Stakeholders’ Integration to Social Responsibility: Its Implication on Youth Self Employment

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Abstract
This study was conducted to determine the level of stakeholders’ integration, and to validate its roles, and their social responsibilities to the local community in Ethiopia. The purpose of the study was to enhance better understandings about stakeholders’ engagements in the implementation of the Youth Revolving Fund to the local development process. Primary data were collected from 224 youths, and they were analyzed using descriptive and hierarchical regression. The finding of the study revealed that the overall level of stakeholders’ integration to promote youth self-employment was at an average level. Despite this, there were differences in the youths’ knowledge, interaction, and adaptation to stakeholders. As a result, a high level of stakeholders’ integration provides a good opportunity to carry out social responsibilities. Hence, the study concludes that the stakeholders’ integration in the implementation of the Youth Revolving Fund is optimum, and as a result, youths require knowledge, positive attitude, and willingness to change. Thus, local stakeholders should have commitments to support youth self-employment projects in the long-term, and the initiatives to support youth self-employment should come from the local stakeholders.

Keywords: adaptation, interaction, knowledge, social responsibility, stakeholder integration

Introduction
The problem of unemployment has been one of the key development challenges to the developing countries in recent times (Cobbinah et al., 2014). Youth unemployment, which continues to be a major problem, is causing to socioeconomic and political consequences such as political instability, crime, and migration (Ahmed & Ahmed, 2021; Broussard & Tandon, 2016; Derbe et al., 2020). Thus, shortages of employment opportunities have been a central challenge for the African government, as well as for the younger population (Buheji, 2019). Since Ethiopia is one of the African countries which are being challenged by youth unemployment, its development agenda is centered on creating jobs for the youth as a way to combat unemployment (Nganwa et al., 2015).
In Ethiopia, self-employment is an important business endeavor to create employment opportunities for youth (Getahun & Fetene, 2020). Taking this in consideration, the government of Ethiopia has established a Youth Revolving Fund to create a conducive environment for youth’s self-employment. The major objective of the fund is to assist young people in starting their businesses (Bantu & Malik, 2022; Belay, 2022; Hadis & Ali, 2018). As a result, youth-revolving funds have been distributed to youth in the study area to provide self-employment opportunities (Melak & Derbe, 2022). However, the effectiveness of youth-owned businesses has fallen short of expectations due to various reasons. The role of local stakeholders is undermined by these effectiveness of youth self-employment.

In the context of Ethiopia, local stakeholders such as Microfinance institutions, vocational colleges, local government offices, and the local community play different roles in supporting youth self-employment. Developing government systems which can integrated stakeholders to facilitate youth self-employment is a critical (OECD, 2013) because the stakeholder approach is preferred to overcome barriers to collaboration, create integrated services, integrate policies, and build trust and communication among stakeholders (Aapaoja et al., 2012). It is also important to provide insights into the practice of creating sustainable development, and to consider ethical values (Parmar et al., 2010). Stakeholders’ integration in business decisions and strategies has been considered not only as an ethical requirement but also as a valuable strategic resource to provide competitive advantage (José et al., 2010; Mas, 2010; MOFED, 2003).

Hence, understanding the level of stakeholders’ integration is required to determine the extent of involvement of various stakeholders in supporting youth self-employment, and to ensure successful business performance. Stakeholders’ integration is defined in this study as the ability to form beneficial collaborative relationships among the different stakeholders (Rueda-Manzanares et al., 2008). This conceptual understanding is directly related to stakeholder theory which is crucial to improve corporate business performance (José et al., 2010). Stakeholder theory is the philosophy of organizational management, and business ethics which accounts for multiple constituencies influenced by company entities like employees, suppliers, native communities, creditors, and others (Phillips, 2003, 2011).

Measuring the level of stakeholders’ integration requires relevant measurable indicators that reflect the position of different stakeholders (Daigneault et al., 2012); provide insights into the usefulness of stakeholder engagement and strategic capability to business performance (José et al., 2010; Scolobi & Lilliesstam, 2016). Studies on youth unemployment have been conducted at various times and places (Bezu et al., 2012; CSA, 2012; Denu et al., 2015; Martha, 2012). The focuses of these studies were the characterization of the causes and consequences of unemployment, determinant factors of unemployment, youth livelihood choices, and resources. Many of the youth-related studies are location-specific, particularly in urban areas (World Bank, 2007). On the other hand, these previous studies did not provide empirical evidence of how stakeholders’ integration supports youth self-employment. The central focus of this study was, therefore, to analyze stakeholders’ integration, and to empirically validate its role in social responsibility using primary data.
2. Conceptual Framework

Knowledge of the strength of integration among stakeholders across the intervention stages is required to understand value creation and the sustainability of youth self-employment. Similarly, it is vital to the development of internal awareness of the mechanics of value production (Aapaoja et al., 2012; Badia et al., 2019). Stakeholders are the groups or individuals who can influence or are influenced by the creation and sustainability of youth self-employment (Crowther & Aras, 2008). Stakeholders’ integration is a set of behaviors that are used to integrate functions of stakeholders according to their needs. The three dimensions that are used to categorize these behavioral practices: (i) understanding stakeholders and their needs (Maignan & Ferrell, 2004), (ii) interaction between stakeholders and the company (in this case, youth-owned enterprises) (Payne & Calton, 2004), and (iii) behavioral decisions making considering stakeholders’ demand (Maignan & Ferrell, 2004).

The theoretical underpinning of this study was based on stakeholder theory, frontier theory, and adaption theory. The concept of stakeholder theory is aligned with the concept of stakeholder integration. Stakeholder theory or thinking is a narrative that aims to understand and solve three interconnected business problems: how value is created and traded, and dealing with management problems (Argandona, 2011; Parmar et al., 2010). Identifying the knowledge of youth about stakeholders and the relationships they prioritize, and about what they incorporated in their demands into business ventures is very important to support the consistency and effectiveness of youth employment projects. A growing number of studies have been carried out to comprehend the complexities of business difficulties. Knowing stakeholders and their demands are the first step for a business entity to determine which stakeholders to work with. Given these justifications, knowledge was considered to be one key dimension to measure stakeholders’ integration. Frontier’s theory is all about “the maximum performance that can be achieved by a given set of operating business choices” (Vastag, 2000). This idea can be applied to a broader spectrum of business management issues that involved interactions of youth with key stakeholders. The application of this theory can be extended to a broader range of business management (Greenwood & van Buren, 2010), and to interconnected the interaction of youth with relevant stakeholders. In the context of this study, the interaction has a reciprocal relationship between youth and stakeholders. Communication is a crucial element of interaction to establish trust, and to overcome information imbalance (Kulkarni, 2000). As a result, interaction is considered here to elicit the knowledge part of stakeholders’ integration about youth information needs.

Adaptation behavior is a set of behavioral modifications which are made to meet the needs of stakeholders (José et al., 2010). This view is related to the youth’s ability to respond to stakeholders’ demands. Modifying youth-related policies and priorities to the functions of stakeholders is explained by awareness of the responsiveness of youths. This would be useful in translating actions of other stakeholders’ integration dimensions (knowledge and Interaction). Stakeholders’ integration studies (Badia et al., 2019; José et al., 2010) have established the importance of adaption behavior as a necessary component of stakeholders’ satisfaction. Adopting the behavior of adaptation is an important measure of stakeholders’ integration to determine the true intention of stakeholders. It is an important metric of stakeholders’ integration that can be used to establish a stakeholder’s genuine intentions.

However, the previous studies such as (Bezu et al., 2012; CSA, 2012; Denu et al.,
which were conducted at various times and places focused on: the causes and consequences of unemployment, determinants of youth unemployment, youth livelihood choices, and resources. Hence, there is limited information on the role of stakeholders in youth self-employment mainly on the implication of stakeholders’ integration for youth self-employment, and on the achievement of the youth revolving fund. Therefore, the objective of this study is to analyze stakeholders’ integration, and to validate its roles in social responsibility empirically using the above mentioned theories.

3. Research Methods
3.1. Description of the study area

This study was carried out in three districts of Amhara National Regional State: Central Gondar Zone, East Dembia, Takusa and Alefa. They were chosen for the study because of their accessibility, availability of Youth Revolving Fund distribution, and livelihood pattern. According to the Amhara Region’s livelihood zonation study, these districts have a wide range of production and livelihood opportunities.

The East Dembia district is located in the Central Gondar Zone of the Amhara Region which is located 35 km distance from Gondar city. There are 33 kebeles (smallest administrative units) in the district as well as three towns; Kolladiba (the district’s capital), Ayinba, and Robiet. According to the 2021 district agriculture office report, the district’s population was 203,351 of which 91% live in rural areas. In terms of agro-ecological setting, the district is mainly woyna-dega (midland) with elevations ranging from 1700m to 2700m above sea level. Likewise, the topography of the area is predominantly plain (87%). A total of 32.97% of the district’s land is used for annual crop production (Gonete et al., 2020). In the same way, the annual rainfall of the area ranges between 772mm and 1160mm, and the maximum and minimum temperatures are 29°C and 11.8°C, respectively. The district has better infrastructure access than Alefa and Takussa districts (Teshome, 2017; Yonas et al., 2018).

Similarly, Takussa district is located in the Central Gondar Zone in the Amhara Region, 87 km far away from the city of Gondar. It had a total population of 147,626 in 2017/2018 of which 94.5% were rural residents (Worku et al., 2020). There are 31 kebeles in the district, and Delgi town is its administrative center. It has both midland (55%) and lowland (45%) agro-climatic zones. Its altitude ranges from 600m to 2200m above sea level. Rainfall ranges from 900mm to 1400mm, and the average temperature is between 18°C and 30°C (Goshu, 2022; Mengistu, 2022).

Likewise, Alefa is one of the districts which are found in the Central Gondar zone of the Amhara Region which is 124 km away from the city of Gondar. It had a total population of 236,710 in 2017 of which 120,923 were male in 2021 (Eshetie, 2022). There are 34 kebeles in the district, and Shawira town is its administrative center. The district’s landscape is composed of 30% flat, 50% undulated, and 20% mountainous. In addition, the elevation ranges from 900m to 1990m above sea level. Rainfall ranges from 900mm to 1500mm, and the average temperature is between 18°C and 25°C (Goshu, 2022).

The main sources of income for smallholder farmers in Takussa, East Dembia, and Alefa districts are crop-livestock, mixed subsistence agriculture, supported by off-farm livelihood options and seasonal migration. Crop production systems rely heavily on seasonal rain. Teff, chickpeas, sorghum, finger millet, barley, wheat, and maize are the major crops that are grown in the area. On a limited number of farmlands, they also grow cash crops.
such as red paper, Niger seed, fenugreek, black cumin, white cumin, and rice. In rural households, cattle, sheep, goats, and chickens are the main sources of income (Derbe et al., 2020; Mengistu, 2022; Tsehaye et al., 2020; Wassihun et al., 2022).

3.2. Data Collection

The cross-sectional survey design was used to collect data between March-May 2020. The study used both quantitative and qualitative data to assess the level of stakeholders’ integration, and its importance for the successful performance of youth self-employment schemes. Similarly, data were collected from both primary and secondary sources. Primary data were collected from Youth Revolving Fund recipients using an interview schedule questionnaire. The questionnaire focused on stakeholders’ integration in terms of knowledge, adaptation, and interaction, and its influence on youth self-employment schemes. Before data collection, the instrument was translated into Amharic, the commonly spoken language in the study area. Then, it was pre-tested on selected respondents to evaluate its suitability and clarity. Enumerators from each district were recruited, and they were trained in the questionnaire and interview process. Finally, the enumerators collected data under the supervision of researchers. Secondary data were also collected from relevant published and unpublished documents to provide auxiliary information.

3.3. Sampling Method and Sample Size

The recipients of the Youth Revolving Fund were the research population. For the selection of sample respondents, a multi-stage sampling procedure was used. In the first step, three districts (East Dembia, Takusa, and Alefa) were purposefully chosen from districts of the central Gondar Zone since they have similar livelihood patterns. In the second step, lists of youths who got the revolving fund were gathered from the Small and Micro Enterprises offices of the respective districts. In the third step, three kebeles from each district were chosen based on the number of youths who took loans for business purposes. Finally, a total of 224 sample respondents were selected randomly which is proportional number to the size of the sample frame. The total number of sample respondents was determined using Israel’s (1992) sample size formula. Since the population is finite, it is common to use Israel’s (1992) sample size formula to determine the total sample size of respondents (Youth Revolving Fund beneficiaries).

\[
n = \frac{N}{1 + N(e)^2}
\]

Where \( n \) is the sample size, \( N \) is the population size which is Youth Revolving Fund beneficiaries in the study areas and \( e \) is the level of precision.
### 3.4. Stakeholder Integration Scale

The major components of stakeholders' integration include: knowledge, interactions, and behavior of adaptation (Aapaoja et al., 2012; Badia et al., 2019; Burchell & Cook, 2008; Daigneault et al., 2012; José et al., 2010; Kaptein & Tulder, 2003; Plaza-Úbeda et al., 2010). The construction of stakeholders' integration should combine these dimensions as it helps to achieve business goals, and to determine the responsibility of stakeholders on youth self-employment. Based on the review of relevant literature, indicators for measuring each dimension were identified that reflect the concerns of youths. The questionnaire which comprises each indicator of stakeholders’ integration dimensions was prepared to gather data from sample respondents.

The indicators used to measure stakeholders’ integration showed the concern of youth as well as the value they gave, and the knowledge they have about stakeholders. The satisfaction of youth with the knowledge they have about stakeholders is addressed in the questionnaire. Similarly, the indicators of stakeholders’ interaction were identified to assess the degree of communication of youths with their stakeholders either through the provision of information or through the supply of the information (Maignan & Ferrell, 2004). The questions also addressed formal and informal stakeholders’ participation in youth self-employment activities and in proactive relationships with their stakeholders which is helpful to prioritize the demands of their stakeholders. It is useful to avoid or reduce disputes that may happen between business enterprises and stakeholders for successful business performance (Heugens et al., 2004).

Regarding the adaptation dimension of stakeholders’ integration, the items were chosen to assess the willingness of youth to adjust their goals and priorities in response to their stakeholders. In addition, Payne & Calton (2004) believed that assessing the creation of new communication methods and practices with stakeholders is helpful to improve the information transmitted to them.

Stakeholders’ interaction study opens room for internal debates and discussions, and it improves stakeholders’ integration (Maignan & Ferrell, 2004). In the same way, it understands changes to stakeholders’ adaptation (José et al., 2010; Plaza-Úbeda et al., 2010). A Likert-type scale with a 5-point scale was used to measure the existing level of stakeholders’ integration. The respondents were asked to rate their level of agreement with indicators of each dimension where 1 means that question was not fully achieved at all, 3 means that the question was partly achieved, and 5 means that question was fully achieved. Cronbach’s alpha coefficient is the usual method for determining internal consistency. The alpha coefficient for stakeholder measurement scales was found to be 0.8741 which is still higher than the cut-off of 0.70 (Peterson, 1994).

### 3.5. Data Analysis

Descriptive statistics was used to analyze the level of stakeholders’ integration in facilitating youth self-employment. Similarly, hierarchical regression was used to assess moderating impacts of stakeholders’ integration on the business performance of youths (Kalyar et al., 2013). It was performed to evaluate if stakeholders’ integration (proxied with the stakeholders' integration index) showed significant variance in the dependent variables (business performance) considering all other variables. Different regression models were
developed in this framework by adding variables to the previous model at each step. Subsequent models include smaller models from earlier steps to see if adding new variable(s) is resulting in a significant increase in the proportion of explained variance (R^2) of the dependent variable (Gelman & Hill, 2006).

In social and behavioral data analysis, multiple regression is commonly used (Adomako et al., 2019). In most cases, researchers are interested in identifying the strongest predictors (Campos et al., 2023). In this case, the focus is on identifying predictors that are consistent with the theory. Stepwise regression and hierarchical regression can be used to determine the quality of a predictor (Lee et al., 2011). Because of its dependence on sampling error, stepwise regression cannot produce replicable conclusions (Lan et al., 2019; Lewis, 2007). Consequently, hierarchical regression was used in this study to test linear and curvilinear relationships as well as moderating effects of stakeholder integration. It also allowed us to enter variables in blocks according to theory (Delgado-Ceballos et al., 2012; Lent et al., 1986; Plaza-Úbeda et al., 2009).

A three-tier model was developed to analyze the relationship between stakeholders’ integration and youth business performance. The first model typically included demographic variables such as sex, districts, loan size, business experience, and ability to implement business plans. In the second step, mediating variables (training needs and access to the business working environment) were added to the first model, replicating the first model. In the third step, the stakeholders’ integration index was added to the second model.

Model 1: Business performance = intercept + sex + district + loan size + experience + business plan (R^2)
Model 2: Business performance = intercept + sex + district + loan size + experience + business plan + Training gap + business environment access (R^2)
Model 3: Business performance = intercept + sex + district + loan size + experience + business plan + training gap + business environment access + stakeholder integration (R^2 and change in R^2)

4. Result and Discussion
4.1. Analysis of components of stakeholders’ integration

The purpose of this study was to determine the level of stakeholders’ integration (knowledge, adaptation, and interaction), and to determine its importance for the successful performance of youth self-employment schemes. To determine the level of stakeholders’ integration, 16 scale items were used for knowledge (5), adaptation (5), and interaction (6). The scale items were grouped into three categories as knowledge, adaptation, and interaction for ease of analysis and discussion. The respondents were asked to rate each scale item in comparison to their perception using a five-point scale. For purposes of analysis, mean rating values for each scale item were computed and used to place respondents’ level of agreement. The following schemes were used to interpret the mean values of scale items above and below the values of the rating scale.

0.00-1.49 = not at all
1.50-2.49 = low level agreement
2.50-3.49 = average level agreement
3.50-4.49 = high level agreement
4.50-5.00 = very high-level agreement
4.1.1. Knowledge of stakeholders

To determine the knowledge level of respondents about their stakeholders, five scale items (indicators) were used. These indications would help in prioritizing and incorporating items into business operations. Table one below presents mean ratings and standard deviation for the knowledge dimension of stakeholders’ integration.

<table>
<thead>
<tr>
<th>Scale items</th>
<th>Mean</th>
<th>Std Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>keep documented information on the relationships with stakeholders</td>
<td>2.89</td>
<td>1.25</td>
</tr>
<tr>
<td>Importance of knowledge of all stakeholders for business performance</td>
<td>3.61</td>
<td>1.04</td>
</tr>
<tr>
<td>Obtain performance feedback from stakeholders</td>
<td>3.14</td>
<td>1.13</td>
</tr>
<tr>
<td>Little knowledge about the characteristics of stakeholders</td>
<td>2.89</td>
<td>0.99</td>
</tr>
<tr>
<td>Lack of information and documentation on stakeholders’ demands</td>
<td>2.92</td>
<td>1.05</td>
</tr>
<tr>
<td>Total</td>
<td>3.09</td>
<td>1.09</td>
</tr>
</tbody>
</table>

**Source:** the authors.

Based on the ratings given by sample respondents, the overall mean knowledge level of youths to stakeholders was average (3.09) with a standard deviation of 1.09 (Table one). This finding suggested that there is high variation in the level of stakeholders’ integration concerning the knowledge dimension in relation to the sample size. Of the five knowledge indicators, respondents expressed their strong agreement with the importance of all stakeholders’ knowledge of business performance. The other scale items were rated as having average knowledge levels. Thus, the relative position of each stakeholder in the network of relationships with youths was average.

4.1.2. Youth Interaction with Stakeholders

Six measurable indicators were used to measure the level of interaction dimension. These items were used to analyze the degree of communication of youths with their stakeholders. The result of the ratings of respondents for each interaction item is presented in table two below.

<table>
<thead>
<tr>
<th>Scale items</th>
<th>Mean</th>
<th>Standard Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Frequent meetings with the stakeholders</td>
<td>3.15</td>
<td>1.12</td>
</tr>
<tr>
<td>Consulting stakeholders</td>
<td>3.34</td>
<td>1.09</td>
</tr>
<tr>
<td>Cooperation with the stakeholders</td>
<td>3.32</td>
<td>1.07</td>
</tr>
<tr>
<td>Stakeholders’ participation in business decision making</td>
<td>3.32</td>
<td>1.04</td>
</tr>
<tr>
<td>Always strive to contact all the stakeholders</td>
<td>3.08</td>
<td>1.03</td>
</tr>
<tr>
<td>Dedicate time to assess and prioritize the demand of stakeholders</td>
<td>3.23</td>
<td>1.03</td>
</tr>
<tr>
<td>Total</td>
<td>3.24</td>
<td>1.06</td>
</tr>
</tbody>
</table>

**Source:** the authors.
The overall mean value of frequency of interaction between youth and stakeholders was found an average (3.24) with a standard deviation of 1.06 (Table two). Like the knowledge dimension, this finding suggested that there is a wide variation in stakeholders’ interaction with youths compared to the sample size. That is, there was greater variability in the interaction of youth with stakeholders since the standard deviation tells the existence of wider variation ranging from a low (2.18) to a high level (4.30) of interaction.

The result of all six interaction indicators suggested that sample respondents sometimes communicated with their stakeholders. This would imply that the interaction of youth with their stakeholders is not as it should be. The effect of the intensity of communication of youth with their stakeholders is helpful to build trust. To create relationships with stakeholders, multiple modes of communication can be used. In addition to the impact of communication on trust, various scholars (Burchell & Cook, 2008; Green & Hunton-Clarke, 2003; Kaptein & Tulder, 2003) highlighted the importance of communication and dialogue with stakeholders in the development of mutual learning and seamless relationships. Communication is intrinsically linked to interaction which helps to overcome information imbalance (Kulkarni, 2000), and can supplement knowledge and adaptation dimensions of stakeholder integration.

4.1.3. Adaptation of Youths to Stakeholders

Five measurable indicators were used to measure the adaptive or responsive behavior of the respondents to satisfy the demand of stakeholders. The result of the ratings of respondents for each interaction item is presented in Table three below.

Table 3 Mean Response and Standard Deviation of Adaptation Items as Perceived by Youths

<table>
<thead>
<tr>
<th>Scale items</th>
<th>Mean</th>
<th>Standard Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Make a special effort to prepare information for stakeholders</td>
<td>3.32</td>
<td>1.09</td>
</tr>
<tr>
<td>Frequent demands of the stakeholders</td>
<td>3.44</td>
<td>1.09</td>
</tr>
<tr>
<td>Willing to run business in line with stakeholders' demands</td>
<td>3.63</td>
<td>1.00</td>
</tr>
<tr>
<td>Dedicate little time to adapting to stakeholders' demand</td>
<td>3.00</td>
<td>1.055</td>
</tr>
<tr>
<td>Plans and priorities are adapted to stakeholders' demands</td>
<td>3.56</td>
<td>1.00</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>3.39</strong></td>
<td><strong>1.05</strong></td>
</tr>
</tbody>
</table>

Source: the authors.

As shown in Table three above, the overall mean adaptive behavior of respondents in response to stakeholders was average (3.39) with a standard deviation of 1.05 which was similar to the knowledge dimension of stakeholders' integration. This finding seems to imply that there were wider gaps in the level of adaptive behavior of respondents to their stakeholders. From the five measurable indicators, respondents have demonstrated strong agreement to ‘plan and prioritize’, as well as ‘willingness to run business that is adaptive to the demand of stakeholders.’ The other scale items were rated as having average interaction behavior with their respective stakeholders. As a result, each stakeholder’s relative position in the network of links with youth who engaged in self-employment is
average. The youths who engaged in self-employment schemes lack the power to persuade their stakeholders to affect other dimensions of stakeholders’ integration (knowledge and interaction) into action. According to Plaza-Úbeda et al. (2010), adaptive behavior is a necessary component for achieving stakeholders’ satisfaction.

4.2. Application of Stakeholders’ integration to Social Responsibility

This study examines the relationship between the social responsibilities of stakeholders in facilitating youth self-employment empirically. Before using the model for hypothesized variables, the problem of multicollinearity was tested, and confirmed that the data had no serious problem of multicollinearity. The predictive validity of the stakeholders’ integration scale was verified by contrasting it to other associated or related variables. To contrast, the predictive validity, and the different relationship analysis between stakeholders’ integration and social responsibility was carried out. The working business environment and quality of training were used as mediating variables to verify the predictive validity of the stakeholder integration scale to shoulder social responsibility. The assumption was that if youth are receiving quality training, the responsibility of stakeholders in promoting youth self-employment will be significantly strengthened. Quality of training (training needs of youths) was determined using an effect size model considering a variety of competency items. Similarly, access to working space is one of the most important mediating variables which affect self-employment performance.

Enterprises with sufficient working premises are likely to receive better social services from their stakeholders. As a result, the expected relationship between social responsibility and stakeholders’ integration, quality of training, and working spaces were hypothesized to have significant variation. The social responsibility index which is a measure of social responsibility was used as the dependent variable. Stakeholders are socially responsible easing access to credit, input/technology, market, and frequent technical support. These factors were used to compute the social responsibility index. Measuring the impact of stakeholders’ integration on social responsibility related with the value of stakeholders’ activities to youth self-employment interventions. The result of the hierarchical regression analysis is illustrated in table four below.

<table>
<thead>
<tr>
<th>Predictor variables</th>
<th>Business performance</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Model 1</td>
</tr>
<tr>
<td>District</td>
<td></td>
</tr>
<tr>
<td>Alefa</td>
<td>-.139**</td>
</tr>
<tr>
<td>Takusa</td>
<td>-.260**</td>
</tr>
<tr>
<td>Sex</td>
<td>-.045</td>
</tr>
<tr>
<td>Business experience</td>
<td>.107**</td>
</tr>
<tr>
<td>Loan size</td>
<td>-3.17**</td>
</tr>
<tr>
<td>Business plan</td>
<td>-0.109**</td>
</tr>
<tr>
<td>Effect size</td>
<td>-.072</td>
</tr>
<tr>
<td>Working environment</td>
<td>-.004</td>
</tr>
<tr>
<td>Stakeholder Integration</td>
<td>.433**</td>
</tr>
</tbody>
</table>

| R2                      | 0.329   | 0.409   | 0.519   |
| R2 change               |         |         | 0.110***|

Source: the authors.
Notes: ***, **, and * indicates statistically significant at less than 0.001, 0.05, and 0.1 significance level, respectively.

Location, sex, business experience, loan amount, business plan, training gap, and stakeholders’ integration were all found to be strongly associated with social responsibility in the hierarchical regression analysis (Table four). The results illustrated that business location significantly affected business performance. Hence, access to raw materials, access to financial institutions, and markets, access to business information, access to roads/busy streets, and access to customers is directly related to the business location (Ayele, 2021; Birhanu & Kinde, 2016; Fikadu, 2015, 2016; Kosa et al., 2018). Table four shows that businesses in the East Dembia district performed better than those in the Alefa and Takusa districts. This is because the East Dembia district is close to Gondar town, a major asphalt road that connects Ethiopia and Sudan. Apart from this, businesses in East Dembia District generally operate in Kolladiba (the district’s capital) and small towns in the district which makes services more accessible than in Alefa and Takusa districts. A similar finding is also reported by (Alemayehu & Gecho, 2016; Ayele, 2021; Engidaw, 2021; Semegn & Bishnoi, 2021).

A study found that women-owned businesses performed better than their male counterparts. Males are less likely to stay longer in self-employment business centers than females in this study area. This indicates that female youths are less likely to quit self-employment than male youths. For males, seasonal rural-rural migration provides an income source (Derbe et al., 2020) and they tend to neglect the management of their businesses, especially for unskilled youth. Once women have overcome all obstacles including family pressure (Hayelom, 2020), they have a better survival rate in their businesses thereby becoming more successful. In contradiction to this result, Woldehanna et al. (2018) found that male-owned businesses perform better.

The business experience was found to be positively connected to stakeholders’ social responsibility at a 0.05 statistically significant level. This would imply that accumulated business experience is important for stakeholders to comfortably fulfill their responsibilities. Youths who are equipped with high-quality knowledge and skills training may facilitate the role of stakeholders. In agreement with this study, Aliyu et al. (2019); Beriso (2021); Endalew (2020); Fernández-Guerrero (2012); Prakash & Sandeep (2013) found that entrepreneurial experience positively impacts business performance.

It was found that business performance declines as loan size increases. Since youths with large loan sizes do not invest all their loans in their businesses due to mismanagement and high repayments (Kuzilwa, 2005). In line with this study, Ahmed & Ahmed (2021) found that access to loans adversely influences business performance. In contrast, Endris & Kassegn, (2022); Kiefer et al. (2022); Kodongo & Kendi (2013); Rupasingha et al. (2019) concluded that loan size is an opportunity to reduce business failure and improve business performance.

The study proved that there existed a positive association between business plan implementation as planned and business performance. As a result, those businesses which were financed on targeted investment had higher performance. Youth-owned businesses which were engaged in business implementation as per the business plan had a lower risk of dropout since they may have better resources to finance their investment. Therefore, their profitability increased, and they were survived. In contrast to this, youths who implemented their business plan which is different from their initial target plan were exposed to low performance, and a higher risk of business dropout. A similar finding is
reported by (Brinckmann et al., 2010).

This study showed that youth’s business performance was significantly influenced by the quality of training (skill development). To succeed in a small business venture, and to be strongly connected to stakeholders, youths need training in specific technical areas because training enhances the ability of youths to cope with challenges, and to take advantage of opportunities. A knowledgeable and skilled individual can efficiently perform the assigned duties, activities, roles, and responsibilities. As a result, youth who have no training gaps can develop sustainable self-employment business ventures. This result is consistent with the findings of Aliyu et al. (2019), Endalew (2020), Idris et al. (2020), and Reza et al. (2020) who reported that training improves the performance of SMEs.

The main purpose of this study was to assure the relationship between levels of stakeholders’ integration and social responsibility. Initially, it was hypothesized that stakeholders’ integration was positively correlated with economic performance. The premise was that if and only if stakeholders integrate their lines of duty to youth services, they can readily provide training, market information (linkage), input/technology supply, and frequent consulting services. The finding of this study revealed that stakeholders’ integration was significantly correlated with the social responsibility of stakeholders at a 0.05 statistically significant level (Table four). This implies that a high level of stakeholders’ integration leads to better social responsibility success for stakeholders. Strong stakeholders’ integration can enable stakeholders to accept their roles and responsibilities in the promotion of youth self-employment.

5. Conclusion

The purpose of this study was to determine the degree of stakeholders’ integration using knowledge, interaction, and adaptation dimensions. These dimensions measure stakeholders’ ability to balance their responsibilities, and their involvement in youth self-employment. According to the findings of this study, the level of stakeholders’ integration is at its optimum. That is to say that the strategic capability of stakeholders to improve the competitive advantage of youths who engaged in several self-employment opportunities is limited. Stakeholders’ integration strategies can be used in a wide range of public sectors and situations making it easier for youths to address their demand of youths. The whole process of youth self-employment requires knowledge, a positive attitude (interaction) and a willingness to change (adaptation behavior).

To validate stakeholders’ integration into social responsibility empirically, an index was developed using three dimensions of stakeholders’ integration. This is vital to check if youth are aware of stakeholders and their demands as well as the effort they made to meet those requests. The study has validated the consequences of stakeholders’ integration on their social responsibility. Furthermore, the business implementation process according to the business plan, workplace, and loan size are the important variables which influence youth-owned business performance. The positive finding of the research which showed a direct relationship between stakeholders’ integration and their social responsibility supports the predictive validity of stakeholders’ integration to social responsibility. This could help us to a better understanding of the value of stakeholders’ integration for better social responsibility of stakeholders. The findings of this study have practical relevance for business owners to strengthen their relationship with stakeholders. In addition, it helps stakeholders to understand their roles in supporting self-employment programs. As a result, stakeholders’ integration should be viewed as a strategic competency for shouldering social responsibility to facilitate sustainable self-employment promotion. Therefore, train-
ing should be given to youths to improve their knowledge, interaction, and adaptation. Likewise, stakeholders should give attention to access services, assessment of locations in which the businesses are operating, loan management, and skill capacity building. Furthermore, stakeholders’ integrations should be strengthened to enhance the youth’s engagement in self-employment.

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References


