Challenges Employed Youth Face While Searching for a Job and Role of Government in Reducing Unemployment

The three major challenges cited by the youth as a hindrance to accessing employment was corruption, lack of opportunities and tribalism. Canvasing was identified as the least challenge. On factors that the youth consider while looking for work, income, career growth and to gain work experience were the major factors identified which is an indication that the youth are not just attracted to employers who can offer them merely a good pay but those who can offer a good pay plus other fringe benefits. To address youth unemployment, respondents suggested that the government should facilitate entrepreneurship programmes, encourage transparent recruitment process and scale up internship programmes (Figure 7.3).

Figure 7.3: Challenges youth face and factors youth consider when looking for work





8. Discussion of Results

8.1 Demographic Characteristics of the Respondents

Overall, most of the respondents (92.0%) were from urban areas and particularly Nairobi. The proportion from urban areas comprised 57.0 per cent, 25.0 per cent and 18.0 per cent employed, self-employed and unemployed, respectively. The explanation of having a higher proportion of respondents from urban and particularly from Nairobi was because of targeting manufacturing and ICT sectors which are largely in Nairobi for the case of employed youth and access to computers or smartphones and internet for unemployed and self-employed because the study adopted online data collection method.

In total, there were 423 (65.1%) males and 227 (34.9%) females. Gender distribution by employment status indicated that 65, 218 and 140 males were unemployed, employed and self-employed, respectively. For the case of female, 62, 125 and 40 were unemployed, employed and self-employed. There was a significant difference at 1 per cent level between male and female across the employment status as indicated by a chi square of 23.915.

The sample comprised mainly youth at the age of 25 to 29 years (42,3%) followed by age group of 20 to 24 (30.5%) with youth aged between 30 to 34 taking 26.2 per cent. Only few youths were in the age bracket of 15 to 19 years as represented by 1.1 per cent and they were employed and self-employed. Although there was a significant difference at 1 per cent level in age across the employment categories as indicated by a chi square of 18.867, the proportion of age distribution by age was similar, with the overall sample distribution with age of 25 to 29 years taking higher proportion and those within the age of 15 to 19 per cent taking the lowest proportion.

Slightly above half of the sample respondents (56.6%) were single. Most of youth (57.0%) in employed category were married while an equal proportion of 28.0 per cent of youth who were self-employed were single and married. Among those who were married, 76.0 per cent were male as opposed to their female counterparts represented by 24.0 per cent. The low proportion of women being single could be indicating a demographic transition that can partly be attributed to increased education attainment by women in recent years (Table 8.1). The findings are consistent with other studies that have established that education of women increases the age at marriage (Geeta, 2002; Oppenheimer 1997; Cherlin 1992).

Table 8.1: Descriptive statistics for independent variables

Variable		Description	Full sample	Unemployed	Employed	Self-employed	χ2
Gender of respondent (%)		Male	65.1	15.4	51.5	33.1	23.915***
		Female	34.9	27.3	55.1	17.6	
Age category of respondent (%)		15-19 years	1.1	0.0	0.9	0.2	18.868***
		20-24 years	30.5	6.15	18.46	5.85	
		25-29 years	42.3	18.46	21.38	12.00	
		30-34 years	26.2	4.46	12.00	9.69	
Marital status		Single	56.6	23.0	49.0	28.0	7.566**
		Married	43.4	15.0	57.0	28.0	
Marital status by gender	Male	Single	57.0	19.0	47.0	35.0	
		Married	76	12	56	32	
	Female	Single	43	29	53	19	
		Married	24	24	61	15	
Current education level		Primary education incomplete	0.5	0.0	100	0.0	
		Primary education complete	4.5	10.3	86.0	3.0	
		Secondary education incomplete	1.5	10.0	90.0	0.0	126.441***
		Secondary education complete	22.9	8.0	83.0	9.0	
		College/TVET education	25.4	15.0	55.0	30.0	
		University education (undergraduate)	40.0	27.0	33.0	40.0	
		University education (masters)	5.2	44.0	21.0	35.0	
Respondent furthering education (%)		Yes	17.8	1	45	54	63.021***
		No	82.2	24	54	22	
Area of residence		Rural	8.0	38	10	52	42.289***
		Urban	92	18	57	25	
Whether it is a first job (Employed and Self-employed)		Yes	72.3	21	72	7	389.747***
		No	27.7	16	1	83	
Experience in months		Minimum	1	1	1	3	
		Maximum	200	24	200	120	
		Mean	33.97	7.77	35.35	45.92	
		Standard deviation	32.62	7.02	31.85	38.43	
		n	469	64	340	37	

Jobs held before	Minimum	1	1	1	1	
	Maximum	10	6	10	6	
	Mean	2.68	2.56	2.77	2.36	
	Standard deviation	1.56	1.22	1.7	1.20	
	n	304	61	207	36	
Average monthly income (K)	Less than 20000	15.0	8	8	84	215.411***
	20001 to 40000	38.2	13	69	19	
	40,000 to 80,000	34.3	32	54	14	
	100,000 to 120,000	9.1	19	58	24	
	Above 120,000	3.4	27	41	32	
	n	650	127	343	180	
Hours worked	Minimum	1	5	4	1	
	Maximum	24	14	13	24	
	Mean	8.77	8.40	8.55	9.2	
	Standard deviation	2.29	1.33	1.27	3.35	
	n	523	125	343	180	
Whether youth are searching for a job (%)	Yes	66.0	29	52	18	98.745***
	No	34.0	1	53	46	

NB1: N for experience for overall sample =469; one response of 300 not included for analysis

NB2: Variables of experience for unemployed of 48, 60, 72, 84,108, 120 and 144 were excluded from analysis of means because they were outliers

Further analysis of education attainment revealed that up to 40.0 per cent of sampled youth had university education followed by 25.4 per cent and 22.9 per cent who had college/TVET education and secondary education, respectively. Across the employment categories, a large proportion of employed youth equivalent to 9.0 per cent and 80.0 per cent had primary and secondary education, respectively. Most of the unemployed youth (28.0%) and self-employed youth (39.0%) had university education, respectively. The results indicate that unemployed youth are more educated than the employed youth as indicated by a significant difference in education level across the categories by a chi-square of 126.441. Similar findings were reported in Kenya Integrated Household Budget Survey of 2015/2016 conducted by the Kenya National Bureau of Statistics which indicated that the labour force is characterized by low skills, with most employed individuals (51.4%) having primary education followed by 21.1 per cent with secondary education and only 3.0 per cent of the labour force with university education. Similarly, high unemployment rates of up to 25.0 per cent among tertiary educated youths was observed by a study conducted by United Nations Development Programme (UNDP) in 2013. A possible explanation for more youth with tertiary education being unemployed could be that youth decision of not taking up jobs was due to

undesirable low wages and insecure jobs in the informal sector where most of the available jobs are, hence the youth may prefer to wait for private and public-sector employment.

Only 17.8 per cent of sampled youth reported that they were furthering their education. Among those furthering their education, 1 per cent, 45 per cent and 54 per cent were unemployed, employed and self-employed, respectively. There was a significant difference at 1 per cent level between proportions of youth who were pursuing further education as indicated by a chi-square of 63.021. Most youth furthering their education are pursuing university undergraduate degree (41.7%), followed by those pursuing Masters (35.7%) with only few of them pursuing college/TVET (22.6%). A large proportion of those furthering their education are self-employed compared to employed and unemployed. The explanation of having more self-employed than unemployed and employed furthering their education could be that the self-employed benefit from flexible working hours and are able to learn as they work unlike for those who are in wage employment. In addition, they could be having income to further their education unlike the unemployed youth.

Analysis of whether the employed youth and self -employed youth were in their first job indicated that 60.0 per cent of the employed youth were not holding their first job. The average number of jobs they had held before was three and the average years of experience being 3 years an indication that youth have some experience contrary to the popular belief that they are inexperienced. As for the self-employed youth, a large proportion of them (79.0%) indicated that the business they were operating was their first job. Out of the 21 per cent of self-employed youth who reported that the current job was not their first job, the average number of jobs they had held before was 2.4 jobs with a minimum of 1 job and a maximum of 6 jobs. Unemployed youth had an average of 7.7 months working experience and they had worked in an average of 2.6 jobs with a minimum of one and a maximum of six jobs.

A total of 53 per cent of the employed respondents and up to 70.6 per cent of self-employed respondents indicating that they are applying the skills they learned in school in their current job. This finding is contrary to the finding by some authors who have reported skills mismatch between the required skills in the labour market and what is taught in school (Harry, 2014; David, 2012). Only 43 per cent of the employed and 18.9 per cent of the self-employed reported to have received job-related training from their current employers.

A total of 59.0 per cent of the employed respondents were drawn from ICT firms while 41.0 per cent were from manufacturing firms. Up to 90.0 per cent of the respondents were working in private sector with majority of them (55.0%) working

under contracts that were renewable and only 18 per cent under permanent employment. Those working in the public sector were mostly employed under permanent terms. Further analysis into nature of employment by specific sectors shows that those working in the ICT sector seemed to have better terms of employment since majority (61.9%) were having renewable contracts with 22.8 per cent being permanently employed as opposed to the manufacturing sector where there were a significant number of more than a half (37.6%) of casuals.

Most of the sampled youth (38.2%) receive a gross monthly income within the range of Ksh 20,000 to 40,000, 34.3 per cent receive an average of Ksh 40,000 to 80,000, with 15.0 per cent and 3.4 per cent receiving less than Ksh 20,000 and Ksh 120,000 and above, respectively. Among the unemployed youth, 32 per cent expect a monthly income range of Ksh 40,000 to 80,000, 19 per cent expect Ksh 100,000 and 120,000, 13 per cent expect to get Ksh 20,000 to 40,000 with only 8 per cent of youth expecting to receive less than Ksh 20,000. There was a significant difference in expected monthly income by unemployed youth and gross income received by employed and self-employed youth as indicated by a chi square of 215.411. The results indicate a disparity between unemployed youth expectations and the reality of the labour market reflected by amount of monthly income mentioned by both employed and self-employed youth. The result could partially explain why more educated youth are unemployed which could be because of refusing to take less paying jobs in the market.

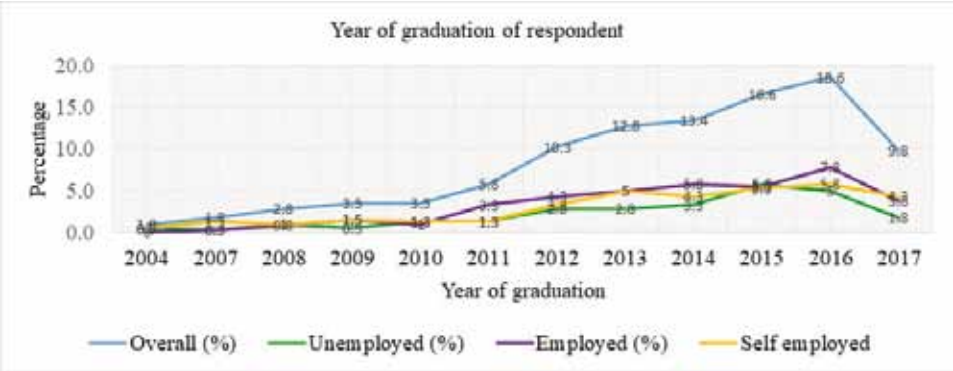
Regarding employment benefits, only 40.0 per cent of the respondents reported that they were receiving house allowance, health insurance and retirement contribution by their employers as reported by 22.7 per cent, 13.7 per cent and 10.5 per cent, respectively.

Employed youth had an average of 8.6 working hours with more than a half of the sample (55.0%) indicating that they work for extra hours. Of those who work extra hours, 52.0 per cent are not paid for the extra hours worked. As for the self-employed youth, the respondents had a mean of 9.2 working hours per day, a minimum of 1 hour and a maximum of 24 hours with a standard deviation of 3.5 hours. When asked the number of hours they were willing to work once they get a job, unemployed youth indicated a minimum of 5 hours, a maximum of 14 hours with a mean of 8.40 hours and a standard deviation of 1.3. While comparing hours worked by employed and self-employed youth, the results indicated a significant difference at 5 per cent level between hours worked by employed and self-employed youth. Self- employed youth worked more than the employed youth.

Overall, 66.0 per cent of the unemployed respondents indicated that they are searching for jobs. Among those who were searching, 29.0 per cent, 52.0 per cent and 18.0 per cent were unemployed, employed and self- employed, respectively. There was a significant difference between unemployed, employed and self-employed youth in job search as determined by a chi square test of 98.745 which was significant at 1 per cent level (Table 8.1). For the case of unemployed youth, most indicated that they were searching for a job with only 3 (2.3%) respondents not searching for a job. Two of the respondents who were not searching for a job had given up in job search while the other one was advancing his/her education. The 124 (97.7%) respondents who were searching for a job had a mean of 18.8 months of searching for a job with a minimum of 1 month, a maximum of 98 months with a standard deviation of 18.3 months.

Respondents sampled across the three employment status categories graduated with either a diploma, degree or Masters degree between 2012 and 2017. For the employed and self-employed respondents, most graduated in 2016. The unemployed respondents graduated between 2001 and 2017 with most graduating in 2015 and 2016 (Figure 8.1).

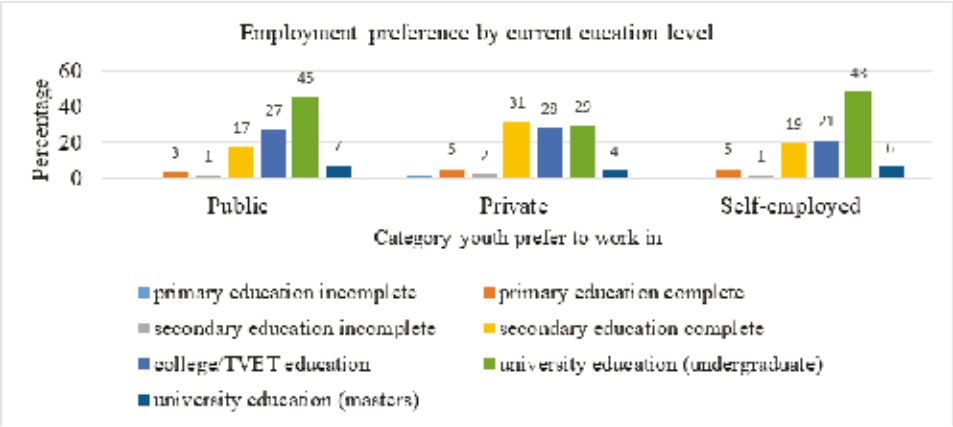
Figure 8.1: Year that the respondent graduated



8.2 Youth Employment Preference

Most youth represented by 45.0 per cent and 48.0 per cent prefer working in public and self-employment, respectively, compared to working in private sector. Youth with primary education and secondary education prefer working in private sector as represented by 28 per cent and 31 per cent of youth with primary and secondary education respectively (Figure 8.2).

Figure 8.2: Youth employment preference by current education level



Slightly above half (51.3%) of the employed youth prefer their current jobs. However, 66.0 per cent of the respondents indicated that they are currently looking for another job while 68.0 per cent said that they may not be in their current jobs 2-3 years from when they were interviewed. These findings are similar to findings by a study conducted by PWC in 2011 on millennials which found that 38.0 per cent of the employed respondents were on the lookout for new opportunities, and a further 43.0 per cent said they would be open to offers even though they were not actively looking for jobs. Only 18.0 per cent of the respondents planned to stay in their current role in the long term, and only one in five (21.0%) said they would like to stay in the same field and progress with one employer.

The reasons provided in the PWC study for this scenario is that millennials are finding corporate loyalty as not necessarily bringing rewards or even long-term security in today's economic environment, hence they are always on the lookout for new opportunities. In this study, the fact that a significant number of the respondents are looking for work and do not see themselves in their current jobs in the near future may be an indication of lack of job satisfaction and hence the preference for the current work could be because of other factors. For instance, the major reason for preferring their current work was because it was a source of income.

These findings therefore imply that employers need to work much harder on understanding the employment preferences of the youth and appeal to their needs to attract and retain them. However, they also need to accept that the rate of millennial churn may be inevitable and build this into their manpower planning.

Most of the youth in private sector who reported that they did not prefer their current employment preferred employment in the public sector followed by self-

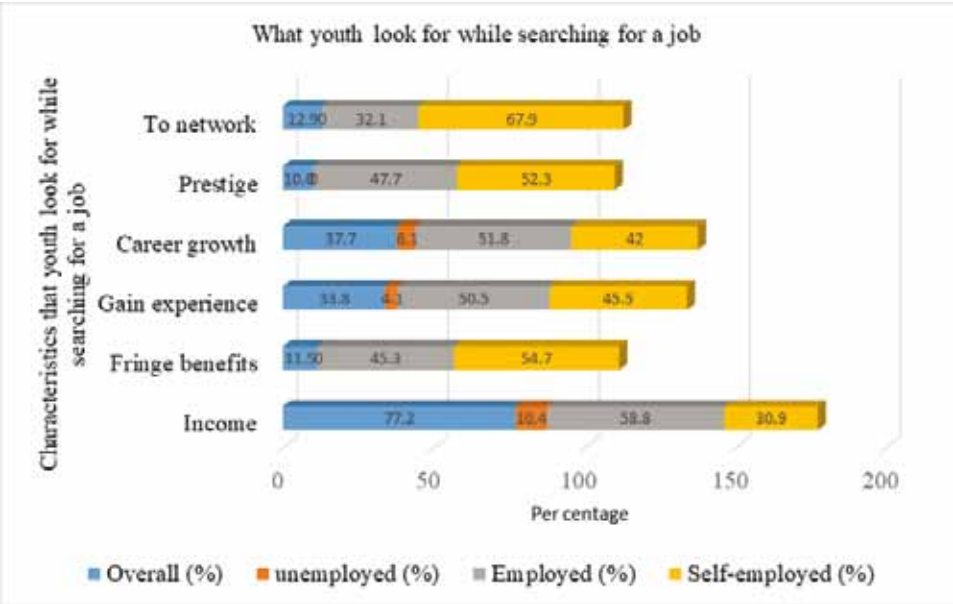
employment. Those who prefer to be employed in the public sector chose job security, income and room for career advancement. These findings are consistent with the findings by World Bank (2016) that revealed youth preference for public sector jobs because they offer high potential earnings, job security and career opportunities. Up to 88.3 per cent of self-employed youth indicated that they are satisfied with their current self-employment. Some of the reasons that were cited by most respondents for preferring self-employment were because it allows growth opportunities and work is rewarding and fulfilling. Ability to make own decisions and flexible working hours were also among the aspects cited by 13.10 and 12.76 per cent of respondents, respectively. Location of work was only a consideration by a few respondents (1.03%).

Among the unemployed respondents, up to 34.0 per cent preferred to work in specific sectors largely because of career advancement followed by income as represented by 22.0 per cent of the youth. Job security and participation in decision making were also considered important by 18.0 per cent and 10.0 per cent of respondents, respectively. Unemployed respondents were also asked whether their preference to work in specific organizations was influenced by a friend or a relative and only 16.0 per cent indicated that their preference would be influenced by a relative or a friend.

8.3 Factors that Youth Consider When Looking for Work

On factors that the youth consider while looking for work, income, career growth and gaining experience were considered important by 77.2 per cent, 37.7 per cent and 33.8 per cent, respectively. Ability to network, benefiting from fringe benefits, and working for prestige were considered important by a few respondents as represented by 12.9 per cent, 11.5 per cent and 10.0 per cent, respectively (Figure 8.4). The results indicate that the youth are not just attracted to employers who can offer them a good pay but those who can offer a good pay plus other benefits (Figure 8.3).

Figure 8.3: What youth look for while searching for a job

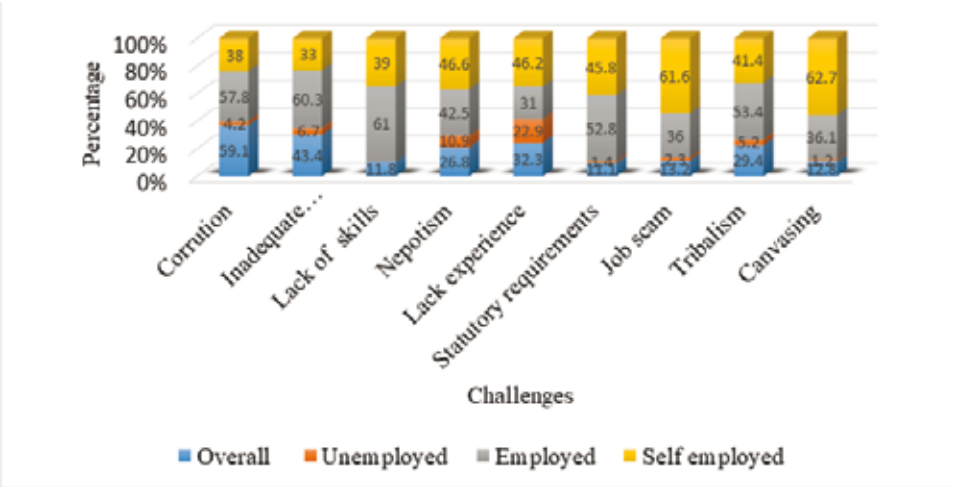


8.4 Challenges that Youth Face While Searching for a Job

The major challenge cited by more than a half of youth (59.1%) that hinders them from accessing a job is corruption followed by lack of adequate opportunities cited by 43. 4 per cent of youth. Lack of experience, tribalism and nepotism were also among other challenges reported by less than a half of the respondents, 32.3 per cent, 29.4 per cent and 26.8 per cent of youth, respectively. Other challenges mentioned by few respondents included job scam, canvasing, lack of statutory requirements and lack of requisite skills.

Most unemployed youth represented by 22.9 per cent followed by 10.9 per cent, 6.7 per cent and 5.1 per cent cited lack of working experience, nepotism, lack of adequate opportunities and tribalism, respectively, as the challenges that they face while searching for a job. For the case of employed, the largest proportion of 61.0 per cent, 60.0 per cent, 57.8 per cent, 53.4 per cent, and 52.8 per cent cited lack of requisite skills, lack of adequate opportunities, corruption, tribalism and lack of statutory requirements, respectively, as the challenges that face them while searching for jobs. Self-employed reported similar challenges reported by employed and unemployed. However, in comparison to unemployed and employed, canvasing, job scam, lack of statutory requirements, nepotism and lack of working experience was reported by 62.2 per cent, 61.6 per cent, 45.8 per cent, 46.6 per cent and 46.2 per cent, respectively (Figure 8.4). Other challenges that were unique to the unemployed youth were failure to get response from job application and interviews, and lack of networks.

Figure 8.4: Challenge faced by youth while searching for a job



To address the above challenges, 48.5 per cent of the respondents indicated that the government could facilitate entrepreneurship programmes through start-up capital. Encouraging transparent recruitment was cited by 39.8 per cent and it was followed closely by scaling up of internship which was mentioned by 39.4 per cent of the youth. A proportion of 34.9 per cent, 29.4 per cent, 18.2 per cent and 16.9 per cent of youth cited creating university-industry linkages, providing enabling environment for business to thrive, exempting fresh graduates from providing statutory documents such as Higher Education Loans Board (HELB) clearance, Credit Reference Bureau (CRB) reports and Kenya Revenue Authority clearance at employment and attracting more foreign direct investment in the country as other roles that the government can play to reduce youth unemployment (Table 8.2).

Table 8.2: Suggestions by youth on what the government can do to address youth unemployment

Role of government to reduce unemployment	Overall (%)	Unemployed (%)	Employed (%)	Self-employed (%)	n
Scale up internship	39.4	9.4	54.7	35.9	256
Facilitate start-up capital	48.5	2.2	53.7	44.1	315
Encourage transparent recruitment process	39.8	2.7	58.7	38.6	259
Create university-industry linkages	34.9	26.9	38.3	34.8	227
Exempt statutory documents	18.2	0.8	43.2	55.9	118
Attract FDI	16.9	0.0	59.1	40.9	110
Provide enabling environment	29.4	2.1	48.2	49.7	191

9. Conclusion and Recommendations

9.1 Conclusion

Based on the study's findings, most youth prefer to work in the public sector with private sector and self-employment being less preferred. Preference for public sector employment is due to job security and better income which the youth consider to be lacking in the private sector. An analysis across the employment categories indicated that most unemployed youth preferred public sector employment, employed youth preferred employment in private sector while self-employed youth preferred self-employment.

Employed youth and self-employed indicated to prefer their current employment. Employed youth could be preferring their current employment in private sector possibly because it was the only alternative available to them and also education level was not a hindrance to employment. Although self-employed youth preferred self-employment because of high income, work being fulfilling and participating in decision making, majority of youth in self-employment were in their first job and they had limited work experience which is a requirement in public and private employment hence their preference of self-employment.

In all the employment categories (private, public and self-employment), youth consider job security, career growth, participation in decision making, work that is fulfilling and rewarding, and income as important attributes in the jobs that they prefer. A significant proportion of employed respondents are looking for work and do not see themselves in their current jobs in the near future which may be an indication of lack of job satisfaction for the current work.

The study identifies education level of respondents as a major factor influencing preference of working in public sector and as a factor reducing probability of working in private and self-employment. This is an indication of high educated youth preferring to work in the public sector while the less educated prefer working in private and self-employment, resulting to a labour market characterized with employees with low education level. Given the limited job opportunities in the public sector and the high level of unemployment persisting in the country despite a significant improvement in education attainment, of policy concern would be whether the youth are equipped with adequate skills to enable them to be employed or create their own employment.

From the descriptive statistics, corruption was cited as the major challenge hindering the three employment status categories (unemployed, employed and self-employed) benefiting from government and non-government initiatives targeting the youth.

Whereas unemployed youth experienced challenges that include lack of experience, lack of opportunities and corruption while searching for a job, employed youth cited corruption, lack of opportunities and tribalism as some of the challenges they face while searching for a job. Self-employed youth reported lack of finances, lack of markets and failure to get tenders due to corruption as the major challenges they face in their operations.

Across the three categories unemployed, employed and self-employed and self-employed, respondents reported that while searching for a job, youth consider income, career growth and experience as the important attributes.

9.2 Recommendations

The government needs to work with private sector to ensure that youth acquire skills that are in demand in the labour market, and also ensure that skilled youth are linked to the right employers. This will likely lead to high productivity from the youth.

The government needs to put measures in place to ensure that the employers do not take advantage of internships as way of using cheap labour and leave the youth with skills remain unemployed.

To ensure retention of employed youth, employers need to work at understanding the employment preferences of the youth and appeal to their needs. However, they also need to accept that the rate of youth employees' turnover may be inevitable hence the need to build this into their manpower planning.

There is need for the government to enforce law on corruption which was cited as a hindrance to employment by the unemployed youth.

Youth involvement during designing, implementing and evaluating programmes aimed at them is important in ensuring that what is most relevant to the them. The study recommends use of design thinking approach by the government, non-governmental organizations and private sector while developing initiatives aimed at solving employment challenges among the youth. The approach entails five steps that include empathy, defining, ideate, prototype and testing (feedback). The approach emphasizes the importance of discovery in advance of solution generation using market research approaches that are empathetic and user driven. It expands boundaries of problems and solutions, it is enthusiastic in engaging partners in co-creation, and it involves conducting real-world experiments (prototyping). The approach excels in providing systemic solutions that are grounded in the client's or customer's needs. One of the case where the approach was successful in solving a social problem is in Denmark, where the design was used to improve the

nutrition and health of elderly who rely on government-sponsored meals (Liedtka et al., 2013).

Educated youth need to change their attitude of searching for white color jobs but instead diversify to look for other technical jobs. For instance, youth can work in sectors that have potentials, for example agriculture, and particularly engage in value addition.

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ISBN 9966 817 00 6

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