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Innovation as Empowerment: The Role of Youth Entrepreneurship in Reshaping Social Futures in Urban Kenya

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ABSTRACT

This study examined the relationship between entrepreneurial innovation and the social futures of youth in Biashara Ward, Nakuru City, Kenya. A convergent parallel mixed methods design was adopted, incorporating questionnaires administered to 137 youth drawn from thirteen registered youth groups, alongside focus group discussions and interviews involving five stakeholders. Quantitative data were analyzed using descriptive statistics, Pearson correlation, and regression analysis, while qualitative data were subjected to thematic analysis. The findings revealed that youth groups engaged in product and service innovation, community mobilization, technology adoption, and resource adaptation, which were associated with employment creation, income growth, improved livelihoods, and social inclusion. The multivariable regression model established that entrepreneurial innovation was a positive and statistically significant predictor of social transformation ($\beta = .228$, $p = .031$). The model explained 19.5% of the variation in social transformation ($R^2 = .195$; $F(4, 132) = 7.973$, $p < .001$). A strong positive correlation was established between social inclusion and employment creation ($r = .88$, $p < .01$). Qualitative findings identified collaborative learning, community forums, and informal savings networks as important mechanisms supporting entrepreneurial innovation. However, inadequate financing, high internet costs, limited market linkages, and insufficient institutional support constrained entrepreneurial development. The study concludes that community-based entrepreneurial innovation is positively associated with youth economic empowerment and social transformation. It recommends improved digital access, entrepreneurial mentorship, stronger market linkages, and integrated enterprise support.

INTRODUCTION

Kenya's expanding urban economy has increased the importance of understanding how young people establish sustainable livelihoods amid limited formal employment opportunities. National employment statistics demonstrate the significance of informal and small-scale economic activities, while international labour evidence identifies inadequate access to secure employment as a continuing challenge facing young people in developing economies (Kenya National Bureau of Statistics [KNBS], 2024; International Labour Organization [ILO], 2024). Entrepreneurial innovation presents a potential response by enabling youth to adapt products, service delivery systems, technologies, and collective business arrangements to address emerging market and community needs. However, enterprise establishment does not necessarily translate into meaningful social transformation. Assessing such transformation requires examining employment opportunities, income generation, livelihood improvements, and social inclusion alongside entrepreneurial participation (Grilo & Moreira, 2022). The distinction between entrepreneurship and innovation is essential for understanding the contribution of entrepreneurial activities to social transformation. Entrepreneurship involves organizing economic activities and mobilizing resources to exploit opportunities, whereas

innovation entails introducing or adapting products, processes, services, and practices to create economic or social value. Social innovation extends this understanding by emphasizing responses to unmet collective needs and the equitable distribution of resulting benefits. Through a systematic review, Grilo and Moreira (2022) identified ongoing conceptual ambiguity surrounding social innovation and social entrepreneurship, highlighting the importance of distinguishing entrepreneurial practices from their outcomes. Similarly, Harsanto *et al.* (2022) established that sustainability-oriented innovation within social enterprises incorporates economic viability alongside social and environmental considerations. Accordingly, the present study conceptualized entrepreneurial innovation as a set of observable practices undertaken by youth groups and social transformation as a distinct outcome reflected in changes in economic opportunities and community participation.

This distinction becomes increasingly significant within sub-Saharan Africa, where labour-market transitions are influenced by widespread informality and unequal access to secure employment opportunities. The ILO (2024) reported that insecure employment remains prevalent among young people across the region, making entrepreneurship both a potential livelihood strategy and an undertaking characterized by economic

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uncertainty. Digital technologies offer opportunities for small enterprises to expand their market reach, improve communication, and develop innovative service delivery mechanisms. Nevertheless, the realization of these benefits depends on affordable connectivity, digital capabilities, financial resources, and the institutional conditions necessary to translate technological adoption into productive economic activity. The United Nations Conference on Trade and Development (UNCTAD, 2024) similarly emphasized inclusive digitalization and environmental sustainability as essential considerations in development. These perspectives demonstrate the need to examine entrepreneurial innovation within the institutional, technological, and socioeconomic circumstances in which young people operate.

In Kenya, youth enterprise development policies have increasingly addressed challenges associated with inadequate skills, limited financing, and restricted access to employment opportunities. The World Bank (2023) reported that the Kenya Youth Employment and Opportunities Project reached 310,889 beneficiaries through interventions involving entrepreneurial training, grants, business development services, and related support mechanisms. This experience demonstrates the policy relevance of integrated entrepreneurial support, although the outcomes of national programmes cannot automatically be generalized to individual youth groups operating within Biashara Ward. Kenya's youth policy framework also recognizes economic participation, entrepreneurship, and access to development opportunities as important dimensions of youth empowerment (Government of Kenya, 2019). Within this policy environment, Nakuru City provides a relevant setting for examining how youth groups organize entrepreneurial innovation and how their activities relate to perceived social and economic improvements.

Despite increasing policy attention to enterprise development, important empirical questions concerning entrepreneurial innovation and social transformation remain insufficiently addressed at the community level. National employment indicators and programme-level outcomes do not adequately explain whether specific innovations undertaken by small youth groups are associated with wider improvements in social and economic well-being. Furthermore, existing evidence does not clearly establish whether digital technology adoption, community-based initiatives, product development, and sustainable resource adaptation exhibit comparable relationships with social transformation outcomes. The ILO (2024) emphasized that employment status alone provides an incomplete indication of employment quality, economic security, and young people's livelihood circumstances. Consequently, the present study examined employment creation alongside income growth, livelihood improvement, and social inclusion to distinguish entrepreneurial participation from broader experiences of empowerment.

Entrepreneurial activities undertaken by youth groups in

Biashara Ward, Nakuru City, encompass information and communication technology adoption, digital marketing, product development, and community-oriented service delivery. However, the availability of financing, mentorship, market opportunities, and institutional resources may influence the implementation, sustainability, and potential benefits of these innovation practices (Maina, 2020; Nteere, 2021). Previous studies examining youth entrepreneurship in Kenya have frequently concentrated on larger urban centres, where infrastructure, enterprise networks, and institutional support systems differ from those found in smaller urban communities. Consequently, important contextual questions remain concerning how entrepreneurial innovation operates as a mechanism of empowerment and social transformation within communities experiencing constrained resources and unequal access to opportunities (Mwangi & Ngugi, 2020; Chairael, 2015).

Although entrepreneurial innovation has been associated with economic and social development, its relationship with employment creation, income growth, livelihood improvement, and social inclusion requires further examination within Kenya's urban communities (Dastane, 2020b; Gupta, 2020a). The interaction between individual entrepreneurial capabilities, collective innovation practices, technological access, and institutional support may shape the extent to which innovation produces meaningful social benefits. However, the mechanisms connecting entrepreneurial activities with wider empowerment outcomes remain inadequately documented in the specific context of Biashara Ward, Nakuru City (Ezzaouia, 2022; Ren, 2019). This contextual and analytical gap provided the justification for examining entrepreneurial innovation as a community-based practice associated with changes in economic opportunities and social participation. The study therefore investigated how entrepreneurial innovation relates to the transformation of social futures among youth in Biashara Ward, with emphasis on employment opportunities, income growth, improved livelihoods, and social inclusion.

The purpose of this study was to examine how entrepreneurial innovation reshapes social futures among youth in Biashara Ward, Nakuru City. The investigation focused on innovation practices involving product and service development, information and communication technology adoption, community-driven initiatives, and sustainable resource adaptation. It further assessed the relationships between these practices and employment creation, income growth, livelihood improvement, and social inclusion. The study also sought to generate evidence capable of informing youth empowerment policies and the development of appropriate entrepreneurial support programmes.

The study provides insights relevant to policymakers, development organizations, youth entrepreneurs, community leaders, and scholars concerned with sustainable youth empowerment. Its findings contribute to understanding the relationship between entrepreneurial

innovation and social transformation within resource-constrained urban communities. The evidence may inform the design of targeted youth development interventions, improvements in digital access, enterprise support programmes, and community-based innovation initiatives. Academically, the study contributes to discussions on youth entrepreneurship by examining economic and social transformation as related but analytically distinct outcomes of entrepreneurial activity.

LITERATURE REVIEW

Theoretical Framework

Social Entrepreneurship Theory provided the first interpretive perspective by recognizing that entrepreneurial activities can generate social value while maintaining economic viability. Grilo and Moreira (2022), in their systematic review, established that social entrepreneurship and social innovation share an emphasis on social value creation, although their conceptual boundaries remain contested. This theoretical perspective was relevant because the activities undertaken by youth groups encompassed community initiatives, service delivery, and income-generating enterprises. Nevertheless, the existence of entrepreneurial activities does not automatically demonstrate that social transformation has occurred. Accordingly, the study applied this theoretical perspective to examine whether reported entrepreneurial innovation practices were associated with measurable social outcomes rather than assuming that enterprise participation necessarily represented empowerment.

Social Transformation Theory provided a complementary perspective for understanding how entrepreneurial innovation relates to changes in economic opportunities, social relationships, and community participation. This perspective recognizes marginalized youth as potential agents of change who can influence their socioeconomic circumstances through innovative enterprises, collective action, and community-based initiatives (Gupta, 2020b; Madu & Yusof, 2015). It further suggests that meaningful transformation extends beyond individual economic advancement to encompass broader changes in inclusion, participation, and access to opportunities. Within the present study, social transformation was operationalized through employment creation, income growth, improved livelihoods, and social inclusion. These dimensions enabled the examination of economic advancement alongside wider changes in community participation and opportunities available to young people (Madu & Yusof, 2015).

Human Capital Theory further informed the investigation by emphasizing the contribution of knowledge, skills, training, mentorship, and technological competence to productive economic activities. The theory suggests that individuals with stronger capabilities are better positioned to identify entrepreneurial opportunities, adapt to changing market conditions, and implement innovative solutions (Holden, 2016). Within youth entrepreneurship, digital literacy, enterprise management skills, and access

to relevant knowledge may influence the successful adoption of innovation practices and the realization of associated socioeconomic benefits. Related literature emphasizes the importance of capabilities in connecting entrepreneurial activities with meaningful economic outcomes (Gupta, 2020a; Dastane, 2020a). Consequently, Human Capital Theory provided a basis for interpreting differences in the capacity of youth groups to translate entrepreneurial opportunities into improved livelihoods and social participation.

Together, the three theoretical perspectives provided a multidimensional explanation of the relationship between entrepreneurial innovation and social transformation. Social Entrepreneurship Theory explained the potential contribution of enterprise activities to economic and social value creation, while Social Transformation Theory emphasized changes in opportunities, relationships, and community participation. Human Capital Theory highlighted the capabilities necessary for identifying, adopting, and sustaining innovative entrepreneurial practices. These perspectives suggest that social outcomes depend not only on the existence of innovation but also on the resources, capabilities, and institutional conditions influencing its implementation. Contemporary reviews similarly emphasize the need to establish clearer relationships between the characteristics of innovation and the social outcomes attributed to entrepreneurial activities (Grilo & Moreira, 2022; Harsanto *et al.*, 2022).

Empirical Evidence from Global Contexts

International empirical literature indicates that the social contribution of entrepreneurial innovation depends on both the characteristics of innovative activities and the circumstances influencing their implementation. Grilo and Moreira (2022), through a review of 34 articles, identified continuing fragmentation in theoretical and empirical explanations connecting social innovation with social entrepreneurship. Similarly, Harsanto *et al.* (2022) examined sustainability-oriented innovation in social enterprises and emphasized the importance of evaluating social and environmental consequences alongside economic performance. These findings support a multidimensional understanding of entrepreneurial innovation that extends beyond product development and financial returns. They also demonstrate the importance of evaluating community benefits empirically, since the adoption of innovative practices does not independently establish improvements in livelihood security, economic participation, or social inclusion.

Global labour-market evidence further demonstrates the importance of assessing entrepreneurial outcomes beyond employment creation alone. The ILO (2024) estimated that the global youth unemployment rate stood at approximately 13% in 2023, while also highlighting persistent challenges relating to employment quality and economic security. Subsequent labour-market assessments continued to identify barriers affecting young people's access to productive and secure employment

opportunities (ILO, 2025). These findings suggest that employment numbers alone provide an incomplete representation of social transformation, particularly where young people experience unstable earnings and limited access to essential resources. Consequently, the present study incorporated employment creation, income growth, improved livelihoods, and social inclusion as complementary dimensions of social transformation. This approach enabled a broader assessment of entrepreneurial innovation without assuming that improvements in one dimension necessarily produced equivalent changes in the others.

Empirical Evidence from Sub-Saharan Africa

Youth entrepreneurship in sub-Saharan Africa must be understood within labour markets characterized by extensive informal employment, limited formal-sector opportunities, and entrepreneurial participation motivated by both necessity and opportunity. The ILO (2024) documented persistent employment insecurity among young people in the region, underscoring the importance of examining the conditions under which entrepreneurial activities contribute to sustainable livelihoods. Evidence from social enterprise research further suggests that innovation can generate economic, social, and environmental benefits when enterprises respond to community needs and incorporate sustainability considerations (Harsanto *et al.*, 2022). Nevertheless, establishing an enterprise does not necessarily eliminate barriers associated with exclusion, inadequate financing, or limited access to productive resources. In communities experiencing expensive connectivity, constrained institutional support, and insufficient market opportunities, the benefits of innovation may depend on collective capabilities and access to enabling resources. These conditions provide an important foundation for interpreting entrepreneurial experiences among youth groups in Biashara Ward.

Although regional studies provide valuable perspectives on entrepreneurship and development, broader cross-national analyses may not adequately capture the socioeconomic experiences of young innovators operating within specific urban communities. Resource constraints, policy implementation gaps, local institutional relationships, and community networks may influence entrepreneurial activities in ways that are obscured by generalized findings (Dastane, 2020b; Mwangi & Ngugi, 2020). Consequently, an understanding of entrepreneurial innovation requires attention to the social and economic contexts within which young people identify opportunities and implement new practices. The experiences of youth operating in urban informal settlements may differ from those of entrepreneurs with stronger access to financing, infrastructure, and institutional support. These differences demonstrate the importance of generating locally grounded evidence on entrepreneurial innovation and its relationship with social transformation.

The regional literature further demonstrates that

entrepreneurial innovation should not be understood exclusively as a technological process or an individual accomplishment. Rather, innovation frequently emerges through interactions involving entrepreneurs, community networks, market institutions, and the resources available within specific economic environments. Its potential social consequences therefore depend on the viability of entrepreneurial activities, access to opportunities, and the institutional mechanisms through which resources and support are distributed. From this perspective, an important empirical question concerns which entrepreneurial innovation practices are associated with improvements in employment, livelihoods, income, and community participation (ILO, 2024; World Bank, 2023). This question provides a basis for examining innovation among youth groups within Kenya's urban communities.

Empirical Evidence from Kenya

Evidence from Kenya demonstrates the relevance of coordinated institutional support in strengthening youth entrepreneurship and economic participation. The World Bank (2023) reported that the Kenya Youth Employment and Opportunities Project reached 310,889 beneficiaries through interventions incorporating training, grants, business development services, and other forms of enterprise support. These interventions illustrate the contribution that skills development and institutional assistance can make to youth economic opportunities, although programme-level outcomes do not directly establish causal relationships between innovation practices and social transformation within individual youth groups. National employment statistics provide additional context concerning economic participation and the significance of informal enterprise activities (KNBS, 2024). Similarly, the national youth policy framework identifies economic empowerment, entrepreneurship, and participation in development as important policy priorities (Government of Kenya, 2019). Collectively, these sources support the need for localized investigations into whether group-based entrepreneurial innovation is associated with improvements in economic well-being and social inclusion.

Within Nakuru County, Maina (2020) reported an association between stronger innovation orientation among youth-led enterprises, improved enterprise performance, and participation in community development initiatives. This relationship suggests that entrepreneurial innovation may be relevant to both economic outcomes and wider community engagement, although enterprise performance should not be treated as equivalent to social transformation. Kokown *et al.* (2023), examining youth agribusiness enterprises in Nakuru County, reported that innovation-related entrepreneurial motivations were associated with the ability of young entrepreneurs to respond to structural challenges and participate in community development. These findings offer a locally relevant perspective on the relationship between entrepreneurial innovation and

youth empowerment. However, challenges involving inadequate mentorship, restricted market access, and limited institutional support continue to feature in discussions of youth entrepreneurship and enterprise development (Nteere, 2021; Wamalwa & Muturi, 2022). Such constraints warrant examination within the specific social and economic environment of Biashara Ward.

The reviewed literature revealed both contextual and analytical gaps in understanding entrepreneurial innovation and social transformation among youth. Existing employment reports and programme evaluations provide valuable evidence concerning youth development challenges and institutional interventions but do not adequately explain the relationships between specific innovation practices and multidimensional social outcomes within the thirteen youth groups examined in Biashara Ward (ILO, 2024; World Bank, 2023). International research also highlights the need for conceptual clarity and more explicit assessment of the benefits attributed to social innovation (Grilo & Moreira, 2022; Harsanto *et al.*, 2022). Accordingly, this study addressed the identified gap by combining questionnaire findings with focus group discussions and stakeholder interviews to examine entrepreneurial innovation within its community context. The integration of quantitative and qualitative evidence enabled the reported statistical relationships to be interpreted alongside the resources, networks, opportunities, and constraints shaping youth entrepreneurship.

Conceptual Framework

The conceptual framework distinguished entrepreneurial innovation as the explanatory construct from social transformation as the outcome construct. Entrepreneurial innovation was represented by product and service development, information and communication technology adoption, community-driven initiatives, and sustainable resource adaptation. Social transformation was operationalized through employment creation, income growth, improved livelihoods, and social inclusion. This conceptual distinction was consistent with research emphasizing the importance of evaluating social value and sustainability outcomes rather than assuming that entrepreneurial innovation necessarily produces community benefits (Grilo & Moreira, 2022; Harsanto *et al.*, 2022). Government programmes, institutional support, and local socioeconomic conditions were recognized as contextual influences on entrepreneurial activities and their associated outcomes. However, because the reported regression model did not include an interaction estimate, the study did not claim to have statistically established a moderating effect of institutional or policy support.

Overall, the reviewed literature provided a theoretical and empirical foundation for examining entrepreneurial innovation and social transformation as related but conceptually distinct constructs. It demonstrated that entrepreneurial activities may be associated with economic and social improvements, although the

strength and nature of these relationships depend on the prevailing socioeconomic and institutional environment. The literature also revealed a need for context-specific evidence concerning the innovation practices undertaken by youth groups and the associated changes in their economic and social circumstances. By examining these relationships within Biashara Ward, the present study contributed locally grounded evidence to the broader discussion of youth entrepreneurship and social transformation. The following section presents the methodological procedures used to collect, analyze, and integrate quantitative and qualitative evidence.

MATERIALS AND METHODS

The study adopted a convergent parallel mixed methods design, which enabled quantitative and qualitative data to be collected and analyzed concurrently before the findings were integrated during interpretation (Creswell & Plano Clark, 2018). This design was appropriate because the investigation required statistical evidence concerning the relationship between entrepreneurial innovation and social transformation alongside qualitative insights into the experiences of youth groups and relevant stakeholders. Quantitative information was obtained through structured questionnaires, while qualitative evidence was collected using focus group discussions and semi-structured interviews. The integration of these methods provided complementary perspectives on entrepreneurial practices, community relationships, and the institutional conditions influencing youth participation. This methodological approach strengthened the interpretation of findings by allowing quantitative relationships to be considered alongside participants' experiences and explanations.

The study was conducted in Biashara Ward, Nakuru City, Kenya, and targeted 209 active members drawn from thirteen registered youth groups, together with five purposively selected stakeholders. Using Yamane's (1967) sample size determination formula, 137 youth respondents were selected through stratified random sampling, producing a combined sample of 142 participants when the five stakeholders were included. Quantitative data were analyzed using descriptive statistics, Pearson correlation, and multivariable regression analysis in Stata, while qualitative information was subjected to thematic analysis. Instrument validity was assessed through expert review and pilot testing, while reliability was evaluated using Cronbach's alpha, with 0.70 adopted as the minimum acceptable threshold. Ethical review was undertaken through the Institutional Scientific and Ethics Review Committee at Tangaza University.

The analysis included descriptive examination of entrepreneurial innovation practices, pairwise correlations among social transformation dimensions, and multivariable regression of the overall social transformation measure. Descriptive statistics were used to summarize responses concerning entrepreneurial activities and perceived social outcomes, while Pearson correlation analysis examined the direction and strength

of relationships among the study variables. Regression analysis was employed to assess the statistical association between entrepreneurial innovation and social transformation within the specified multivariable model. Qualitative findings were organized thematically to explain the experiences, support mechanisms, and challenges reported by participants. The quantitative and qualitative results were subsequently integrated during interpretation to provide a more comprehensive understanding of entrepreneurial innovation in its community setting. Given the observational nature of the study, the reported relationships were interpreted as statistical associations rather than definitive evidence of causation.

RESULTS AND DISCUSSION

Respondent characteristics

The study involved 137 youth respondents that were representative of thirteen registered youth groups in the Biashara Ward. Most respondents were women (80.3%) echoing the active and significant role of women in the ward's entrepreneurial activity in group settings, which has been documented in other African urban settings (Mwangi & Ngugi, 2020). The age distribution of the respondents was also young with nearly 67% below 40 years, which is consistent with the overall population profile of the City of Nakuru as a youthful and fast-growing urban centre with a youthful population (County Government of Nakuru, 2022). From the education point of view, 56.2% had finished secondary education, 24.8% tertiary education, and 19.0% primary education, indicating both the level of literacy and foundation for supporting innovation engagement, and the constraints of secondary and tertiary education on access to advanced technological and business skills among the youth living in the urban informal settlements. Most (63.5%) had joined their social groups within five years, making these groups relatively new in their lives and thus a source of motivation for innovation-seeking behavior, and 58.4% were married, meaning that family responsibilities also act as a constraint on risk-taking and experimental entrepreneurial activity.

Entrepreneurial innovation practices

This section examines the extent and nature of entrepreneurial innovation practices among youth groups in Biashara Ward, drawing on a 14-item Likert-scale instrument organized across four innovation themes: product and service innovation, community-driven initiatives, ICT and technology adoption, and sustainability and resource access.

The results showed that youth groups in Biashara ward are very active and involved in various innovation activities, with a strong emphasis in the Agree and Strongly agree categories on all four themes of innovation. There is the greatest degree of response to the community-driven initiatives with 84.7% of respondents indicating they agreed or strongly agreed that their groups had engaged

in any type of income generating community projects, and 82.5% agreed or strongly agreed that innovation has been a major force in community development. The findings are important because innovation among the youth entrepreneurs in Biashara Ward is not an end in itself but rather it is part of a social transformation mandate since the start.

Innovation of products and services is also highly encouraged, as 81.6% of the respondents believed that new product and services have been created within their groups, while 83.9% agreed that new production methods have been introduced at collective meetings and as a result of the cooperation. The collective dimension of product innovation is remarkable, indicating that the innovation process in Biashara Ward is not a purely technical process but a social process that is carried out through group deliberation, learning and mobilization of resources, and not just through the individual initiative of entrepreneurs. Adoption of ICT/technologies gets strong level of agreement (82.4%), but somewhat less high than the other categories, which could be due to structural challenges such as the cost of internet access, limited digital skills, and poor infrastructure that continue to constrain the potential for ICT-driven innovation to be fully realized in the context of urban informal settlements (Nteere, 2021; Wamalwa & Muturi, 2022).

Other innovation sustainability and resource access dimensions also demonstrate a high level of engagement, with 88.3% stating that better access to resources as a result of innovation and 87.6% saying that the development of sustainable solutions to emerging community needs as a result of innovation. The patterns found suggest that innovation in Biashara Ward can be used to facilitate access to resources and opportunities that otherwise would be impossible for the marginalized youth to access, and are therefore directly operationalizing the empowerment dimension of innovation that was theorized in the study above.

These quantitative results are complemented by qualitative evidence which adds to and clarifies these quantitative findings. Regarding the use of ICTs, one respondent said: Young people are using social media to sell small items; some are trying out online delivery services. (R2)

This is an example of how youth businesses are being transformed by digital innovation to deliver better market access and commercial reach in the ward. As for resource adaptation at grassroots, a community leader reported that creativity in adapting boda boda services, in tailoring and in urban farming is very important to income generation and community survival (R3), and that creativity is a great way of empowering communities without the formal institutional support. Community forums and barazas were always mentioned as important spaces in which to learn from peers, exchange ideas and solve problems, and it was established that innovation was not individual but rather social and collective (Kokown *et al.*, 2023; Mwangi & Ngugi, 2020).

Table 1: Extent of Engagement in Innovation Practices among Youth Groups in Biashara Ward (n =137)

Innovation Theme	Innovation Practice	SD (%)	D (%)	N (%)	A (%)	SA (%)
Product and Service Innovation	New products and services developed in our group	5.1	4.4	8.8	25.7	55.9
Product and Service Innovation	Creativity within our group has led to development of innovative products/services	5.1	7.3	3.6	32.1	51.8
Product and Service Innovation	New production methods/services adopted through meetings and collective efforts	4.4	3.6	8.8	27.7	55.5
Community-driven Initiatives	Our group has undertaken community projects/ initiatives that generated income	5.8	3.6	5.8	9.5	75.2
Community-driven Initiatives	Our group contributes to essential social services (waste management, loans, basic needs)	5.1	2.9	3.7	41.2	47.1
Community-driven Initiatives	Our group has initiated projects that have effectively generated income	4.4	3.6	5.1	22.6	64.2
ICT and Technology Adoption	Our group successfully acquired/implemented new production technologies or services	5.9	3.7	8.1	33.1	49.3
Sustainability and Resource Access	Innovation has acted as a key driver in fostering community development	4.4	7.3	5.8	16.1	66.4
Sustainability and Resource Access	Innovation has facilitated better access to resources (finances, land, information, equipment)	2.2	1.5	8.0	40.1	48.2
Sustainability and Resource Access	Our group is committed to developing sustainable solutions in response to emerging needs	5.8	2.2	4.4	27.7	59.9
Sustainability and Resource Access	Our group has an established framework of tasks and competencies for our social enterprise	4.4	3.0	15.6	17.0	60.0
Sustainability and Resource Access	Through collective meetings, our group integrated services benefiting businesses/community	5.1	3.6	6.6	33.6	51.1
Sustainability and Resource Access	Our group has produced goods that were previously unaffordable for consumers	7.3	7.3	5.8	16.8	62.8
Sustainability and Resource Access	Innovative strategies (new products/trainings) enhanced growth of youth groups	8.1	5.9	2.2	30.9	52.9

Note: Items were measured on a 5-point Likert scale (1 = Strongly Disagree to 5 = Strongly Agree). Percentages are valid percentages excluding system-missing values.

Relationships among social transformation outcomes

To examine the relationships among social transformation outcomes, Pearson correlation analysis was conducted across four key outcome dimensions: employment creation, income growth, improved livelihoods, and social inclusion.

The correlations indicate strong, positive, and statistically significant relationships between each of the four outcomes of innovation-driven social transformation, suggesting a strong interdependence and reinforcement of the four dimensions. As for the central argument of the study, social inclusion and employment creation show the highest correlation ($r = .88$, $p < .01$), a finding of

Table 2: Correlations between Innovation-Driven Social Transformation Outcomes (n = 137)

Variable	Employment Creation	Income Growth	Improved Livelihoods	Social Inclusion
Employment Creation	1.00	.80**	.86**	.88**
Income Growth	.80**	1.00	.76**	.76**
Improved Livelihoods	.86**	.76**	1.00	.80**
Social Inclusion	.88**	.76**	.80**	1.00

Note: All values are Pearson correlation coefficients. $p < .01$ (2-tailed).

great significance which indicates that not only is income growth the main impact of innovation in Biashara Ward, but that its transformative power is even more deeply felt in the realm of social inclusion, belonging and social membership. The pathways that innovation can shape social futures are multi-faceted, with improved livelihoods strongly correlated with employment creation ($r = .86$, $p < .01$) and social inclusion ($r = .80$, $p < .01$), meaning that the impact is seen across economic, social and community aspects simultaneously, not sequentially. For the case of income growth, the correlation with all outcomes is strong (range $r = .76$ to $.80$, $p < .01$), but slightly weaker than the correlations with employment and livelihood dimensions, indicating that the social and community aspects of innovation-driven economic transformation are as important as, if not more than, purely financial outcomes. This is in line with the orientation of youth groups of the Biashara Ward which are not only socially entrepreneurial but also using the power of innovation for community empowerment, rather than just for maximizing profit (Gupta, 2020b; Dastane, 2020b). However, important nuances were

provided through the qualitative evidence, for example, “Challenges such as funding and internet costs remain, and many ideas die early due to lack of support” (R2), revealing the disconnect between potential for innovation and structural enablement that hinders the potential for innovation to drive social transformation in the context of urban informal settlements.

Regression results for social transformation

To assess whether entrepreneurial innovation was associated with social transformation after accounting for other included predictors, the study estimated a multiple regression model. Tables 3–5 report the innovation coefficient, model fit, and overall analysis of variance, respectively. The reported model also included social entrepreneurial capital, culture, and capabilities; however, their individual coefficient estimates were not included in the supplied manuscript. Interpretation therefore focuses on the reported coefficient for innovation and the overall model statistics, rather than making unsupported comparative claims about the omitted predictors.

Table 3: Regression Coefficient - Entrepreneurial Innovation Predicting Social Transformation

Predictor	B	Std. Error	Beta	t	Sig.
Social Entrepreneurial Innovation	.054	.025	.228	2.178	.031

Note: Dependent variable: Social Transformation.

Table 4: Model Summary

Model	R	R ²	Adjusted R ²	Std. Error of Estimate
1	.441	.195	.170	.187

Note: Predictors: Social Entrepreneurial Capital, Social Entrepreneurial Culture, Social Entrepreneurial Innovation, Social Entrepreneurial Capabilities.

Table 5: ANOVA

Source	Sum of Squares	df	Mean Square	F	Sig.
Regression	1.113	4	.278	7.973	.000
Residual	4.607	132	.035		
Total	5.720	136			

Note: Dependent variable: Social Transformation.

The multiple regression model was statistically significant, $F(4, 132) = 7.973$, $p < .001$, and accounted for 19.5% of the observed variation in social transformation ($R^2 = .195$; adjusted $R^2 = .170$). Entrepreneurial innovation had a positive coefficient ($B = .054$, $SE = .025$; standardized $\beta = .228$, $t = 2.178$, $p = .031$). This leads to a positive conditional association between the composite transformation outcome and innovation in the fitted model. The result alone cannot be interpreted as evidence for social change due to innovation because the analysis is an observational one with a coefficient table supplied by the researcher that does not contain estimates for all the covariates. The estimate can be better understood when interpreted in the light of the literature focusing on opportunities and constraints (ILO, 2024; Grilo & Moreira, 2022).

The correlation matrix shows that the creation of employment, increase in income, improvement of livelihoods and social inclusion are strongly correlated factors of the social transformation perceived by the respondents. The strong correlation between employment creation and inclusion, $r = .88$, $p < .01$, indicates that those respondents experiencing increase in employment also experienced increase in inclusion. The correlations measure associations between outcome measures, and are not used to estimate the impact of innovation on each outcome measure individually. This distinction is relevant because the conceptual literature sees the creation of social value as multi-dimensional, and labour market studies warn that employment and livelihood security are not synonymous (Grilo & Moreira, 2022; ILO, 2024). The qualitative evidence fills in the context: enterprise activity can be enabled by the introduction of peer learning, community forums, and informal finance arrangements, despite the role of finance and digital costs in limiting enterprise growth.

The quantitative and qualitative results together give qualified support to the theoretical framework of this study. The results obtained by the positive innovation coefficient are in line with the proposition that the creation of new solutions can be linked to social and economic value as noted by Grilo and Moreira (2022) and can be related to entrepreneurial activity oriented towards new solutions. Besides, the focus on resource adaptation is aligned with the innovation approach that emphasizes sustainability as put forward by Harsanto *et al.* (2022). Concurrently, the growing visibility of finance, skills, and institutional support in participants' narratives is similar to Kenya's integrated-support approach to youth employment programming (World Bank, 2023). What is unique about this study is the documentation of these relationships in a delineated setting of local youth groups, rather than the implication that the results suggest universal or causal effect.

It is also important to consider the scope of the study when interpreting the results. The sample comprised members of registered groups in one urban ward and experiences reported in this sample were those within

this registered group. Comparative context is available externally to the text, not as proof that the same relationships are necessarily found in other contexts. There are strong correlations between transformation dimensions that should be considered when analysing possible overlap in the way they were measured.

CONCLUSION

The study found that entrepreneurial innovations were positively correlated with self-reported social transformation in the youth groups involved in the study in Biashara ward, Nakuru city. The groups' entrepreneurial activities included the creation of new products/services, community-based initiatives, usage of technology, and adaptive resource practices, whereas the employment, social inclusion, income, and livelihood improvement were closely related outcome dimensions. The result of regression was statistically significant but the remaining regression coefficients were not fully presented and the design of the observations was geographically restricted, which reduces the ability to make causal and comparative inferences. The study suggests the creation of county and national programmes that incorporate affordable access to digital technology, hands-on training, mentorship, market linkages, and ongoing support for youth groups. The effects of changes over time and the link of different types of innovations to social outcomes should be tested in future studies.

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