

## ANALYSIS OF FUNDING PROGRAMMES TARGETING YOUTH WITH DISABILITY IN NAIROBI COUNTY

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### ABSTRACT

The study aimed at carrying out an analysis of funding programmes targeting youth with disability in Nairobi County. The research was guided by the following specific objectives to determine the effect of financial accounting on funding of youth with disability programs in Nairobi County, to assess the extent of record management on funding of youth with disability programs in Nairobi County, to establish the contribution of budget planning process funding of youth with disability programs in Nairobi County and to ascertain the effect of donor relationship management on funding of youth with disability programs in Nairobi County. This research used descriptive research design. Using stratified random sampling design, the researcher selected 172 respondents on whom he conducted the study. The study used a questionnaire to collect primary data. The SPSS (version 17) computer software aided the analysis. Descriptive statistics was employed to analyze the data. A multivariate regression model was applied. The study found that holding all factors constant, factors affecting funding programmes targeting youth with disability will be 0.116. The findings presented also shows that taking all other independent variables at zero, a unit increase in donor relationship management revenue stream will lead to an increase in the scores of the funding programmes targeting youth with disability. A unit increase in budget planning process will lead to an increase in funding programmes targeting youth with disability.

On the other hand, a unit increase in record management skills will lead to an increase in the scores of the funding programmes targeting youth with disability; and a unit increase in strategic financial managements will lead to an increase in the scores of the funding programmes targeting youth with disability. The study recommends that financial accounting should be well articulated, there should be increased support for training to improve the financial accounting.

**Keywords:** *Funding Programmes Targeting Youth with Disability*

## **Introduction**

Good management practices demand that obvious key management concepts and principles such as sustainability, accountability and transparency which are necessary for institutionalized formal procedures are put in place-administrative efficiency. According to Swanson (2004) most donors in Africa attach various restrictions to their funding including among others-sound financial management systems in place, good leadership with integrity, educated staff with experience an advantage and the strategic plans of the institutions. Institutions lacking these ingredients have difficulties attracting donor funding.

Youths with disabilities or suspected disabilities are evaluated by the government institutions like Kenya Disabled Action Network (KEDAN) to determine whether they are eligible for special services and, if eligible, to determine what services will be provided (UNESCO, 2010). The results of this evaluation also affect how much funding assistance institutions will receive to meet the youths' special needs. Kenya Disabled Action Network is a community based youth organization formed by and for the youth with disabilities. KEDAN was founded in 2003 and is registered under the Ministry of Gender, sports, culture and social services. The formation of KEDAN was part of the efforts to bridge the existing gap between the mainstream disability organizations and issues related to youth with disabilities as there was no effort being made towards their holistic empowerment (Sum and Khatiwada, 2010).

Loprest and Maag (2011) assert that special classification is not uniform across states or regions. Youths with identical characteristics can be diagnosed as disabled in one state but not in another and may be reclassified when they move across state lines. Most disabilities with a clear medical basis are recognized by the child's physician or parents soon after birth or during the preschool years. In contrast, the majority of youths with disabilities are initially referred for evaluation by their classroom teacher(or parents) because of severe and chronic achievement or behavioral problems. There is evidence that the prevalence of some disabilities varies by age, the high-incidence disabilities such as learning disabilities and speech-language disabilities occur primarily at the mild level, the mild disabilities exist on broad continua in which there are no clear demarcations between those who have and those who do not have the disability, and even "mild" disabilities may constitute formidable barriers to academic progress and significantly limit career opportunities (National Center on Workforce and Disability/Adult, 2012).

In most states, classification of a student as disabled leads to increased funding from the state to the school district. This article suggests a revised funding system that weights four factors (number of deficits, degree of discrepancy, complexity of intervention, and intensity of intervention) in a regression equation that would yield a total amount of dollars available to support the special needs of a particular disabled youth (UNESCO, 2010).

### **Statement of the Problem**

The financial management processes of disabled youth institutions are generally weak and dominated by conditions of resource scarcity vis-à-vis the ever increasing agenda of social development activities on which such funds could be spent (Association for Child and Youth Care Practice, 2013). The funding process has been faced with challenges of poor budget

planning leading to incomplete projects, poor record management systems which has made it difficult in tracing the progress of the funding even to donors, unfair donor relationship management which has lead to freezing of donations and also weak financial accounting systems leading to misappropriation of funds. According to a 2012 study by the Urban Institute, one-third of youth with disabilities do not finish high school and only 38.1% are employed (National Youth Leadership Network , 2012). According to another study, only 27% of youth with disabilities are likely to enroll in postsecondary education due to mismanagement of funds by the institutions. Nearly half of the world's population is under 25 years (ILO, 2004). The International Labor Organization estimates that 351 million youth under the age of 25 are economically inactive. Many new others are also set-up any day it dawns leaving one with question marks than answers as to what's ailing the sector. Many new disabled youth programs fall into the pitfall of un-sustainability, as they operate for a summer or for a few years and then fade away. This state of affair has boxed the disabled youth into a dependency syndrome which is threatening the sustainability of their programs and their survival (Loprest and Maag, 2011).

The reviewed studies have focused on different aspects of sustainable and the extent of its effects on the disabled youth fraternity. Further, most of them are on international scenes or on developed countries. To the researcher's knowledge, at the time of this study, no local or international studies had ever focused on the funding programmes targeting youth with disability in Nairobi County. This is despite the ever increasing capacity building measures organized by various stronger donors like USAID, DFID, OXFAM, World Bank etc who time to time organize refresher courses for youth with disabilities on best practices in the sector (Youth Development Institute, 2008). This lacuna represents a significant gap in knowledge that was to be bridged on the funding programs targeting youth with disability in Nairobi County.

## Objectives of the Study

### General Objective

The study's main objective was to carry out an analysis of funding programmes targeting youth with disability in Nairobi County.

### Specific Objectives

- i. To determine how financial accounting influence funding of youth with disability programs in Nairobi County
- ii. To assess how record management influence funding of youth with disability programs in Nairobi County
- iii. To establish the contribution of budget planning process on funding of youth with disability programs in Nairobi County
- iv. To ascertain how donor relationship management influence funding of youth with disability programs in Nairobi County

## Literature Review

### Resource Based View Theory

Institutions with physically challenged youths remain economic institutions in that they use society's scarce resources (land, labour and capital) to produce goods and services of value. These institutions have operating costs, impose costs on society to the extent that they use contributions and voluntary services to provide superior value to youth with disability and need a reliable flow of revenue to finance their mission and be financially sustainable. The currently

dominant view of business strategy resource-based theory or resource-based view (RBV) of firms is based on the concept of economic rent and the view of the company as a collection of capabilities. This view of strategy has a coherence and integrative role that places it well ahead of other mechanisms of strategic decision making (Kay, 2005). The resource-based view (RBV) offers critical and fundamental insights into why firms with valuable, rare, inimitable, and well organized resources may enjoy superior performance (Barney, 1995).

### Systems Theory

The systems theory consists of various components or sub-systems which must function together for the whole system/plan to work. This implies that if one sub-system fails, the whole system is put in jeopardy. For instance for funding youth with disability to operate effectively, it should have capacity to formulate, implement and evaluate its strategies. Systems theory helps managers to look at the institution more broadly and the concept of consensus management and decision making in institutions in small institutions rely on a systems approach (Khan, 2008).

Three key administrative mechanisms that an institution can use to cope with uncertainty in the environment include: the design of the institutional structure (decentralization); design of control systems (budget evaluation style); and selection of managers. Systems theory was originally proposed by Hungarian biologist Ludwig Von Bertalanffy in 1928, although it has not been applied to institutions until recently (Lewis, 2005). The foundation of systems theory is that all the components of an institution are interrelated, and that changing one variable might impact many others, or if one sub-system fails, the whole system is put in jeopardy. Institutions are viewed as open systems, continually interacting with their environment. They are in a state of dynamic equilibrium as they adapt to environmental changes.

## Implicit Leadership Theory

According to this theory individuals have implicit theories (beliefs, convictions, and assumptions) about the attributes and behaviors that distinguish managers from others, effective managers from ineffective ones, and moral managers from evil ones. Implicit leadership theories influence the values that individuals place on selected manager behaviors and attributes, and their motives relevant to acceptance and enactment of manager behavior. The following propositions express the major assertions of implicit leadership theory (Waddell, 2000).

Leadership qualities are attributed to individuals, and those persons are accepted as managers, on the basis of the degree of fit, or congruence, between the manager behaviors they enact and the implicit leadership theory held by the attributers. Implicit leadership theories constrain, moderate, and guide the exercise of leadership, the acceptance of managers, the perception of managers as influential, acceptable, and effective, and the degree to which managers are granted status and privileges. There is substantial experimental evidence in support of this theory (Ebrahim, 2005; Edwards and Hulme, 1995; Gray et al, 2006; Ebrahim, 2005; Linton, 2005).

## Empirical Review

### Financial Accounting

Financial management for youth with disability concern ensuring funds are available when needed and that they are obtained and used in the most efficient and effective way to the benefit of youth with disability (Waddell, 2000). From a programed point of view, the process of financial management is associated with financial planning and financial control. Financial planning seeks to quantify various financial resources available and plan the size and timing of expenditures. Financial management practices requirements can impose a significant burden on

youth with disability (Page, 1984). Managing the movement of funds in relation to the budget is essential for youth with disability. The main aim of the process of managing finances is to achieve the various goals programs with youth with disability sets at a given point of time (Linton, 2005). Financial managers aim to boost the levels of resources at their disposal.

### Record Management

Wakwabubi and Shiverenje(2003) refers to effective record management systems as one of the auxiliary activities that are performed to improve the effectiveness and efficiency with which the other functions are performed or to make the performance of the other functions possible. This implies that by neglecting its auxiliary activities, an organization may not be able to deliver on its core mandate effectively and efficiently. In view of that, records management should be given an equal status as other auxiliary functions because there is no organization that can operate effectively and successfully without records.

### Budget Planning

The first step in the budgeting is planning for budget preparation and setting out goals and timelines for its production (Premchand, 2004).Budgeting in public organizations is normally a hierarchical process which starts at the subunit level and ends at the apex of the hierarchy, which may be outside the organization itself. Often, therefore, there are several tiers between these two levels of the budgetary hierarchy. According to Lewis (2005) the basic reason for requiring estimates from subordinate officials is that higher officials do not have enough detailed information, time or specialized skills to prepare the plans themselves. It is the decision maker at the subunit level who has the relevant facts to effectively classify activities into various



categories according to their importance. It is also at this level, that projects and activities requiring attention and hence financial support can be identified and prioritized.

### Donor Relationship

Donor Relationship Management is not just a tool to collect data from donors; it is a holistic strategy, a methodology of collecting, organizing and analyzing every aspect of the donors. Burnett (2002) recognized the need for what he termed relationship fundraising dealing with donors individually, recognizing each donor as unique in terms of giving history, motivation for giving, and the overall standard of care expected from the charities being supported. The entire relationship with a donor, he argued, should be viewed holistically and fundraising decisions taken in light of the perceived value of the overall relationship. Recognizing the benefit of a future income stream, youth with disability program managers are not afraid to invest in their donors and allow them greater flexibility over the content, nature, and frequency of the communications they receive.

### Data Analysis/Findings

#### Regression Analysis of the Findings

#### Model Summary

Model	R	R Square	Adjusted R Square	Standard Error of the Estimate
1	0.843	0.742	0.724	0.4216

- a) Predictors: (Constant), Donor relationship management revenue stream, budget planning process, record management skills, and strategic financial managements.
- b) Dependent variable: Funding programmes targeting youth with disability

The study used the R square. The R Square is called the coefficient of determination and tells us how funding programmes targeting youth with disability varied with donor relationship management revenue stream, budget planning process, record management skills, and strategic financial managements. The four independent variables that were studied explain 74.2% of the factors affecting funding programmes targeting youth with disability as represented by R Squared (Coefficient of determinant). This therefore means that other factors not studied in this research contribute 25.8% of the factors affecting funding programmes targeting youth with disability.

**Table 4.23: ANOVA**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	11.72	9	1.302	44.231	.000(a)
	Residual	3.432	118	0.066		
	Total	15.152	127			

- a) Predictors: (Constant), donor relationship management revenue stream, budget planning process, record management skills, and strategic financial managements
- b) Dependent Variable: Funding programmes targeting youth with disability

The study used ANOVA to establish the significance of the regression model from which an f-significance value of p less than 0.05 was established. The model is statistically significant in predicting how donor relationship management revenue stream, budget planning process, record management skills and strategic financial managements affect funding programmes targeting youth with disability. This shows that the regression model has a less than 0.05 likelihood (probability) of giving a wrong prediction. This therefore means that the regression model has a confidence level of above 95% hence high reliability of the results.

Table 4.24: Coefficients Results

	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	0.116	.186		0.623	.535
Donor relationship management revenue stream	0.577	.068	.559	8.478	.000
Budget planning process	0.157	.043	.257	3.676	.036
Record management skills	0.082	.042	.301	2.252	.020
Strategic financial managements	0.021	.002	.245	6.906	.001

- a) Predictors: (Constant), Donor relationship management revenue stream, budget planning process, record management skills, and strategic financial managements
- b) Dependent Variable: funding programmes targeting youth with disability. The established regression equation was

$$Y = 0.116 + 0.577X_1 + 0.157X_2 + 0.082X_3 + 0.021X_4 + \varepsilon$$

The regression equation above has established that holding all factors (Donor relationship management revenue stream, budget planning process, record management skills and strategic financial managements) constant, factors affecting funding programmes targeting youth with disability will be 0.116. The findings presented also shows that taking all other independent variables at zero, a unit increase in donor relationship management revenue stream will lead to a 0.577 increase in the scores of the funding Programmes targeting youth with disability. A unit increase in budget planning process will lead to a 0.157 increase in funding Programmes

targeting youth with disability. On the other hand, a unit increase in record management skills will lead to a 0.082 increase in the scores of the funding Programmes targeting youth with disability; and a unit increase in strategic financial managements will lead to a 0.021 increase in the scores of the funding programmes targeting youth with disability. This infers that donor relationship management revenue stream influences the funding programmes targeting youth with disability most followed by record management skills, budget planning process and then strategic financial managements. The study also established a significant relationship between funding programmes targeting youth with disability and the independent variables; donor relationship management revenue stream ( $p=0.00<0.05$ ), budget planning process ( $p=0.036<0.05$ ), record management skills ( $p=0.20<0.05$ ) and strategic financial managements ( $p=0.001<0.05$ ) as shown by the p values.

### Non-parametric correlation

A Spearman correlation is used when one or both of the variables are not assumed to be normally distributed. The values of the variables were converted in ranks and then correlated. The study correlated donor relationship management revenue stream, budget planning process, record management skills and the strategic financial managements under the assumption that both of these variables are normal and interval. The results suggest that the relationship between donor relationship management revenue stream and budget planning process ( $\rho = 0.617$ ,  $p = 0.000$ ) is statistically significant. Donor relationship management revenue stream and record management skills had a  $\rho$  of 0.547 and a p value of 0.000 therefore denoting statistical significance. Similarly, donor relationship management revenue stream and strategic financial managements posted a  $\rho$  of 0.667 with a p value of 0.000 therefore providing a statistical significance. Budget planning process and record management skills had a  $\rho$  of 0.437,  $p=0.000$  further

pointing to a statistical significance. On the same note, the budget planning process and the strategic financial managements correlated at  $\rho=0.235$  and  $p=0.001$ . This therefore is statistically significant. Finally, the record management skills and strategic financial managements stood at a correlation of  $\rho=0.441$  and  $p= 0.002$  revealing statistical significance.

**Table 4.25 Correlations**

			Donor relationship management revenue stream	Budget planning process	Record management skills	Strategic financial managements
Spearman's rho	Donor relationship management revenue stream	Correlation Coefficient Sig. (2-tailed) N	1.000 .000 61	.617 .000 61	.547 .000 61	.667 .000 61
	Budget planning process	Correlation Coefficient Sig. (2-tailed) N	.617 .000 61	1.000 .000 61	.437 .000 61	.235 .001 61
	Record management skills	Correlation Coefficient Sig. (2-tailed) N	.547 .000 61	.437 .000 61	1.000 .00 61	.441 .002 61
	Strategic financial managements	Correlation Coefficient Sig. (2-tailed) N	.667 .000 61	.235 .000 61	.441 .000 61	1.000 .000 61

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