

**INFLUENCE OF MICROFINANCE INSTITUTIONS ON START-UPS OF WOMEN  
ENTREPRENEURSHIP PROJECTS: A CASE OF SMEP MICROFINANCE IN  
LURAMBI SUB-COUNTY, KAKAMEGA COUNTY**

**BY**

**PETER MBURU KAMANO**

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ARTS IN PROJECT PLANNING AND MANAGEMENT OF THE UNIVERSITY OF  
NAIROBI**

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**DECLARATION**

This research project is my original work and has never been presented for the award of any degree in any other university.

Signature: ..... Date.....

**PETER MBURU KAMANO**

**L50/73548/2014**

This research project has been submitted for examination with my approval as the university supervisor

Signature:..... Date:.....

**DR.STEPHEN OKELLO**

**LECTURER UNIVERSITY OF NAIROBI.**

## **DEDICATION**

I dedicate this research project to my wife Catherine and my children Bernice and Andy for their unconditional support during the course of my study.

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## **ACRONYMS AND ABBREVIATIONS**

**KWFT:** Kenya women finance trust

**WWB:** Women's World Banking.

**K-REP:** Kenya Rural Enterprise Program

**NGO:** Non Governmental Organization

**USAID:** United States International Development

**SMEP:** Small and Medium Enterprise Program.

**SEDP:** Small enterprises development project

**NCCK:** National Council of Churches of Kenya

**MFIs:** Micro Finance Institutions

**MDGs:** Millennium Development Goals

**FEAP:** Family Economic Advancement Program

**PAP:** Poverty Alleviation Program

**SHGs:** Self Help Groups

**SMEs:** Small and Medium Enterprises

**IFC:** International Finance Corporation

## ABSTRACT

The establishment of microfinance organizations institutions has gone a long way in assisting women form start-up entrepreneurship projects. This study aimed to investigate their influence on start-ups of women entrepreneurship projects by; determining how training offered by microfinance institutions influence start-ups of women entrepreneurship projects; determining how credit facilities offered by microfinance institutions influence start-ups of women entrepreneurship projects; establishing how banking facilities offered by microfinance institutions influence start-ups of women entrepreneurship projects and establishing how interest rates charged on loans by microfinance institutions influence start-ups of women entrepreneurship projects. The study was guided by microfinance theory of change and financial sustainability paradigm emphasized by Mayoux (2005). A case study research study was adopted whereby staffs of SMEP microfinance were targeted to provide contacts and location of their women clients, 380 women entrepreneurs with start-up projects and who were members of SMEP microfinance institution in Lurambi sub-county in Kakamega County. The desired sample size was determined by use of Morgan and Krejcie Table for Determining Sample Sizes. A population of 380 yielded a sample of 191 women with start-ups projects in Lurambi Sub-County. Random sampling was employed to pick the sample from among the 191 women to be interviewed. Pilot testing was carried out on nineteen members of SMEP in Shinyalu sub-county before commencement of the study whereby errors on the instrument were corrected. An introductory letter was obtained from the University of Nairobi before commencement of data collection while the researcher observed all ethical practices during data collection. A research permit was obtained from NACOSTI. Data analysis was done using Statistical Package of Social Sciences (SPSS ver. 20.0). Descriptive statistic was computed and data presented using frequency tables. The data was further cross tabulated to analyse relationship between independent and dependent variables in each objectives. Also, Chi-Square test was conducted to test significance of association between these variables. In the first objective, the findings showed that 75.4 % women with start-up projects received training from SMEP microfinance. This training had a positive influence on the start-ups of women projects in Lurambi Sub-County as they could better handle their customers. Also they could analyses performance of their businesses. In the second objective, the study showed that 70 % of women with start-up projects were able to source for business opportunities due to credit availability. Credit availability had a positive influence on women start-ups projects as they were able to diversify their stock. In the third objective, the studies showed that 72% of women with start-up projects were saving with the microfinance. Saving had a positive influence on their start-ups projects as it could be used as collateral. Also, mobile banking was accepted by the microfinance. In the fourth objective, the study showed that 85.5% of women with start-up projects in Lurambi Sub-County strongly disagreed that interest rates were affordable. Interest rates had a negative influence on the start-ups as it was expensive, not negotiable and did not motivate them take bigger loans. The study concludes that to a large extent microfinance institutions influence positively start-ups projects of women entrepreneurship projects. Training should be extended to those not trained so that they benefit fully from the microfinance institution, more emphasis should be put on mobile banking as the world economies are headed for cashless transactions. The government should legislate on control of interest rates and taxes to protect entrepreneurs seeking finances to venture into projects.

## CHAPTER ONE

### INTRODUCTION

#### 1.1 Background of the study

Microfinance development has come a long way in its development over the years. Microfinance refers to loans, savings, insurance, transfer services, microcredit loans and other financial products targeted at low-income clients. It is also viewed as the provision of financial services by microfinance institution to low income groups without sufficient collateral but whose activities are linked to income generating ventures. According to Helms and Brigit (2006), in the 15<sup>th</sup> century the Franciscan monks founded community-oriented pawnshops. In the 19<sup>th</sup> century, the European Credit Union was founded by the likes of Friedrich Wilhelm Raiffeisen. In the 1970s the micro credit movements were founded by the likes of Mohammed Yunus who founded the Grameen Bank in Bangladesh and Al Whittaker. All these people have tested practices and build institutions designed to bring the kind of opportunities and risk management tools that financial services can provide at the doorsteps of poor people. These microfinance institutions provided financial assistance to the people who were locked out by mainstream banking institutions requirements. They endeavoured to enable these people set up economic activities with the aim of empowering them economically. Also the economic activities set up by these people would spur economic growth of these countries. While the success of the Grameen Bank with a clientele of over 7 million poor women has inspired the world, it has proved difficult to replicate this success elsewhere.

In the United States of America (USA) and Canada, microfinance target marginalized populations unable to access banking financing (FDIC (2011)). Close to 8%

of Americans are unbanked. This is close to 9 million people are without any kind of bank account or formal financial services. Most of these institutions are non-profit organizations. Microloans in the USA context is defined as the extension of credit upto \$50,000. According to Pollinger et al (2007), in Canada, Canadian Revenue Authority (CRA) guideline restricts microfinance loans to a maximum of \$25,000. The average microfinance loan size in the USA is \$9,732, which is ten times the size of an average microfinance loan in developing countries. While all microfinance institutions aim at increasing income and employment, in developing countries the empowerment of women, improved nutrition and education of the borrowers' children are frequently aims of microfinance institutions. In Canada and US, aims of microfinance, include the graduation of recipients from welfare programmes and an improvement in the credit rating. In the USA, microfinance has created jobs directly and indirectly as 60% of borrowers were able to hire others. According to reports, every domestic microfinance loan creates 2.4 jobs. These entrepreneurs provide wages that are on average 25% higher than minimum wage. Small business loans eventually allow business owners to make their businesses their primary source of income, with 67% of the borrowers showing a significant increase in their income as a result of their participation in certain micro-loan programmes. Also these business owners are able to improve their housing situations, 70% indicating their housing has improved. Ultimately, many of the small business owners that use social funding are able to graduate from government funding.

In India emergency of liberalization and globalization in early 1990s aggravated the problem of women workers in unorganized sectors from bad to worse as most women who were engaged in various self employment activities lost their livelihood. Despite

their substantial contribution to both household and national economy, their work is considered just an extension of household domain and remains non-monetized. In India, microfinance scene is dominated by Self-Help Groups (SHGs) as an effective mechanism for providing financial services to the “unreached poor” and in strengthening their collective self help capacities leading to their empowerment. According to Mayoux (1997) and Kabeer, (2001), increase in women’s resources results in the well-being of the family especially children. Hashemi et.al (1996) in their studies found that women’s access to credit contributes significantly to the magnitude of the economic contributions reported by women, to the likelihood of an increase in asset holdings in their own names, to an increase in their exercise of purchasing power and in their political and legal awareness as well as in composite empowerment index. Also access to credit was also associated with higher levels of mobility, political participation and involvement in ‘major decision-making’ for particular credit organizations.

In Nigeria, according to Parker, (2006), difficulty of access to loan from financial institutions such as commercial banks constitutes a great setback to entrepreneur development. According to Olu (2009), to say that microfinance empowers the entrepreneur spirits that exist among the small-scale entrepreneurs worldwide is not an exaggeration. Microfinance has the ability to strengthen microenterprises and encourage best practices among operators of small and medium enterprises. The central bank of Nigeria in its monetary policy circular No. 35 for the year 2001, stated the new initiative that evolve under the aegis of the bankers committee to give impetus to current efforts aimed at ensuring adequate resource allocation to SMEs. This initiative requires banks to set aside 10% of their profit before tax for the financing and promotion of SMEs in

Nigeria. Olu (2009) further asserts that microfinance institutions are evident tools for entrepreneur development due to various services they offer and the role they perform towards development of the economy. Microfinance institutions are key players in the financial industry that have positively affected individuals, business organizations, other financial institutions, the government and the economy at large through the services they offer and functions they perform in the economy. Microfinance institutions have a positive relationship with the Nigeria's economy as represented by expanded Gross Domestic Product (GDP). Structural adjustment programmes introduced in 1980s in Nigeria increased poverty rates among the women due to privatization of public corporations who retrenched women. These women ended up in the informal sector after leaving the formal sector. These women initiated traditional financial services such as 'Ayo' and 'Esusu' to assist them break out of vicious cycle of poverty. These are high risk institutions because they are not regulated. The government started programmes like People's Bank, Family Economic Advancement Programme (FEAP), and Better Life for Rural Women and Poverty Alleviation Programme (PAP) aimed at assisting these women. According to Awujobi (2013), despite these institutions being set up, they have failed to address the empowerment and poverty reduction among the Nigerian women. Success of microfinance institutions in Asian countries like Bangladesh and Indonesia prompted Nigeria government to initiate a blueprint on the introduction of microfinance in Nigeria to replicate the Asian countries model.

In Tanzania, women are denied choices due to oppressive social, cultural, legal, economic and political structures which resulted to their disempowerment. Kabeer, (1999) illustrate that there is a logical association between poverty and disempowerment



because an insufficiency of the means for meeting one's basic needs often rules out the ability to exercise meaningful choice. She further asserts that access to microfinance services will enhance the ability of poor women to exercise choices and take strategic decisions that affect their lives. According to Amin, Becker and Bayes (2013), when poor women access the microfinance services which provide them with start-up and working capital, training, insurance and saving, it is expected that women will engage themselves in income generating activities where they will experience increased productivity leading to positive outcome and other forms of women empowerment. Mayoux (1999) argued that sustainable microfinance services alone might lead to women's individual economic empowerment through stimulating women's micro-enterprises development, leading to increased income under women's control. She further asserts that microfinance programmes have contributed to some changes in gender roles. Where women who previously had no access to income set up economic activities and particularly where they are involved in marketing, this may lead to significant changes in women's mobility and knowledge of the world outside household. Participation in microfinance services leads to an increase in women control over savings and income generated from business, household ownership of properties and assets and self esteem.

In Kenya, emergency of microfinance institutions was necessitated by the need to assist low income earners who were left out by formal financial institutions. According to Ogindo (2006), microfinance emerged with the aim of filling the gap left by banks in providing credit to individuals, micro, small and medium enterprises which were on the rise. Also they gained prominence due to the fact that the formal banking sector since independence up to late 2000 regarded the informal sector as risky and not commercially

viable. Mwewa (2013) adds that MFIs developed and offered new, innovative and pro-poor modes of financing low-income households and MSEs based on sound operating principles. Among the pioneer MFIs in Kenya are Equity Building Society (currently Equity Bank), Family Building Society (currently Family Bank), Faulu Kenya and K-Rep. Others include Kenya Women Finance Trust (KWFT), and Small and Medium Enterprises Programme (SMEP),(which is National Council of Churches of Kenya funded). Wambugu (2007), posit that MFIs have been important sources of credit for a large number of low income households and Medium and Small Enterprises (MSEs) in both rural and urban areas in Kenya. According to Kamau (2010), since their inception, MFIs have greatly contributed to social economic empowerment to the beneficiaries and their dependants. The major services offered by microfinance institutions to their clients include savings, credit, insurance and credit cards. Also enterprise development services or non-financial services that assist micro entrepreneurs like skills development, business training, marketing and technology.

In Kenya, microfinance institutions have influenced women entrepreneurs greatly. Mutuku (2010) on his study on impact of MFIs on MSMEs in Kenya found out that they had a great impact on employment creation and poverty alleviation. Mbugua (2010) found out that microfinance services enhance financial performance of SMEs. Kemei (2011) found out that there was a significant and positive relationship between MFIs loans and performance of SMEs. A study by Cooper (2012), on the impact of micro finance services on the growth of SMEs in Kenya, found a strong and positive relationship between microfinance services and growth of SMEs. At the Global Entrepreneur Summit in Nairobi on 25<sup>th</sup> July, 2015, US president Barack Obama while

addressing the summit highlighted the importance of investing in start-ups founders from diverse background. He said “ if you’re playing a game and only half your team is on the field, you’re not going to win”. Not involving women in the economy, he said “is stupid”.

## **1.2. Statement of the problem**

Microfinance institutions were started in the 15<sup>th</sup> century to offer credit facilities to small micro enterprises in order to upgrade them to full fledged businesses. Microfinance is viewed as the provision of financial and non-financial services by microfinance institution to low income groups or individuals without sufficient collateral but whose activities are linked to income generating ventures. These institutions were also designed to offer financial assistance to individuals who were locked out of the mainstream banking sector stringent financial requirements. The financial assistance enabled this unbanked sector of the economy to set up businesses aimed at empowering them economically and offer them a source of livelihood.

Microfinance institutions are struggling with the problem that many women enterprise projects do not start up. The management of the microfinance institutions want to increase their knowledge and believe that these will in turn improve women entrepreneurship skills and therefore play a major role in achieving their goal of empowering them economically.

To investigate this problem the study plan to focus on start –ups of women entrepreneurship projects in Lurambi Sub-County using the following problem statement, objective and research questions: many women enterprises do not start up, to increase women entrepreneurship skills and enable women enterprises to start up, research

questions will focus on how women entrepreneurship skills can be improved in order to increase start up projects.

### **1.3. Purpose of the study**

The purpose of the study was to determine the influence of microfinance institutions on start-up of women entrepreneurship projects; a case of SMEP microfinance in Lurambi sub-county, Kakamega County.

### **1.4. Objectives of the study**

The study was guided by the following objectives:

1. To establish how training influence start-ups of women entrepreneurship projects in Lurambi sub-county, Kakamega County.
2. To establish how credit facilities influence start-ups of women entrepreneurship projects in Lurambi sub-county, Kakamega County.
3. To establish how banking facilities influence start-ups of women entrepreneurship projects in Lurambi sub-county, Kakamega County.
4. To establish how interest rates influence start-ups of women entrepreneurship projects in Lurambi sub-county, Kakamega County.

### **1.5. Research questions**

The study was guided by the following research questions:

1. How does the training offered by microfinance institutions influence start-ups of women entrepreneurship projects in Lurambi sub-county, Kakamega County?
2. How does the credit facilities offered by microfinance institutions influence start-ups of women entrepreneurship projects in Lurambi sub-county, Kakamega County?

3. How does banking facilities offered by microfinance institutions influence start-ups of women entrepreneurship projects in Lurambi sub-county, Kakamega County?
4. How does interest rate charged by microfinance institutions influence start-ups of women entrepreneurship projects in Lurambi sub-county, Kakamega County?

### **1.6. Significance of the study**

The information generated by this research project reveals extent to which microfinance institutions influence start-ups of women entrepreneurship projects in Lurambi sub-county, Kakamega County. It shows how training, credit, banking and interest rates charged on loans influence women entrepreneurship projects.

The findings of the study are useful to financial planners and microfinance institutions, education sector, policy makers, community members, NGOs and other entrepreneur and development partners as it will assist them handle issues concerning women entrepreneurs.

The findings are also important to policy makers who can use the findings to formulate policies that will improve performance of microfinance institutions in terms of training, banking and credit facilities extended to women who set up entrepreneurship projects.

### **1.7. Assumptions of the study**

This study was based on the following assumptions; that all respondents that were selected cooperated and were willing to give truthful and correct information pertaining to their start-up businesses. That the women involved in the study were those who had just set up entrepreneurship projects. That the respondents were representatives of the

whole population of women with start-ups entrepreneurship projects. That the respondents understand both English and Kiswahili languages.

### **1.8. Limitations of the study**

This study was based on the following limitations; that the researcher was limited in time and resources at his disposal. Due to these constraints, the researcher covered start-ups of women entrepreneurship projects funded by Smep in Lurambi Sub-County in Kakamega County. Also he applied sampling that was spread well across the study area so that he could cover the area effectively. That the haphazard and disorganized nature of businesses around Lurambi Sub-County could hamper effective data collection and that the entrepreneurs were unwilling and uncooperative in volunteering information and filling the questionnaires. This was countered by hiring a research assistant who was recommended by the microfinance as she used to work with them part time and she knew most of the entrepreneurs. Also a letter of introduction from the university was used to introduce the researcher who also assured the entrepreneurs that the research was purely for academic purpose and was confidential. That the research instruments might give varying data depending on individuals used. This problem was addressed by applying both qualitative and quantitative approach to research.

### **1.9. Delimitations of the study**

Delimitation of the study is the process of reducing the study population and area to a manageable size. The research is delimited in terms of the scope that it covers.

Participation of this study was delimited to start-ups of women entrepreneurs' projects in Lurambi sub-county, Kakamega County. Also it was limited to projects that were funded

by Smep microfinance and the women who ran these projects and were active members of Smep during the time of the study.

### **1.10. Definitions of significant terms**

**Banking facilities:** these are services given by banks to women entrepreneurs which include cash deposits, cash transfers, automated teller machine services and bank overdrafts.

**Credit facilities:** These are small loans extended to women aimed at starting or expanding entrepreneur projects set up by women.

**Entrepreneurship:** is the process of identifying a need in the market, assembling the requisite resources to set up a business to satisfy that need.

**Microfinance:** This is provision of financial services to low income clients. These services include savings and credit, insurance and payment services, advisory services, pre-loan and financial management training.

**Microfinance Institutions:** Are institutions that offer banking, credit and training facilities to women entrepreneurs who are clients of the institutions. These institutions are not the mainstream banks.

**Start-up of women entrepreneurship projects:** Are businesses established by women in their quest for economic empowerment.

**Training:** This refers to knowledge offered by microfinance institutions to women in Lurambi sub-county on how to start and run small businesses.

### **1.11 Organization of the study**

The study was organized into five chapters; chapter one of the study comprised the background of the study, the statement of the problem, the purpose of the study, objectives of the study, the research questions, significance of the study, basic assumptions, limitations and delimitations of the study and definition of significant terms used in the study. Chapter two of the study dealt with related literature on the influence of microfinance institutions on start-ups of women entrepreneurship projects in other countries. These include the influence of training offered by microfinance institutions on start-ups of women entrepreneurship projects, influence of credit facilities, banking facilities and interest rates charged on loans to these entrepreneurship projects. Also it deals with the theoretical and conceptual framework applied on the study and the knowledge gap that the study fills. Chapter three focused on the research methodology and was comprised of the Introduction, Research design, Target population and Sample selection and Size. It also shows how data was collected, Data collection instruments, Pilot testing, Reliability and Validity of instruments, ethical considerations and data analysis techniques. Chapter four dealt with the research findings, analysis, interpretation and presentation of these findings. Chapter five dealt with the summary of the findings, their discussions and conclusions drawn from these findings. It also dealt with the recommendations drawn from the study and areas for further studies.



## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.1. Introduction**

This chapter dealt with literature review concerning influence of Microfinance institutions in Kenya on women entrepreneurship projects in terms of training, credit facilities, banking services offered to them and interest rate charged on loans to women entrepreneurs. This section also contains the conceptual framework showing the relationship between independent and dependent variables of the study.

#### **2.2. Concepts of microfinance establishment**

According to Choudhury et al (2005), microfinance institutions have emerged as a substitute for formal financial institutions which have limited the accessibility of credit by the poor due to lack of collateral. Women in the society are among the poorest because traditionally they are subordinated to men who control all the resources in the households. Accessibility to credit by these poor women enable them mobilise capital which support them in starting businesses. Microfinance institutions include government, Non-Governmental Organizations, Saving and Loan Companies, Credit Unions, Government Banks, Commercial Banks or Non-Bank Financial Institutions. Micro finance institutions (MFIs) consist of agents and organizations that are engaged in relatively small financial transactions using specialized, character based methodologies to serve low-income households. These transactions are designed to favour the poor women who are in need of small capital for starting small businesses without the need of burdening the women with security requirements in form of collateral. Apart from giving these women small loans, they provide enterprise development services such as skills

training on how to run their businesses and banking facilities like deposit taking, payment services, automated teller machines and other cash transfer. Also they charge small interest on the loans they extend to these women to cover for their operation cost and make a small profit to ensure sustainability of the lending institutions.

Microfinance covers a broad variety of institutional arrangements ranging from small self-help groups with a handful of members to huge organizations that have nationwide coverage and millions of clients. MFIs can be non-governmental organizations (NGOs), Savings and Loans Companies, Credit Unions, Government Banks, Commercial Banks, or Non-Bank Financial Institutions (William 2011).

Most micro finance organizations target poor women and usually those from socially excluded groups. Various researches conducted by institutions such as UNDP (1995) and the World Bank (2001) indicate that gender inequalities inhibit growth and development. According to UNDP (2003) Human Development Reports, women make up the majority of lower paid and unemployed portion of most economies. It is believed that the welfare of a family is enhanced, when women are helped to increase their incomes. These include increased expenditure on family nutrition, clothing, medical and education for the children. Hence, assisting women generates a multiplier effect enlarging the impact on the family needs and reducing dependence from the husband. When women are empowered economically the society at large is empowered. This therefore justify giving women priority. Also, women are believed to be better in their repayment records and cooperativeness with the microfinance institutions.

Empowerment of women in the society goes a long way in uplifting the whole family. In a household, the woman is tasked with household care. The whole family look upon her for food, medical care when the family is sick and general upkeep of the home. An empowered woman will ensure that all the services she renders to her family are of better quality. When microfinance offers affordable funding to these women, this assistance can go a long way in making these women achieve these.

### **2.3. Training and start-ups of women entrepreneurship projects**

Microfinance institutions offer financial training and advisory services to the people taking up their loans for entrepreneurial activities so that there is a guarantee that there is loan repayment via wise investment. KIT and IIRR, (2010). Training by microfinance institutions therefore plays a pivotal role in ensuring that those who take up finances have some basic knowledge on how to run a business. The training by these institutions may not be detailed but it is simplified to an extent that even semi illiterate women who form the bulk of customers of these institutions are able to understand it. It entails simple methods of profit calculations through addition and subtraction.

The United Nation acknowledges microfinance as a key instrument to achieving the Millennium Development Goals (MDGs). Goal one deals with eradication of extreme poverty and hunger and goal three is promotion of gender equality and empowerment of women. Microfinance therefore comes in handy to assist in attainment of these goals. Women start-ups entrepreneur projects are normally small businesses with equal chances of success and failure at their inception. Human capacity building is a key element of sustainable development; entrepreneur skills will help them acquire the mind set and know-how necessary to make self-employment a viable career option. This will empower

women to become self-employed and engage in a productive livelihood which will help them escape the traps of poverty and become active contributors in the economic and social activities of their communities.

According to IFC study conducted in 2006 in Vietnam, women business owners expressed a strong need for entrepreneurial education and training. The study showed that women entrepreneurs do not only desire general business management skill development, but also specific training and technical assistance in the areas of financial management and how to access new markets. Kimanjara (2013), in his study found out that access to education and training is a strong demand of micro and small enterprise owners and operators. However, high training costs has hindered their access to the services. They cannot afford to participate in training courses on communication skills, leadership skills, general management, human resource management, process management, marketing, computer skills- the important skills and knowledge which are indispensable to improve the performance and productivity of their businesses. Lakwo, (2006) posit that lack of planning, improper financing and poor management are the major causes of failure of these small enterprises.

According to King and McGrath, (2002), education is one of the factors that impact positively on growth of firms. Those entrepreneurs with larger stock of human capital, in terms of education and vocational training are better placed to adapt their enterprises to constantly changing business environments. According to Women Entrepreneurs in Kenya, (2008), lower school education does not emphasize entrepreneurship skills. It decreases the chances that women will have the knowledge needed to excel in business and therefore contribute to the country's overall economic

growth. In education, preference is given to boys, thus educational level of women entrepreneurs is very low, creating a barrier to them accessing training and other business development services. According to Kimanjara (2013), financial management is important especially for the financial transactions where large proportion of income is financially managed, i.e. saved, borrowed, lent and paid or received. Financial management is not a choice but a necessity for survival of these women projects. He continued to add that ‘‘there is a direct relationship between women’s economic, educational and empowerment status. For the disadvantaged women to become successful entrepreneurs, they should be given training in technical skills like how to obtain business licences and government procurement and in business skills like cash flow management, accounting and book keeping. Training offered by microfinance institutions play a big role in ensuring survival and success of women entrepreneurship projects.

Training of these women entrepreneur to equip them with requisite knowledge to be able to run their projects adequately will go a long way in alleviating poverty and empowering them economically. Also training will instil confidence to these women entrepreneurs who will be able to train their workers and run their projects effectively. Training will also open the eyes of these entrepreneurs to new business opportunities in their areas and therefore utilize untapped opportunities.

#### **2.4. Credit facilities and start-ups of women entrepreneurship projects**

Microfinance Institutions (MFIs) consist of agents and organizations that are engaged in relatively small financial transactions using specialized, character based methodologies to serve low-income households, micro enterprises, small farmers, and

others who lack access to banking systems. According to William (2011), MFIs can be non-governmental organizations (NGOs), saving and loan companies, credit unions, Government Banks, Commercial banks or Non-Bank Financial Institutions.

According to Epstein and Keith (2007), Kenyan women entrepreneurs at the micro, jua-kali level, have great difficulties obtaining financing due to collateral constraints. Most of them are forced to cooperate with other women in small groups to mobilize savings and pool these resources for lending to individual group members. Alternatively, they form small groups to access micro-credit, through a mutual guarantee system, from a micro-finance organization like KWFT or Women Economic Empowerment Consort (WEEC). Also, according to Ibru, (2009) and Kizilwa, (2005), women seek assistance from MFIs because they lack both capital (loan and savings) and human capital (skills and education). They lack capital due to unemployment, low household and business income, lack of assets for collateral required by banks, high interest rates charged by banks, their inability to save, small nature of their firms, age of their firms and the industry they engage in which generate less profit. Thus providing them with microfinance loans would create an opportunity for them to engage in new businesses or improve an existing one. (Allen et al. 2008).

Micro-credit institutions enhance household's capacity through financing investments promoted by the poor, (Mann, 2002). They offer financial services like loans, deposits, payment services and insurance to the poor and their micro enterprises. Once these poor households acquire loans, they have capital which they invest in small start-up businesses which generate money and empower these households economically. According to United Nations Development Programme (UNDP) Human Development

Report (2003), women make up the majority of lower paid and unemployed portions of most economies. It is believed that the welfare of a family is enhanced when women are helped to increase their incomes. This is due to the fact that women spend most of their incomes on their households, thus assisting women generate a multiplier effect enlarging the impact of the family needs and thereby justifying microfinance laying more emphasis on women.

Access to credit is an important mechanism for reducing women's poverty and to empower them. Access to credit and participation in income generating activities is assumed to strengthen women's bargaining position within the household. This allows them to influence a greater number of strategic decisions in their households. If for example the family wanted to buy a vehicle and the woman is contributing to its purchase, she will have a say on the colour of the vehicle as opposed to a situation whereby the husband is buying it fully from his own money. Also the woman will have a say on the suburb they should buy a plot if she is going to contribute to the purchasing cost. Rehman and Khan (2007) also adds that microfinance services lead to women empowerment by influencing their decision making power at the household level and their social economic status.

According to Mjomba (2011), improvement in women access to credit through microfinance institutions expand choices available to women by providing them with greater access to economic opportunities. This leads to economic empowerment that transpires into greater bargaining power in the intra-household decision making process. Khandker et al (2003) draw on the 'collective household model' to motivate his change in gender relations brought about by access to credit. Credit is seen as a critical input for

increasing the employment of women in homestead income generating activities or enhancing the productivity of women's enterprises through adoption of an improved technology.

Goetz and Gupta (1996) posit that micro-credit improve the position of women within the household through empowerment brought about by increase in independent income; empowerment through 'control' over credit and savings decisions, and through increased worth of women within the family, stemming from their ability to bring a 'valuable' asset to the household economy.

Simojoki (2003) argues that microfinance empowers women by strengthening their economic role, increasing their income and ability to contribute to the family income, increasing their employment and productivity, helping them to establish their identity independent of the family, and giving them experience and self-confidence in the public sphere. Economic empowerment includes increasing women economic autonomy by providing independent sources of income and therefore reducing economic dependence on their husbands.

Holvoet (2005) in her study found that in direct bank-borrowers minimal credit, women do not gain much in terms of decision-making patterns. But when loans are channelled through women's groups and are combined with more investment in social intermediations, substantial shifts in decision-making pattern are observed. There is a shift in norm-following and male decision making to more bargaining and sole female decision-making. She further found that the effects are even more striking when women have been members of a group for a longer period and especially when greater emphasis



has been laid on genuine social group intermediation had further gradually transformed groups into actors of local institutional change.

Mayoux (1997) argues that the impact of microfinance programmes on women is not always positive. Women that have set up enterprises benefit not only from small increases in income at the cost of heavier workloads and repayment pressures, but at times these loans are used by men in the family to set up enterprises or women end up being employed as unpaid family workers with little benefits. Also in some cases women's increased autonomy has been temporary leading to withdrawal of male support. Small increases in women's income are also leading to a decrease in male contributions to certain types of household expenditure. Rahman (1999) found out that between 40% and 70% of loans disbursed to women are used by their spouses and this leads to tension in the household and ultimately domestic violence. Availability and lack of credit from microfinance institutions influence women entrepreneurship projects as demonstrated here.

Credit facilities if availed to women entrepreneurs at affordable rates and without stringent requirements in terms of application procedures will embolden these women entrepreneurs to embark on more entrepreneur projects. These projects will benefit the economy of the country. Also they will have the initiative to expand their start-ups into fully fledged formal businesses.

## **2.5. Banking facilities and start-ups of women entrepreneurship projects**

Banking facilities offered by microfinance institutions of start-ups of women entrepreneurship projects include but to limited to saving, insurance, cash transfer and cash payments. Saving trends in Kenya has not been steady for the last two decades.

Gross Domestic Savings (GDS) as a percentage of Gross Domestic Product (GDP) range between 3.6% and 24.9% with Growth Domestic Investment (GDI) being between 7.7% and 25%. In the last two decades, GDS has been below GDI. This suggests that resources accumulated locally are inadequate for the country's investment needs; this emphasizes the need to increase business domestic savings. According to Buckley (1997) and Robinson (1996), opportunity to save rather than access to credit would leverage the poor out of poverty. Saving also serves as protection against illness and occasional unemployment, (Rhyne and Otero 1992:1562).

According to Gulli (1998), advantages of saving for low income micro entrepreneurs include among others the fact that saving promotes the borrower's own responsibility and self-help and familiarize them with prompt repayments. Saving requirement is also testing member's ability and willingness to repay their loans. Naslund et al. (1993), shows that women who have contributed more to their own savings have a higher repayment level. Lakwo (2006) also posit that women particularly the less educated ones, find it more difficult to get financing from banks because they lack information on how to get financing from banks as they lack information on how to go about securing a loan. Mbogo (2013) also observed that at times credit may be available for women through a multiplicity of schemes but often not adequately listed nor is there networking among agencies. As a result, clients approaching one institution are sometimes not made aware of the best option for their requirements.

Mjomba (2013), observed that microfinance institutions have a very critical role to play to cushion women entrepreneurs in case of them encountering any emergency. Women with savings in the microfinance institutions have increased capacity to deal with

risks through withdrawal of savings or obtaining credit in case of an emergency. This means that their productive assets (machinery, inventory, land and livestock) need not be sold after an emergency. This means that any emergency they encounter will not affect their productive capacities after they have tackled it. Their productive capacities are insulated by the microfinance institutions that step in and offer alternative means of solving the emergency by extending credit. This ensures that the start-up project will continue to survive amid any challenges the women might encounter along the way.

Microfinance institutions also offer women entrepreneurs an increased opportunity to invest in productive enterprises. According to Mjomba (2013), these increased capabilities of households to produce, consume and invest may be reflected only partly in the actual credit and savings relationships with microfinance institutions. This is due to the fact that reliable access to microfinance forms a potential that can be tapped if and when required. This potential may, for example mean that the household's own resources will be utilized more fully for production, with microfinance being relied on if there is an emergency.

Self Employed Women Association (SEWA) Bank in India was formed and registered as a trade union in Gujarat. Its aim was to strengthen its members bargaining power to improve income of its members bargaining power to improve income of its members, create employment, and access social security, (Vetrivel and Kumarmangalam, 2010). Women pooled resources together and formed this microfinance institution to provide banking services to the marginally poor, illiterate, self-employed women. Bett (2013) adds that finance organizations have thus become viable financial options to many small clients who seek small loans as well as advice on how to wisely utilize the loans

borrowed. Thus, it is evident that microfinance institutions influence start-ups of women entrepreneurship project greatly. Banking facilities if availed to women entrepreneurs cheaply will go a long way in enhancing their business efficiency. This will in turn spur these businesses transformation into profitable and efficient venture.

## **2.6. Interest rates and start-ups of women entrepreneurship projects.**

Interest rates of microfinance institutions and banks are controlled by Central Bank of Kenya base lending rate. On top of the base lending rate, these institutions factor in their operational and overhead costs and profit they propose to earn on loan offered to their clients. These institutions endeavour to make profits from their operations and the extent to which they profit from their clients largely go unregulated by the central bank as the financial sector is a free market governed by market forces. These institutions charge exorbitant rates of interest making their loans beyond the reach of most people.

According to Saleemi (2007), interest rate is the return on capital cost of credit. Interest can be classified into gross and net interest. Gross interest is the total amount that debtor pays to a creditor while net interest is the part of interest that is for the use of capital only. Interest rate determines the amount of money one may take up from money lenders. Mwongera (2014) posit that the higher the interest rate, the higher is the cost of credit and therefore this discourages women entrepreneurs from taking loans from money lenders and turn to their friends and relatives to seek for start-up capital for their businesses. They are unable to take up these loans from these institutions due to their low capital outlay of their businesses which in turn lead to low turnover from these businesses. The low turnovers make it impossible for these businesses to service any loan they may take from these institutions.

According to *Women Entrepreneurs in Kenya (2008)*, most women entrepreneurs are likely to have multiple short-term loans to cater for both their businesses and social needs. This is due to the fact loans to these entrepreneurs only satisfying a fraction of their financial needs. According to Kathuku (2014), loans from Kenyan microfinance institutions tend to be limited in amount, have no grace period, are short term in design and carry heavy interest rates. Women owned entrepreneurship projects face a myriad of problems in their operations chief among these problems include lack of collateral to enable them take substantial loans from banking institutions and high interest rates charged on loans they take from lending institutions. Also, the short payment periods make it difficult to embark on any development or expansion of their projects.

According to Kathuku (2014), women small and medium enterprises also face high cost of credit, high bank charges and fees. She continues to say that scenario witnessed in Kenya during the period of the year around 2008, testifies to the need for credit among the common and low earning people for entrepreneur endeavours. During this period, numerous money lenders in the name of pyramid schemes came up which enticed little investors with soft loans. These schemes were attractive as they offered alternatives and soft credit with low interest rates while making profits.

Interest rates charges are the single most important factor that influence uptake of loans by these women entrepreneurs. If these rates are affordable women entrepreneurs will be able to access loans to set up economic activities to help their households. The women will also invest more in their children schooling and provide better food for the family. Availability of cheap credit will have a positive ripple effect to all sectors of the economy in the country and therefore spur economic growth.

## **2.7. Theoretical framework**

The first theory used in this study is the microfinance theory of change. In the microfinance theory of change, a poor person goes to a microfinance provider and takes a loan (or save same amount) to start a microenterprise. This enterprise yields enough revenue to repay the loan with major interest and still have sufficient profit to increase personal or household income enough to raise the person's standard of living.

The second theory applicable to this study is the financial sustainability paradigm emphasized by Mayoux (2005). The paradigm underlies the models of microfinance promoted since the mid-1905 by most donor agencies. Large programs which are profitable and self supporting and that, compete with other private banking institutions and capable of raising funds from international financial markets, is the ultimate aim of such endeavours. Financial sustainability is seen as addition to create institutions which reach significant number of the poor. The success of the programs is measured in terms of covering costs from incomes. The need for targeting women is justified on grounds of high female repayment rates and the need to stimulate women's economic activity. It is believed that increasing women's access to microfinance services will in itself lead to individual economic empowerment though enabling women's decisions about savings and credit use to set up micro enterprise, increasing incomes under their control.

## 2.8. Conceptual framework

This conceptual framework demonstrates the independent and dependent variables. The independent variables are training, credit facilities, banking facilities and interest rate charged by microfinance institution and are presumed to influence start-ups.

The dependent variable is the start-ups of women entrepreneurship projects.

### Independent variables

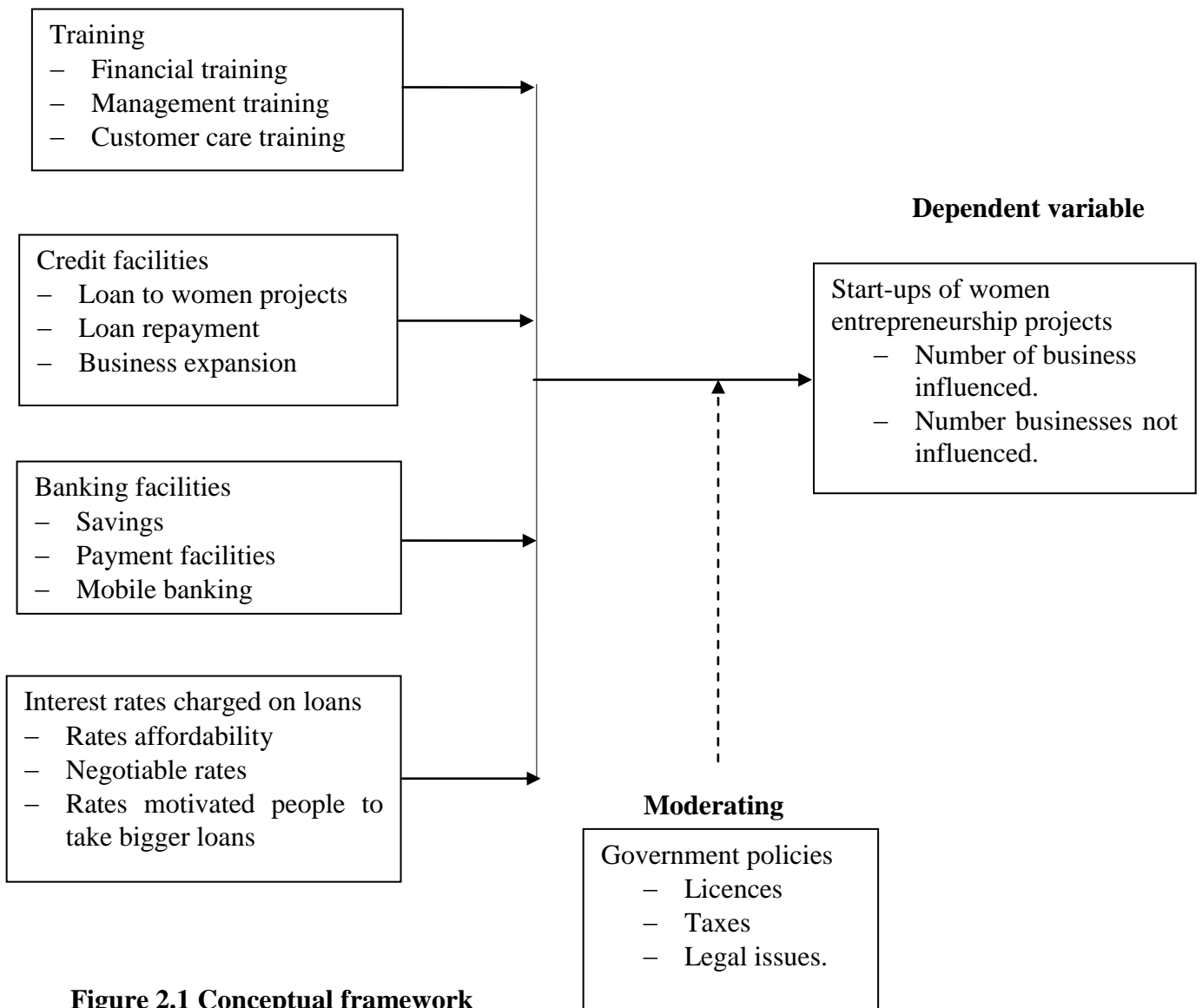


Figure 2.1 Conceptual framework

## **2.9. Summary of literature review and gaps**

The various services offered by microfinance institutions on start-ups of women entrepreneurship projects have varied influences on the women projects. Training to these women entrepreneurs goes a long way in enhancing their capacities to be able to run their projects effectively.

Credit facilities when availed to these women entrepreneurs without the requirements of collateral which most women lack enable them start their entrepreneurship projects with ease. Also, when this credit is easily available it enables the women even to take several loans to solve various financial problems they may be faced by.

Banking facilities offer women a chance to accumulate their savings, offer them debit cards which enable them access funds saved in the microfinance institutions when the need arises. Also when interest rates are affordable to women entrepreneurs, it encourages them to take loans as they can easily pay the loans.

## **2.10. Research gap**

The literature reviewed shows that the debate on the influence of microfinance institutions on start-ups of women entrepreneurship projects is inconclusive. Therefore conducting this study is justified by the increased importance given to microfinance in funding start-ups entrepreneurship projects as a way to empower the needy especially women in our society. The government has given a lot of emphasis on the women entrepreneurs as it sees them as a vehicle for poverty alleviation and economic empowerment of its people through creation of employment. Efforts to improve financial performance and therefore the growth of start-ups of women entrepreneurship projects



remains largely unexploited due to mostly lack of knowledge by most women on where and how to source for funds to start and expand their start-ups. It is against this background that the study aims to bridge this knowledge gap by investigating the influence of microfinance institutions on start-ups of women entrepreneurship projects in Lurambi sub-county, Kakamega County.

## **CHAPTER THREE**

### **RESEARCH METHODOLOGY**

#### **3.1. Introduction**

This chapter present the research design that was applied on this research study, the target population for the study, the sample size and sampling design that was used in the study. It also details the data collection methods, how that instruments were piloted, the validity of the instruments, the reliability of the study and data presentation. Also it deals with data analysis and finally the operationalization of variables.

#### **3.2. Research design**

The study employed case study research design. According to Kothari (2005), a research design is the arrangement of conditions for collection and analysis of data in a manner that aims at combining relevance to the research purpose with economy and procedures. Descriptive survey was preferred here as it attempted to describe, analyse and interpret the circumstances at the time of the study. It involved collecting data in order to answer questions concerning the current status of the subjects of the study, (Kerlinger, 2000; Mugenda and Mugenda, 1999).

#### **3.3. Target population**

Target population consisted of all women with start-up entrepreneurship projects who are members of SMEP microfinance institutions in Lurambi Sub-county, Kakamega County. A total of 380 women clients of the microfinance formed the population. Also staffs of SMEP microfinance were interviewed to give contact details and physical locations of these women entrepreneurs from the microfinance institutions records. This

enabled the researcher to drop and pick questionnaires from their premises for ease of conducting the research study.

### **3.4. Sample size and Sampling procedure.**

#### **3.4.1 Sample size**

The sample size was determined according to Krejcie and Morgan table of sample determination, of which a population of 380 yielded a respondent of 191 which the study used during data collection. According to Krejcie and Morgan (1970) in their theory of determining sample size, they reported that a population of 380 would require 191 sample size. This sample size is either read straight from the table or calculated using the formula below. With a 95% level of confidence and 5% margin of error, sample size was arrived at as follows;

$$S = \frac{X^2 NP(1-P)}{d^2(N-1)} + \frac{X^2 P(1-P)}{d^2}$$

Where S=the required sample size.

$X^2$ =table value of chi-square for one degree of freedom at the desired confidence level of 5% which is 1.96<sup>2</sup> (which is 3.841)

N= total number of women clients which for our case is 380

$$S = 3.841 * 380 * 0.50(1-0.5) / 0.05^2(380-1) + (3.841 * 0.5(1-0.5))$$

$$= 3.841 * 380 * 0.50(1-0.5) / 0.05^2(380-1) + (3.841 * 0.5(1-0.5))$$

= 191 women microfinance clients.

From the table, a target population of 380 gave a sample size of 191 respondents.

### **3.4.2. Sampling procedure**

Orodho and Kombo (2002) posit that sampling is the procedure which a researcher uses to gather people, or things to study. It is a process of selecting a number of individuals or objects from a population such that the selected group contains elements representative of the characteristics found in the entire group. Krejcie and Morgan table formula as shown in the equation was applied in determining the sample size of which this method was followed as indicated hereto.

### **3.5. Data collection instruments**

According to Mugenda and Mugenda (2003), data collection instruments are tools used for collecting data from respondents. The study used questionnaires and interviews to collect primary data from the respondents. Documents were reviewed from similar research, archives and internet to source for secondary data.

#### **3.5.1. Pilot Testing of the instruments**

Piloting was conducted in Shinyalu with a population of homogenous characteristic, of which 10% as propagated by Mugenda and Mugenda (2009) was applied and a population of 19 women entrepreneurs was sampled during the study. Questionnaires were administered and all were returned which was 100% return rate. The instruments captured the required information and therefore were not corrected.

#### **3.5.2. Validity of the instruments**

Validity refers to the accuracy of the research instrument, research procedure and research findings. According to Kombo and Tromp (2006), validity is the degree to which results obtained from the analysis of the data actually represent the phenomenon under the study. Mugenda and Mugenda (2009) posit that there is no specific statistical

method to calculate validity as it is the ability of the research instrument to measure what it is intended to measure. To achieve validity of data collection instruments, the researcher reviewed all the items for legibility, clarity, comprehensiveness and ensured that elements in the instrument represent formed construct of the study.

### **3.5.3. Reliability of the instruments**

Reliability is the measure of the degree to which a research instrument yields consistent results or data after repeated trials. Reliability addresses consistency of instrument's measurement. According to Mugenda and Mugenda (2009), data obtained using the instruments should not be biased or factually flawed. Pretesting of the questionnaire was done to ensure that errors of commission and omission were eliminated and therefore ensure the questionnaire achieves the objectives of the research. Using the questionnaires returned during piloting, Cronbach Alpha coefficient was calculated and it gave a coefficient of 0.78 which according to Creswell (2003), a reliability coefficient of 0.7 and above is okay therefore the instrument were found to be reliable.

### **3.6. Data collection procedures**

Data was collected using the questionnaires and interviews schedule. Questionnaires were administered to all women who had start ups, of which questionnaires were distributed and collected after three days by the research assistance, interviews were conducted by the researcher who interviewed the members of the microfinance institution. The process took six weeks to complete.

### **3.7. Data analysis techniques**

Data collected from the field is usually in raw form and require to be organized for it to be useful to a researcher. First, it was checked for completeness, clarity and

consistency in answering the research questions as presented on the questionnaire. The collected data was coded and run through Statistical Programme for Social Science (SPSS) which produced frequency tables and means. The data was further cross tabulated in order to determine among the variables the most influencing indicators. These data were further discussed under the various tables.

### **3.8. Ethical considerations**

According to Mugenda and Mugenda (2003), ethical considerations are important for research. They include proper conduct of the researcher during the research process, observation of confidentiality and privacy of the information obtained by the researcher from respondents and avoidance of physical and psychological harm to respondents. It also includes avoidance of plagiarism and fraud during the course of undertaking the research study. The purpose of the research was clearly explained and consent sought from the respondents for the researcher to undertake the research.

### **3.9. Operationalization of variables**

The operational definition of variables is given in Table 3.2. It includes the research objectives, variables and the indicators and how they will be measured. Presented in this section also is the scales of measuring the different indicators and data analysis techniques.

**Table 3.2 Operational Definitions of Variables**

<b>Objectives</b>	<b>Variables</b>	<b>Indicators</b>	<b>Measurement scale</b>	<b>Tools of analysis</b>
To establish influence of training on start-ups of women entrepreneurship project	Independent	Management training Customer care training	Nominal	Percentage, frequency tables, chi-square, p-value
To establish influence of credit facilities on start-ups of women entrepreneurship projects	Independent	Diversified stock	Nominal	Percentage, frequency tables, chi-square, p-value
To establish influence of banking facilities on start-ups of women entrepreneurship projects	Independent	Use of cheque books, Mobil banking	Nominal	Percentage, frequency tables, chi-square, p-value
To establish influence of interest rates on start-up of women entrepreneurship projects	Independent	Loan uptake Interest competitiveness	Nominal	Percentage, frequency tables, chi-square, p-value
Start-ups of women entrepreneurship projects	Dependent	Number of businesses influenced by the microfinance Number of businesses not influenced.	Ratio	Percentage, frequency tables, chi-square, p-value

**CHAPTER FOUR**  
**DATA ANALYSIS, INTERPRETATION AND DISCUSSION**

**4.1. Introduction**

This chapter present data in various themes; response rate, demographic data results of data analysis are presented in this chapter. Data has been organized and interpreted as per the objectives of the study and socio-economic status of the respondents.

**4.2. Data response rate**

The researcher was interested in knowing the response rate because a good response rate determines the reliability of the instruments used in the research. After data collection, the response rate was tabulated as shown in table 4.1.

**Table 4.1: Response rate**

<b>Category</b>	<b>Frequency</b>	<b>Percentage</b>
Responded	150	78.5
Did not respond	41	21.5
<b>Total</b>	<b>191</b>	<b>100</b>

Table 4.1 demonstrate that there was 78.5% response rate which according to Mugenda and Mugenda (2003) a response rate above 70% is good. The high return rate is attributed to the fact that the researcher administered the questionnaires himself with assistance from one research assistance.



### 4.3. Demographic factors of respondents

#### 4.3.1. Age of respondents.

The study was interested in establishing the age of the respondents because age determines how and what amount does each entrepreneur gets in line with payment period. Therefore the respondents were asked to state their ages and the results are shown in table 4.2.

**Table 4.2: Frequency distribution on age**

<b>Age bracket</b>	<b>Frequency</b>	<b>Percentage</b>
18-25	17	11.3
26-35	58	38.7
36-45	37	24.7
46-55	26	17.3
>55	12	8.0
<b>Total</b>	<b>150</b>	<b>100.0</b>

Results from table 4.2 indicates that majority of the entrepreneurs were in the age bracket of 26-35. This category had 58 (38.7%) respondents followed by 37 (24.7%) in the age bracket 36-45, followed by 26 (17.3%) in the age bracket of 46-55, and 17 (11.3%) in the age bracket 18-25. Those above 55 years were 12 (8%). Majority of the respondents were between 26-35 years of age. Therefore more entrepreneurs were women of 26-35 years old.

#### 4.3.2. Level of education

The researcher wanted to establish what level of education were entrepreneurs because education level contributed to better understanding. The respondents were asked to state their level of education and the results are as presented in table 4.3.

**Table 4.3: Frequency distribution on education distribution**

<b>Level of education</b>	<b>Frequency</b>	<b>Percent</b>
Primary	52	34.7
Secondary	77	51.3
Diploma	19	12.7
Bachelors	2	1.3
<b>Total</b>	<b>150</b>	<b>100.0</b>

The results from table 4.3 demonstrate that majority of the respondents had secondary level of education. This category had 77 (51.3%) respondents, followed by 52 (34.7%) with secondary level, 19 (12.7%) with diploma and 2 (1.3%) with bachelors level of education. This implies that almost all women entrepreneurs had gone to school and there could be of better understanding in terms of setting up businesses.

#### **4.3.3. Distribution of the respondents by businesses type**

The respondents were asked to indicate the type of businesses they were involved in. This was aimed at establishing the businesses they were involved in during the time of the study. The results were recorded in table 4.4.

**Table 4.4: Frequency Distribution on Type of business distribution**

<b>Type of business</b>	<b>Frequency</b>	<b>Percentage</b>
Clothing	17	11.3
Grocery	26	17.3
M-pesa	16	10.7
Carpentry	6	4.0
Service	21	14.0
Others	64	42.7
<b>Total</b>	<b>150</b>	<b>100.0</b>

The results from table 4.4 demonstrate that majority of the respondents were involved in “other” businesses. This category had 64 (42.73%) respondents followed by 26 (17.3%) with groceries, 21 (14%) with service businesses, 17 (11.3%) with clothing, 16 (10.7%) with m-pesa and 6 (4%) with carpentry businesses. Majority of respondents were involved in other businesses apart from the mainstream businesses. This shows that there is diversification of businesses to meet different customer needs of the populace in Lurambi sub-county.

#### 4.3.4. Distribution of the businesses by number of years in existence

The respondents were asked to indicate the ages of their businesses from among choices of age classes given. This enabled them to give straight answers that could be easily classified and analysed. The responses were as tabulated in table 4.5

**Table 4.5: Frequency distribution on number of years the business has been in existence**

Age of business	Frequency	Percentage
<2	23	15.3
2-5	76	50.7
5-10	38	25.3
>10	13	8.7
<b>Total</b>	<b>150</b>	<b>100.0</b>

The results from table 4.5 demonstrate that majority of the businesses were between the age of 2-5 years old. This category had 76 (50.7%) respondents, followed by 38 (25.3%) respondents in the age bracket 5-10 years, followed by businesses below two years old which had 23 (15.3%) respondents and businesses that were above 10 years old with 13 (8.7%) respondents. This implies that more businesses were at the start-up level.

#### 4.3.5. Distribution of the businesses by year of funding by SMEP

The respondents were asked to indicate the year their businesses were funded by SMEP. The number of years the business stays in operation determines the success of the business. The respondents were requested to state years their business had been in operation and the results were as shown in table 4.6.

**Table 4.6 Frequency distribution of businesses by year they were funded by SMEP**

<b>Year funded</b>	<b>Frequency</b>	<b>Percent</b>
<2	52	34.7
2-5	58	38.7
5-10	36	24.0
>10	4	2.7
<b>Total</b>	<b>150</b>	<b>100.0</b>

Table 4.6 demonstrates that majority of the start-ups were funded when they were between 2-5 years old. This category had 58 (38.7%) respondents, followed by less than 2 year category with 52 (34.7%), followed by 5-10 year category with 36 (24%) respondents and finally greater than 10 years old with 4 (2.7%) respondents. Majority of the businesses were funded by the microfinance when they were between 2-5 years. This implies that most businesses were just funded less than 5 years which can mean microfinance institution efforts in promoting start-ups is being realised.

#### 4.4. Influence of training on start-ups of women entrepreneurship projects

The respondents were asked to indicate their level of agreement on the following statements pertaining to training in the tables below. The tables aimed to elicit responses from the respondent's about training by SMEP microfinance. The tables indicated the level of agreement on the listed statements. The scale used was a pointer from 1-5 scale,

with 1 being ‘Strongly agree’, 2 being ‘agree’ 3 being ‘don’t know, 4 being ‘disagree’ and 5 being ‘strongly disagree’, the results were as listed in the tables below.

#### **4.4.1. Training by the microfinance institution.**

Microfinance institutions train their clients to ensure that they have the requisite knowledge required to run their businesses in a way that guarantees that the loan they take is serviced. McGrath (2002) observed that education is one of the factors that impact positively on business. It is behind this background that the study sorts to investigate the influence of training offered by the microfinance institution.

**Table 4.7: Frequency distribution on training by SMEP**

<b>Response</b>	<b>Frequency</b>	<b>Percentage</b>
Strongly agree	54	36.0
Agreed	79	52.7
Disagreed	17	11.3
<b>Total</b>	<b>150</b>	<b>100.0</b>

Table 4.7 demonstrate that majority of the respondents agreed that they were offered training by SMEP microfinance. This category had 79 (52.7%) respondents, followed by category who strongly agreed with 54 (36%), followed by 17 (11.3%) respondents who disagreed that they were given training by the microfinance before being awarded loan. This concurs with KIT and IIRR (2010) who posit that microfinance institutions train their clients to ensure that they repay loans given to them. Also according to Bett (2014) and Kimanjara (2014), they found that a majority of their respondents were trained by the microfinance institutions.

The study further conducted a cross tabulation to identify categorical responses and analyse relationship between dependent and independent variables in this category and the results were as presented in table 4.8.

**Table 4.8: Cross-tabulation on microfinance institutions influence on women start-up enterprise projects and training offered by SMEP before accessing a loan**

<b>Decision</b>	<b>Measuring scale</b>	<b>Training offered by SMEP before accessing the loan</b>			<b>Total</b>
		<b>Strongly agree</b>	<b>Agreed</b>	<b>Dis-agreed</b>	
<b>Influences start-ups</b>	Count% within were you offered training by SMEP before accessing the loan	38 70.4	57 73.1	15 83.3	<b>110</b> <b>73.3</b>
<b>Does not influence start-ups</b>	Count% within were you offered training by SMEP before accessing the loan	16 29.6	21 26.9	3 16.7	<b>40</b> <b>6.7</b>
<b>Total</b>	<b>Count% within were you offered training by SMEP before accessing the loan</b>	<b>54</b> <b>(100.0%)</b>	<b>78</b> <b>(100.0%)</b>	<b>18</b> <b>(100.0%)</b>	<b>150</b> <b>(100.0%)</b>

Results from table 4.8 of cross tabulation indicate that majority of respondents within the category *agreed* consented that training offered by SMEP influenced women start-up projects as represented by 57 (73.1%) respondents, whereas in the same category, 21 (26.9%) held a contrary opinion that the training offered by SMEP did not influence women start-up projects, this was followed by those within the category *strongly agree* whereby 38 (70.4%) were of the opinion it influenced whereas in the same category 16 (29.6%) held a contrary view. Lastly within the category *disagreed*, 15 (83.3%) among the respondents in the category acknowledged the influence of microfinance institutions on women start-up projects while in the same category 3 (16.7%) declined it influence. A Chi-square test was conducted to test the significance of association between training

offered by the microfinance on influencing women start-ups projects and the results tabulated in table 4.9.

**Table 4.9: Chi-Square Tests**

	<b>Value</b>	<b>df</b>	<b>p-value</b>
Pearson Chi-Square	1.166	2	0.558
Likelihood Ratio	1.255	2	0.534
N of Valid Cases	150		

According to table 4.9 of Chi-square, the results depicted a Pearson Chi-square value of 1.166 with a 2 degree of freedom and yielded p-value of 0.558. This implies that training did not reveal much significance.

#### **4.4.2. Training by the microfinance on better record keeping**

The microfinance institutions train their clients on a number of issues. Each of these trainings is geared specifically to equip the clients on certain competence. Training on record keeping enable the respondent trace how stock move in the business and the overall status of the business. In the table below, the respondents were asked to what extent the training they received enabled them keep proper records pertaining to their businesses and the results were as presented in table 4.10;

**Table 4.10: Training by SMEP enabled better record keeping**

<b>Response</b>	<b>Frequency</b>	<b>Percentage</b>
Strongly agree	56	37.3
Agreed	76	50.7
Disagreed	17	11.3
Strongly disagree	1	0.7
<b>Total</b>	<b>150</b>	<b>100.0</b>

Results from table 4.10 demonstrate that majority of the respondents agreed that the training they were offered by the microfinance enabled them keep proper records for their businesses. This category had 76 (50.7%) respondents, followed by 56 (37.3%) respondents who strongly agreed, followed by 17 (11.3%) respondents who disagreed and finally 1 (0.7%) respondent who strongly disagreed that the training offered enabled him keep proper records. This concurs with the findings of Bett (2014) who found out that majority of her respondents received relevant training from the microfinance pertaining to their businesses.

When a cross tabulation was conducted to identify categorical responses within responses, the following results were obtained as recorded in table 4.11.

**Table 4.11: Cross tabulation on microfinance institutions influence on women start-up enterprise projects and training enabling proper records keeping**

Decision	Measuring scale	Training enabled you keep proper business records				Total
		Strongly agree	Agreed	Dis-agreed	Strongly disagree	
<b>Influences start-ups</b>	Count within training enabled you keep proper business records	40 71.4	54 72.0	15 83.3	1 100.0	110 73.3
<b>Does not influence start-ups</b>	Count within training enabled you keep proper business records	16 28.6%	21 28.0%	3 16.7%	0 0.0%	40 26.7
<b>Total</b>	<b>Count within training enabled you keep proper business records</b>	<b>56 100.0%</b>	<b>75 100.0%</b>	<b>18 100.0%</b>	<b>1 100.0%</b>	<b>150 100.0%</b>

Results from table 4.11 showed that majority of respondents within the category *agreed* 54 (72.0%) acknowledged the influence microfinance institutions had on start-up of women projects as regards to proper records keeping whereas in the same category 21



(28.0%) held a contrary opinion followed by those within *strongly agree category* had 40 (71.4%) who acknowledged the influence of microfinance institutions on women start-up project while in the same category 16 (28.6%) held a contrary opinion. 15 (83.3%) within the *disagreed* category acknowledged the influence of microfinance institutions while 3 (16.7%) denied, lastly 1 (100%) within the *strongly disagreed* category had the opinion that microfinance enterprises had significant influence on women start-up projects.

When the study conducted as Chi-statistic to test the significance of the factor, results obtained were as tabulated in table 4.12.

**Table 4.12: Chi-Square Tests**

	<b>Value</b>	<b>df</b>	<b>p-value</b>
Pearson Chi-Square	1.456(a)	3	0.692
Likelihood Ratio	1.805	3	0.614
Linear-by-Linear Association	1.124	1	0.289
N of Valid Cases	150		

Results from table 4.12 demonstrate that a Pearson Chi-Square value of 1.456 at 3 degree of freedom attained a p-value of 0.692. This implies minimal significance of influence of microfinance training on women entrepreneur capacity to keep proper records.

#### **4.4.3. Training on analysis of performance of the business**

The microfinance institution also trained their clients on performance analysis. This training was aimed at equipping their clients with knowledge that could enable them analysis how the business was performing. Using simple methods of adding and

subtracting the stocks they had and had sold, they could easily compute the profit they had made. Table 4.13 shows the responses the respondents gave to demonstrate their level of acceptance of the training they received in terms of assisting them analyse performance of their businesses.

**Table 4.13: Training offered enabled analysis of performance of the business**

<b>Response</b>	<b>Frequency</b>	<b>Percentage</b>
Strongly agree	48	32.0
Agreed	85	56.7
Disagreed	17	11.3
<b>Total</b>	<b>150</b>	<b>100.0</b>

Table 4.13 demonstrate that majority agreed that training by the SMEP enabled them analyse performance of their businesses. This category had 85 (56.7%) respondents, followed by 48 (32%) who strongly agreed and followed by 17 (11.3%) respondents who disagreed that after training they were able to analyse performance of their businesses. The study's findings tally with Kimanjara (2013) findings who found that majority of his respondents received training on business management. He also found out that training given to majority of the respondents improved performance of their businesses to a large extent.

The study further conducted a cross tabulation and the results obtained were as tabulated in table 4.14.

**Table 4.14: cross tabulation showing the influence microfinance institutions has had on women start-up enterprise projects and enabling analyse performance of one's business**

Decision	Measuring scale	training enabled you analyse performance of your business			Total
		Strongly agree	Agreed	Dis-agreed	
<b>Influences start-ups</b>	Count % within training enabled you analyse performance of your business	35 72.9	60 71.4	15 83.3	110 73.3
<b>Does not influence start-ups</b>	Count % within training enabled you analyse performance of your business	13 27.1	24 28.6	3 16.7	40 26.7
<b>Total</b>	<b>Count % within training enabled you analyse performance of your business</b>	<b>48 100.0%</b>	<b>84 100.0%</b>	<b>18 100.0%</b>	<b>150 100.0%</b>

Results from table 4.14 of cross tabulation revealed that, responses within the *agreed* category 60 (71.4%) had the opinion that microfinance training enabled them analyse performance of their businesses thus acknowledging their influence in their start-up businesses whereas in the same category, 24 (28.6%) were of the contrary opinion, followed by 35 (72.9%) within the *strongly agree* category who held the views that microfinance institutions influenced their ability to analyse performances of their businesses whereas in the same category 13 (27.1%) held a contrary opinion. Lastly 15 (83.3%) of respondents within the *disagreed* category acknowledged the influence microfinance had on women start-up enterprise projects as regards to analysing their businesses performance while in the same category, 3 (16.7%) disagreed. This was followed by a Chi-statistic test whose results were tabulated in table 4.15.

**Table 4.15: Chi-Square Tests**

	<b>Value</b>	<b>df</b>	<b>p-value</b>
Pearson Chi-Square	1.081(a)	2	0.583
Likelihood Ratio	1.173	2	0.556
N of Valid Cases	150		

According to table 4.15 of Chi-Square, the result depicts a Pearson Chi-Square value of 1.081 with 2 degree of freedom which yields a p-value of 0.583. This result implies that the training offered by the microfinance institution does not influence significantly the women entrepreneurs' capacity to analyse performance of their businesses.

#### **4.4.4. Training on staff training**

Microfinance institutions train their clients so as to empower them. Empowering them means that they can also impart some management skill to their workers and therefore enhance running of their businesses. In most cases the women entrepreneurs leave their workers to run the businesses when they visit the microfinance and when visiting their suppliers or when they have some errands to run. This therefore means that they need to have some form of training to enable them run the business in the absence of the owner. This training is offered to these employees by their employers who are women entrepreneurs. In the table 4.16, the respondents gave their views on the training they received whether it assisted them train their staff.

**Table 4.16: Training offered enabled training of staff**

<b>Response</b>	<b>Frequency</b>	<b>Percentage</b>
Strongly agree	6	4.0
Agree	120	80.0
Disagree	24	16.0
<b>Total</b>	<b>150</b>	<b>100.0</b>

Table 4.16 demonstrate that majority of the respondents agreed that the training that they were offered by SMEP enable them train their staff. In this category there were 120 (80%) respondents, followed by 24 (16%) respondents who disagreed and 6 (4%) respondents who strongly agreed that the training they were offered enabled them train their staff. A cross tabulation was further conducted to reveal categorical responses regarding the influence of microfinance institutions on women start-up enterprises and training that enabled them train staff within their businesses and the results were as tabulated in table 4.17.

**Table 4.17: cross tabulation showing the influence of microfinance institutions on women start-up enterprise projects and training enabling them train their staff**

<b>Decision</b>	<b>Measuring scale</b>	<b>Training enabled you train your staff</b>			<b>Total</b>
		<b>Strongly agree</b>	<b>Agreed</b>	<b>Dis-agreed</b>	
<b>Influences start-ups</b>	Count % within training enabled you train your staff	6 100.0	82 68.9	22 88.0	110 73.3
<b>Does not influence start-ups</b>	Count % within training enabled you train your staff	0 0.0	37 31.1	3 12.0	40 26.7
<b>Total</b>	<b>Count % within training enabled you train your staff</b>	<b>6 100.0%</b>	<b>119 100.0%</b>	<b>25 100.0%</b>	<b>150 100.0%</b>

Table 4.17 revealed that within the category *agreed* 82 (68.9%) represented a majority who acknowledged the influence of microfinance institutions on women start-up projects and their abilities to train staff whereas in the same category 37 (31.1%) held a contrary opinion, followed by those in the category *disagreed* 22 (88.0%) who held the opinion that microfinance institutions influenced the way they trained their staff while in the same category, 3 (12.0%) held a contrary opinion, and lastly, a minority in the responses, within the *strongly agreed* category held the opinion that microfinance institutions influenced their ability to train their staff. Chi-statistic was carried out and the results tabulated on table 4.18.

**Table 4.18: Chi-Square Tests**

	<b>Value</b>	<b>df</b>	<b>p-value</b>
Pearson Chi-Square	6.124	2	0.047
Likelihood Ratio	8.107	2	0.017
Linear-by-Linear Association	1.794	1	0.180
N of Valid Cases	150		

According to table 4.18 of Chi-Square, the results depict a Pearson Chi-Square value of 6.124 with 2 degree of freedom which yielded a p-value of 0.047. This implies that the training that was offered by the microfinance institution to women entrepreneurs influenced their start-ups projects significantly.

#### **4.4.5. Training on proper stock management**

Microfinance institution train their clients on proper stock management to enable them manage their businesses properly. Table 4.19 tabulate despondences from the respondents about training on stock management.

**Table 4.19: Frequency distribution on training and proper stock management**

<b>Response</b>	<b>Frequency</b>	<b>Percentage</b>
Strongly agree	37	24.7
Agree	94	62.7
Disagree	19	12.7
<b>Total</b>	<b>150</b>	<b>100.0</b>

Table 4.19 demonstrate that majority of the entrepreneurs agreed that the training offered enabled the respondents manage their stocks properly. This was 94 (62.7%) entrepreneurs, followed by 37 (24.7%) entrepreneurs who strongly agreed, followed by 19 (12.7%) respondents who disagreed that the training they were offered enabled them manages their stocks properly. A cross tabulation was further conducted to examine categorical responses within the influence decision and the results were as presented in table 4.20.

**Table 4.20: Cross tabulation showing the influence microfinance institutions have on women start-up enterprise projects and training enabling one manage well her stock**

<b>Decision</b>	<b>Measuring scale</b>	<b>training enabled you manage well your stock</b>			<b>Total</b>
		<b>Strongly agree</b>	<b>Agreed</b>	<b>Dis-agreed</b>	
<b>Influences start-ups</b>	Count% within training enabled you manage well your stock	27 73.0	66 71.0	17 85.0	110 73.3
<b>Does not influence start-ups</b>	Count% within training enabled you manage well your stock	10 27.0	27 29.0	3 15.0	40 26.7
<b>Total</b>	<b>Count% within training enabled you manage well your stock</b>	<b>37 100.0%</b>	<b>93 100.0%</b>	<b>20 100.0%</b>	<b>150 100.0%</b>

Results from the cross tabulation on table 4.20 demonstrate that majority of the respondents within the category *agreed* 66 (71.0%) agreed that they were influenced, whereas in the same category 27 (29.0%) disagreed. This was followed by those within the category *strongly agree* with 27 (73.0%) respondents who acknowledged the influence of microfinance institution while in the same category 10 (2.0%) denied its influence. Within the category *disagreed* 17 (85.0%) acknowledged the influence of microfinance institution whereas in the same category 3 (15.0%) denied its influence. A Chi-Square statistic test was conducted and results tabulated in table 4.21.

**Table 4.21: Chi-Square Tests**

	<b>Value</b>	<b>df</b>	<b>p-value</b>
Pearson Chi-Square	1.661(a)	2	0.436
Likelihood Ratio	1.831	2	0.400
N of Valid Cases	150		

According to table 4.21 of Chi-Square, the results depict a Pearson Chi-Square value of 1.661 with 2 degree of freedom yielded a p-value of 0.436 which did not reveals much significance of training offered by the microfinance to women entrepreneurs in terms of managing their stocks.

#### **4.4.6. Training on choice of different business**

Training offered by the microfinance also entailed training of how one could identify business opportunities and how one could exploit them. The respondents gave varied responses on how they perceived the training they received. These responses were as per the table 4.22.



**Table 4.22: training lead to different choice of business**

<b>Response</b>	<b>Frequency</b>	<b>Percentage</b>
Strongly agree	14	9.3
Agreed	43	28.7
Don't know	3	2.0
Disagreed	82	54.7
Strongly disagree	8	5.3
<b>Total</b>	<b>150</b>	<b>100.0</b>

Table 4.22 demonstrate that majority of the entrepreneurs did not start a different business after being trained by the microfinance. In this category 82 (54.7%) respondents disagreed that training offered by the microfinance enabled them chose different business, followed by 43 (28.7%) who agreed, followed by 14 (9.3%) respondents who strongly agreed, followed by 8 (5.3%) respondents who strongly disagreed and finally 3 (2%) respondents who did not know what influence the training they received from SMEP had on their choice of businesses to start. Further, a cross tabulation was conducted and results tabulated in table 4.23.

**Table 4.23: Cross tabulation showing microfinance institutions have successfully influenced women start-up enterprise projects \* training contributed to your choice of business**

Decision status	Measuring scale	Training contributed to your choice of business					Total
		Strongly agree	Agreed	Don't know	Dis-agreed	Strongly disagree	
Yes	Count% within training contributed to your choice of business	8 57.1	33 78.6	2 66.7	62 74.7	5 62.5	<b>110</b> <b>73.3</b>
No	Count% within training contributed to your choice of business	6 42.9	9 21.4	1 33.3	21 25.3	3 37.5	<b>40</b> <b>26.7</b>
<b>Total</b>	<b>Count% within training contributed to your choice of business</b>	<b>14</b> <b>100.0%</b>	<b>42</b> <b>100.0%</b>	<b>3</b> <b>100.0%</b>	<b>83</b> <b>100.0%</b>	<b>8</b> <b>100.0%</b>	<b>150</b> <b>100.0%</b>

Results from table 4.23 revealed that majority, 62 (74.7%) respondents within the *disagreed* category acknowledge the influence microfinance institutions had on training and the choice of business, whereas 21 (25.3%) had a contrary opinion, followed by responses within *agreed* category, 33 (78.6%) acknowledged the influence of microfinance institutions, which was as opposed to 9 (21.4%) in the same category who declined, followed within the *strongly disagreed* category acknowledged its influence while within the same category, 3 (37.5%) declined. When a Chi-square test was conducted it revealed results tabulated in table 4.24.

**Table 4.24: Chi-Square Tests**

	<b>Value</b>	<b>df</b>	<b>p-value</b>
Pearson Chi-Square	3.093	4	0.542
Likelihood Ratio	2.911	4	0.573
N of Valid Cases	150		

According to table 4.24 of Chi-Square, a Pearson Chi-Square value of 3.093 with 4 degree of freedom yielded a p-value of 0.542. This implies that the training offered by the microfinance institution did not influence significantly the women entrepreneurs' choice when opening new businesses.

#### **4.4.7. Training on customer care**

The microfinance institution also trained the respondents on how to handle their customers in the course of doing their businesses. This training is essential because once a customer is handled well and he is satisfied with the services they will always seek that service. Their responses pertaining to how they viewed this training are as per the table 4.25.

**Table 4.25: Training enable respondents have good customer care**

	<b>Frequency</b>	<b>Percentage</b>
Strongly agree	35	23.3
Agreed	97	64.7
Don't know	2	1.3
Disagreed	16	10.7
<b>Total</b>	<b>150</b>	<b>100.0</b>

Table 4.25 demonstrate that majority of the respondents agreed that the training they received enable them have good customer care. This category had 97 (64.7%) respondents, followed by 35 (23.2%) respondents who strongly agreed, followed by 16

(10.7%) respondents who disagreed while (1.3%) respondents didn't know whether training offered by the microfinance enabled them have good customer care. Bett's (2014) study found that 70.3% of her respondents agreed that training services are availed by microfinance institutions.

A cross tabulation was further conducted to examine categorical responses against the dependent variable and the results were as presented in table 4.26.

**Table 4.26: Cross tabulation showing microfinance institution's influence on women start-up enterprise projects and training having enabled one relate well with customers**

Decision status	Measuring scale	training enabled you relate well with your customers				Total
		Strongly agree	Agreed	Don't know	Dis-agreed	
<b>Influences start-ups</b>	Count % within training enabled you relate well with your customers	25 71.4%	69 71.9%	2 100.0%	14 82.4%	110 73.3
<b>Does not influence start-ups</b>	Count % within training enabled you relate well with your customers	10 28.6%	27 28.1%	0 0.0%	3 17.6%	40 26.7
<b>Total</b>	<b>Count % within training enabled you relate well with your customers</b>	<b>35 100.0%</b>	<b>96 100.0%</b>	<b>2 100.0%</b>	<b>17 100.0%</b>	<b>150 100.0%</b>

Results from table 4.26 of cross tabulation revealed that 73.3% among the whole population acknowledged the influence of microfinance institutions training on enabling one relate well with customers, this were distributed as 69 (71.9%), 25 (71.4%), 14 (82.4%), and 2 (100.0%) as categorised within *agreed*, *strongly agreed*, *disagreed* and *don't know* categories respectively. 40 (26.7%) respondents among all categories

declined the influence of microfinance institutions on enabling good customer care. A Chi-Square test was further conducted and the results were tabulated on table 4.27.

**Table 4.27: Chi-Square Tests**

	<b>Value</b>	<b>df</b>	<b>p-value</b>
Pearson Chi-Square	1.604(a)	3	0.659
Likelihood Ratio	2.179	3	0.536
N of Valid Cases	150		

Table 4.27 of Chi-Square depicted a Pearson Chi-Square Value of 1.604 with 3 degree of freedom yielded a p-value of 0.659. This implies that customer care training offered by the microfinance to women entrepreneurs did not reveal much significance to the start-ups projects.

#### **4.4.8. Training on customer communication**

Customer communication means that the women entrepreneurs are able to communicate to their clients effectively. This entails sending invoices and credit notes to their customers. The table below shows how they viewed the training in terms of being able to communicate to their customers effectively.

**Table 4.28: Training enabled customer communication**

	<b>Frequency</b>	<b>Percentage</b>
Strongly agree	24	16.0
Agreed	110	73.3
Disagreed	16	10.7
<b>Total</b>	<b>150</b>	<b>100.0</b>

Table 4.28 demonstrate that majority of respondents agreed that the training they received from SMEP microfinance enabled them communicate with their customers

effectively. This category had 110 (73.3%) of the respondents, followed by 24(16%) who strongly agreed and 16 (10.7%) respondents who disagreed that training they got from the microfinance enabled them communicate with their customers effectively. The findings are similar to what Bett (2014) found out in her study. She found out that training services from the microfinance has improved the growth of women owned small and microenterprises in terms of increased income, profit, savings and decision making.

When a cross tabulation was conducted to identify categorical responses among respondents, the results were as presented in table 4.29.

**Table 4.29: Showing microfinance institutions influenced on women start-up enterprise projects and training offered enabling one communicate well with clients/customers**

		<b>Training offered enables me communicate well with my customers</b>			<b>Total</b>
<b>Decision</b>	<b>Measuring scale</b>	<b>Strongly agree</b>	<b>Agreed</b>	<b>Dis-agreed</b>	
<b>Influences start-ups</b>	Count % within training offered enables me communicate well with my customers	15 62.5	82 75.2	13 76.5	110 73.3
<b>Did not Influences start-ups</b>	Count % within training offered enables me communicate well with my customers	9 37.5	27 24.8	4 23.5	40 26.7
<b>Total</b>	<b>Count % within training offered enables me communicate well with my customers</b>	<b>24 100.0%</b>	<b>109 100.0%</b>	<b>17 100.0%</b>	<b>150 100.0%</b>

Results from table 4.29 revealed that within the decision to influence, 110 (73.3%) acknowledged the influence microfinance institutions had on women start-up

projects within categories *agree, disagreed, strongly agree*. Whereas within the same categories 40 (26.7%) did not. A Chi-Square test was further conducted and results tabulated on table 4.30.

**Table 4.30: Chi-Square Tests**

	<b>Value</b>	<b>df</b>	<b>p-value</b>
Pearson Chi-Square	1.726(a)	2	0.422
Likelihood Ratio	1.633	2	0.442
N of Valid Cases	150		

Table 4.30 of Chi-Square depicts a Pearson Chi-Square value of 1.726 with 2 degree of freedom yielded a p-value of 0.422. This reveals that training offered on communication by the microfinance to the women entrepreneurs did not have much significance to the start-ups projects.

#### **4.4.9. Training on sales management**

Sales management training entailed training on cash and credit sales, stock receipts and ensuring that the business has adequate stock at all times. It also equipped the women entrepreneurs with skills that ensured that the traders were able to ensure certain levels of stocks existed and reordering levels were observed.

**Table 4.31: Training enabled respondents manage their sales**

<b>Response</b>	<b>Frequency</b>	<b>Percentage</b>
Strongly agree	16	10.7
Agreed	116	77.3
Don't know	1	0.7
Disagreed	17	11.3
<b>Total</b>	<b>150</b>	<b>100.0</b>

Table 4.31 demonstrate that major of the respondents were in category that agreed that after being trained by the microfinance, they were able to manage their sales. This category had 116 (77.3%) respondents, followed 17 (11.3%) respondents who disagreed, followed by 16 (10.7%) who strongly agreed, followed by 1 (0.7%) respondent who did not know if the training he received enabled her manage her sales. A cross tabulation was conducted and the results were as presented in table 4.32.

**Table 4.32: Cross tabulation showing microfinance institutions influence on women start-up enterprise projects and training enabled them manage their sales**

<b>Decision</b>	<b>Measuring scale</b>	<b>training enabled me manage my sales</b>				<b>Total</b>
		<b>Strongly agree</b>	<b>Agreed</b>	<b>Don't know</b>	<b>Dis-agreed</b>	
<b>Influences start-ups</b>	Count % within training enabled me manage my sales	11 68.8%	84 73.0%	0 0.0%	15 83.3%	110 73.3%
<b>Does not influence start-ups</b>	Count % within training enabled me manage my sales	5 31.3%	31 27.0%	1 100.0%	3 16.7%	40 26.7%
<b>Total</b>	<b>Count % within training enabled me manage my sales</b>	<b>16 100.0%</b>	<b>115 100.0%</b>	<b>1 100.0%</b>	<b>18 100.0%</b>	<b>150 100.0%</b>

Results from table 4.32 demonstrate that within the decision to influence, 110 (73.3%) acknowledged the influence microfinance institutions had on women start-up projects within categories *agree*, *disagreed*, *strongly agree*. Whereas within the same categories 40 (26.7%) declined. When Chi-Square test was conducted, the results were tabled in table 4.33.



**Table 4.33: Chi-Square Tests**

	Value	df	p-value
Pearson Chi-Square	3.847(a)	3	0.278
Likelihood Ratio	3.830	3	0.280
N of Valid Cases	150		

Table 4.33 of Chi-Square depict a Pearson Chi-Square value of 3.847 with 3 degree of freedom, yields a p-value of 0.278. This implies that training offered by the microfinance institution to women entrepreneurs on how to manage their sales had minimal significance.

#### **4.5. Influence of credit facilities on start-ups of women entrepreneurship projects**

The respondents were asked to indicate their level of agreement on the following statements in the tables below. The tables aimed to elicit responses from the respondent's about training by SMEP microfinance. The tables indicated the level of agreement on the listed statements. The scale used was a pointer from 1-5 scale, with 1 being 'Strongly agree', 2 being 'agree' 3 being 'don't know, 4 being 'disagree' and 5 being 'strongly disagree'.

##### **4.5.1. Influence of credit on business sourcing**

Availability of credit from the microfinance institution enabled the women entrepreneurs source for business opportunities like supply tender in the county. They used this credit from the microfinance to meet tender requirements and therefore earn some money through the tender business. It is therefore imperative that availability of credit from the microfinance institution empowered the women entrepreneurship and their projects. These women entrepreneurs gave their responses on how they felt about

credit from the microfinance in terms of empowering them source for businesses. Table 4.34 has their responses.

**Table 4.34: influence of credit on business sourcing**

<b>Response</b>	<b>Frequency</b>	<b>Percent</b>
Strongly agree	46	30.7
Agreed	102	68.0
Disagreed	2	1.3
<b>Total</b>	<b>150</b>	<b>100.0</b>

Table 4.34 demonstrate that majority of the respondents agreed that availability of credit enabled them source for businesses opportunities. This category had 102 (68%) of the respondents followed by 46 (30.7%) respondents who strongly agreed, followed by 2 (1.3%) respondents who disagreed that availability of credit allowed them source for business opportunities. A cross tabulation was further conducted and the results obtained presented as in table 4.35.

**Table 4.35: Cross tabulation showing microfinance institutions influence on women start-up enterprise projects and availability of credit enabled me source for business opportunities**

Decision status	Measuring scale	availability of credit enabled me source for business opportunities			Total
		Strongly agree	Agreed	Dis-agreed	
<b>Influences start-ups</b>	Count % within availability of credit enabled me source for business opportunities	31 67.4%	77 76.2%	2 66.7%	110 73.3%
<b>Does not influence start-ups</b>	Count % within availability of credit enabled me source for business opportunities	15 32.6%	24 23.8%	1 33.3%	40 26.7%
<b>Total</b>	<b>Count % within availability of credit enabled me source for business opportunities</b>	<b>46 100.0%</b>	<b>101 100.0%</b>	<b>3 100.0%</b>	<b>150 100.0%</b>

Results from table 4.35 revealed that within the decision to influence, 110 (73.3%) acknowledged the influence microfinance institutions had on women start-up projects within categories *agree*, *disagreed*, *strongly agree*. Whereas within the same categories 40 (26.7%). Chi-Square test was conducted and results tabulated on table 4.36.

**Table 4.36: Chi-Square Tests**

	Value	df	p-value
Pearson Chi-Square	1.334	2	0.513
Likelihood Ratio	1.307	2	0.520
N of Valid Cases	150		

Table 4.36 of Chi-Square test depict a Pearson Chi-Square value of 1.334 with 2 degree of freedom yielded a p-value of 0.513. This implies that availability of credit from the microfinance institution did not influence women entrepreneurs' source for business opportunities significantly.

#### 4.5.2 Credit access requirements

In order for the microfinance institution to advance credit to women entrepreneurs they imposed some requirements. The study sought to get the feelings of these women entrepreneurs towards these requirements. The study enquired what the women felt about the security required by the microfinance in order for one to access loan. Their responses were as follows in table 4.37.

**Table 4.37: Credit from the microfinance needed minimum security**

<b>Response</b>	<b>Frequency</b>	<b>Percent</b>
Strongly agree	37	24.7
Agreed	44	29.3
Don't know	2	1.3
Disagreed	49	32.7
Strongly disagree	18	12.0
<b>Total</b>	<b>150</b>	<b>100.0</b>

Table 4.37 demonstrate that majority of the respondents disagreed that credit from the microfinance required minimum security. This category had 49 (32.7%) respondents, followed by 44 (29.3%) respondents who agreed that minimum security was required, followed by 37 (24.7%) respondents who strongly agreed, followed by 18 (12%) respondents who strongly disagreed that minimum security was required before the microfinance could give loan. 2 (1.3%) respondents didn't know if minimum security was required by the microfinance before extending loan to them. This concurs with what Mwongera (2014) found out in her study. She found out that collateral security influences access to credit from microfinance to a very great extent. A cross tabulation was further conducted and the results were as presented in table 4.38.

**Table 4.38: Cross tabulation showing microfinance institutions influence on women start-up enterprise projects and minimum security required for accessing the credit**

Decision status	Measuring scale	minimum security was required for accessing the credit					Total
		Strongly agree	Agreed	Don't know	Dis-agreed	Strongly disagree	
<b>Influenc es start- ups</b>	Count % within minimum security was required for accessing the credit	26 70.3	32 72.7	1 50.0	37 75.5	14 77.8	110 73.3
<b>Does not influence start-ups</b>	Count % within minimum security was required for accessing the credit	11 29.7	12 27.3	1 50.0	12 24.5	4 22.2	40 26.7
<b>Total</b>	<b>Count % within minimum security was required for accessing the credit</b>	<b>37 100.0%</b>	<b>44 100.0%</b>	<b>2 100.0%</b>	<b>49 100.0%</b>	<b>18 100.0%</b>	<b>150 100.0%</b>

Results from table 4.38 revealed that within the decision to influence, 110 (73.3%) acknowledged the influence microfinance institutions had on women start-up projects within categories *agree*, *disagreed*, *strongly agree*, *disagree*, *don't know*. Whereas within the same categories 40 (26.7%) declined. Chi-Square test was then conducted and results tabled in table 4.39.

**Table 4.39: Chi-Square Tests**

	<b>Value</b>	<b>df</b>	<b>p-value</b>
Pearson Chi-Square	1.043	4	0.903
Likelihood Ratio	0.983	4	0.912
N of Valid Cases	150		

Table 4.39 of Chi-Square depict a Pearson Chi-Square value of 1.043 with 4 degree of freedom and a p-value of 0.903. This implies that security required by the microfinance did not influence women entrepreneurship projects significantly.

#### **4.5.3 Credit funded asset buying**

Credit accessed from the microfinance funded assets that these women used to set up entrepreneurship projects. These included assets like motorbikes, posho mills, taxies, furniture for hotels, bicycles for running errands in their businesses etc. The study sought responses from the women seeking to know whether credit from the microfinance assisted them buy assets. The responses were as list in the table below.

**Table 4.40: Availability of credit enabled asset buying**

<b>Responses</b>	<b>Frequency</b>	<b>Percent</b>
Strongly agree	2	1.3
Agreed	148	98.7
<b>Total</b>	<b>150</b>	<b>100.0</b>

Table 4.40 demonstrate that majority of the respondents agreed that availability of credit from the microfinance enabled them buy assets. This category had 148 (98.7%) respondents followed by 2 (1.3%) respondents who strongly agreed that availability of credit enabled them buy assets. The responses above agrees with what Kimanjara (2013)

study where he found out that majority of his respondents owned properties bought from the credit advanced from the microfinance institution.

A cross tabulation was conducted to establish categorical influences and the results were as presented in table 4.41.

**Table 4.41: Cross tabulation showing microfinance institutions influence on women start-up enterprise projects and availability of credit enabling asset acquisition**

Decision status	Measuring scale	availability of credit enabled me buy assets		Total
		Strongly agree	Agreed	
<b>Influences start-ups</b>	Count % within availability of credit enabled me buy assets	1 50.0	109 73.6	110 73.3
<b>Does not influence start-ups</b>	Count % within availability of credit enabled me buy assets	1 50.0	39 26.4	40 26.7
<b>Total</b>	<b>Count % within availability of credit enabled me buy assets</b>	<b>2 100.0%</b>	<b>148 100.0%</b>	<b>150 100.0%</b>

Results from table 4.41 revealed that within the decision to influence, 110 (73.3%) acknowledged the influence microfinance institutions had on women start-up projects within categories *agree, strongly agree*. Whereas within the same categories 40 (26.7%) declined. Chi-Square test was further conducted and the results tabled on table 4.42.

**Table 4.42: Chi-Square Tests**

	<b>Value</b>	<b>df</b>	<b>p-value</b>
Pearson Chi-Square	0.564	1	0.453
Continuity Correction(a)	0.000	1	1.000
N of Valid Cases	150		

Table 4.42 shows a Pearson Chi-Square value of 0.564 with 1 degree of freedom yields a p-value of 0.453. This result implies that availability of credit from the microfinance institution did not influence asset acquisition by the women entrepreneurs significantly.

#### **4.5.4 Credit was repaid by the business it funded**

The study sought to establish whether the businesses they set up from credit proceeds was able to fund repayment of this credit. The responses from the respondents were as listed in table 4.43.

**Table 4.43: Credit from the microfinance was repaid by the business**

<b>Responses</b>	<b>Frequency</b>	<b>Percent</b>
Strongly agree	17	11.3
Agreed	129	86.0
Disagreed	2	1.3
Strongly disagree	2	1.3
<b>Total</b>	<b>150</b>	<b>100.0</b>

Table 4.43 demonstrate that majority of the respondents had businesses that were able to repay the loan from the microfinance institution. This category had 129 (86%) respondents followed by 17 (11.3%) respondents who strongly agreed that the business they had was able to service the loan. This was followed by 2 (1.3%) respondents who disagreed, followed by 2 (1.3%) who strongly disagreed that the businesses where they



invested their loans were able to service the loan. A cross tabulation was further conducted and results tabulated on table 4.44.

**Table 4.44: Cross tabulation showing microfinance institutions influence on women start-up enterprise projects and the business being able to service the credit accessed from SMEP**

Decision status	Measuring scale	the business was able to service the credit accessed from SMEP				Total
		Strongly agree	Agreed	Dis-agreed	Strongly disagree	
<b>Influenc es start- ups</b>	Count% within the business was able to service the credit accessed from SMEP	12 70.6	96 74.4	1 50.0	1 50.0	<b>110 73.3</b>
<b>Does not influence start-ups</b>	Count% within the business was able to service the credit accessed from SMEP	5 29.4	33 25.6	1 50.0	1 50.0	<b>40 26.7</b>
<b>Total</b>	<b>Count % within the business was able to service the credit accessed from SMEP</b>	<b>17 100.0%</b>	<b>129 100.0%</b>	<b>2 100.0%</b>	<b>2 100.0%</b>	<b>150 100.0%</b>

Results from table 4.44 demonstrate that within the decision to influence, 110 (73.3%) acknowledged the influence microfinance institutions had on women start-up projects within categories *agree*, *disagreed*, *strongly agree*. Whereas within the same categories 40 (26.7%) declined. When Chi-Square test was conducted, the following results were tabulated on table 4.45.

**Table 4.45: Chi-Square Tests**

	Value	df	p-value
Pearson Chi-Square	1.257(a)	3	0.739
Likelihood Ratio	1.125	3	0.771
N of Valid Cases	150		

According to table 4.45 of Chi-Square, the results depict a Pearson Chi-Square value of 1.257 with 3 degree of freedom yield a p-value of 0.739. This implies that the microfinance institution did not influence significantly the businesses that were set up and the servicing of credit accessed from the microfinance.

#### 4.4.5. Credit top up by the microfinance

Credit to up is a practice where the microfinance allows the entrepreneurs take more credit before clearance of an existing loan. This scenario arises when and entrepreneur has an emergency before he clears an existing loan. She goes to the microfinance and request for credit top up. The women entrepreneurs were asked to give their opinion concerning this and the responses were recorded on table 4.46.

**Table 4.46: Credit top up allowed by the microfinance**

<b>Response</b>	<b>Frequency</b>	<b>Percent</b>
Strongly agree	2	1.3
Disagreed	38	25.3
Strongly disagree	110	73.3
<b>Total</b>	<b>150</b>	<b>100.0</b>

Table 4.46 demonstrate that majority of the respondents strongly disagreed that credit top up was allowed by the microfinance. This represented 110 (73.3%) respondents, followed by 38 (25.3%) respondents who disagreed and followed by 2 (1.3%) respondents who strongly agreed that credit top up was allowed by the microfinance. A cross tabulation was conducted to establish categorical responses within opinions held by respondents on whether credit top-up acceptance by the microfinance influenced women start-up projects and the results were as presented in table 4.47.

**Table 4.47: Cross tabulation showing microfinance influence on women start-up enterprise projects and credit top-up being allowed before clearance of current loan**

Decision status	Measuring scale	additional loan was allowed before clearance of current loan				Total
		Strongly agree	Agreed	Dis-agreed	Strongly disagree	
<b>Influences start-ups</b>	Count% within additional loan was allowed before clearance of current loan	2 100.0	1 100.0	27 71.1	80 73.4	<b>110</b> <b>73.3</b>
<b>Does not influence start-ups</b>	Count% within additional loan was allowed before clearance of current loan	0 0.0	0 0.0	11 28.9	29 26.6	<b>40</b> <b>26.7</b>
<b>Total</b>	<b>Count % within additional loan was allowed before clearance of current loan</b>	<b>2</b> <b>100.0%</b>	<b>1</b> <b>100.0%</b>	<b>38</b> <b>100.0%</b>	<b>109</b> <b>100.0%</b>	<b>150</b> <b>100.0%</b>

Results from table 4.47 revealed that within the decision to influence, 110 (73.3%) acknowledged the influence microfinance institutions had on women start-up projects within categories *agree*, *disagreed*, *strongly agree*. Whereas within the same categories 40 (26.7%) declined. Chi-square test was conducted and the results tabled on table 4.48.

**Table 4.48: Chi-Square Tests**

	Value	df	p-value
Pearson Chi-Square	1.192(a)	3	0.755
Likelihood Ratio	1.960	3	0.581
N of Valid Cases	150		

Result from table 4.48 of Chi-Square depicts a Pearson Chi-Square value of 1.192 with 3 degree of freedom yield a p-value of 0.755. This implies that the microfinance

institution did not influence significantly additional loan award to women entrepreneurship project.

#### 4.5.6. Credit availability allowed stock diversity

Availability of credit from the microfinance enabled the women entrepreneurs have a variety of stock in their businesses. An example is when one could stock clothing and at the same time stock utensils and foodstuffs. The table below give the responses from the women entrepreneurs who were interviewed.

**Table 4.49: Availability of credit allowed stock diversity**

<b>Responses</b>	<b>Frequency</b>	<b>Percent</b>
Strongly agree	28	18.7
Agreed	120	80.0
Don't know	2	1.3
<b>Total</b>	<b>150</b>	<b>100.0</b>

Table 4.49 demonstrate that majority of the respondents agreed that availability of credit allowed them to diversify stock in their businesses. In this category we had 120 (80%) respondents, followed by 28 (18.7%) respondents who strongly agreed, followed by 2 (1.3%) respondents didn't know whether availability of credit made them diversify their stocks. A cross tabulation was conducted to establish categorical responses within whether credit availability influenced stock diversity in women start-up projects and the results were as presented in table 4.50.

**Table 4.50: Cross tabulation showing microfinance institutions influence on women start-up enterprise projects and availability of credit facility led me to expanding the business**

Decision status	Measuring scale	availability of credit facility led me to expanding the business			Total
		Strongly agree	Agreed	Don't know	
<b>Influences start-ups</b>	Count% within availability of credit facility led me to expanding the business	17 60.7	92 76.7	1 50.0	110 73.3
<b>Does not influence start-ups</b>	Count% within availability of credit facility led me to expanding the business	11 39.3	28 23.3	1 50.0	40 26.7
<b>Total</b>	<b>Count% within availability of credit facility led me to expanding the business</b>	<b>28 100.0%</b>	<b>120 100.0%</b>	<b>2 100.0%</b>	<b>150 100.0%</b>

Results from table 4.50 demonstrate that that within the decision to influence, 110 (73.3%) acknowledged the influence microfinance institutions had on women start-up projects within categories *agree, disagreed, strongly agree*. Whereas within the same categories 40 (26.7%) declined. When chi-square test was conducted, the results were presented in table 4.51.

**Table 4.51: Chi-Square Tests**

	Value	df	p-value
Pearson Chi-Square	3.519(a)	2	0.172
Likelihood Ratio	3.296	2	0.192
N of Valid Cases	150		

Table 4.51 of Chi-Square depict a Pearson Chi-Square value of 3.519 with 2 degree level of freedom yield a p-value of 0.172. This implies that availability of credit from the microfinance influenced expansion of start-ups projects moderately.

#### 4.5.7. Credit availability enhance competitiveness of business

Credit sourced from the microfinance institution made the women projects competitive. Credit made them have purchasing power which allowed them have buy in bulk and there offered better prices to their customers. This made their businesses competitive. The study sought to know what the women entrepreneurs felt about the influence of credit in their projects. Table 4.52 below details their responses.

**Table 4.52: Availability of credit enabled their business compete with other businesses.**

<b>Response</b>	<b>Frequency</b>	<b>Percent</b>
Strongly agree	<b>25</b>	<b>16.7</b>
Agreed	<b>125</b>	<b>83.3</b>
<b>Total</b>	<b>150</b>	<b>100.0</b>

Table 4.52 demonstrate that majority of the respondents, 125 (83.3%), agreed that availability of credit enabled them compete with other businesses, this was followed by 25 (16.7%) respondents who strongly agreed that credit availability enabled them compete with other businesses. Cross tabulation was further conducted and results tabled in table 4.53.

**Table 4.53: Cross tabulation showing microfinance institutions influence on women start-up enterprise projects and availability of credit enabling their businesses compete with other similar businesses**

Decision status	Measuring scale	availability of credit enabled business compete with other similar businesses		Total
		Strongly agree	Agreed	
<b>Influences start-ups</b>	Count% within availability of credit enabled my business compete with other similar businesses	16 64.0	94 75.2	110 73.3
<b>Does not influence start-ups</b>	Count% within availability of credit enabled my business compete with other similar businesses	9 36.0	31 24.8	40 26.7
<b>Total</b>	<b>Count % within availability of credit enabled my business compete with other similar businesses</b>	<b>25 100.0%</b>	<b>125 100.0%</b>	<b>150 100.0%</b>

Results from table 4.53 of cross tabulation revealed that, majority, 110 (73.3%) among the whole population in response categories *strongly agreed* and *agreed* acknowledged the influence microfinance institutions had on credit availability enabling businesses compete with other similar businesses, whereas in the categories tested, a minority declined the influence of microfinance institutions at 40 (26.7%). Chi-Square test was further conducted and results tabled in table 4.54.

**Table 4.54: Chi-Square Tests**

	Value	df	p-value
Pearson Chi-Square	1.336(b)	1	0.248
Continuity Correction(a)	0.825	1	0.364
Likelihood Ratio	1.272	1	0.259
N of Valid Cases	150		

Table 4.54 of Chi-Square depict a Pearson Chi-Square value of 1.336 with 1 degree of freedom yield a p-value of 0.248. This implies that credit from the microfinance influence competitiveness of start-ups projects moderately.

#### **4.5.8. Credit availability enabled respondents open other businesses**

Apart from revamping their existing businesses by stocking them, these entrepreneurs open other side businesses from the credit sourced from the microfinance. An entrepreneur could be having a shop and then on acquiring the credit from the microfinance, they would open an m-pesa business. The businesses could be housed on the same building or elsewhere. Also they could buy motor bikes and operate a service business beside their other businesses. The responses on table 4.55 show how the respondents responded.

**Table 4.55: Availability of credit enabled respondents open other businesses**

<b>Response</b>	<b>Frequency</b>	<b>Percent</b>
Strongly agree	2	1.3
Agreed	140	93.3
Disagreed	8	5.3
<b>Total</b>	<b>150</b>	<b>100.0</b>

Table 4.55 demonstrate that majority of the respondents were in category that agreed that credit availability enabled them open other businesses. In this category 140 (93.3%) agreed, followed by 8 (5.3%) respondents who disagreed and 2 (1.3%) respondents who strongly agreed that availability of credit enabled them open other businesses. A cross tabulation was conducted and results recorded in table 4.56.



**Table 4.56: Cross tabulation showing microfinance institutions influence on women start-up enterprise projects and availability of credit enabled me open other business**

Decision model	Measuring scale	availability enabled me open other business			Total
		Strongly agree	Agreed	Dis-agreed	
<b>Influence on start-ups</b>	Count % within availability enabled me open other business	2 100.0	103 73.6	5 62.5	<b>110</b> <b>73.3</b>
<b>Does not influence start-ups</b>	Count % within availability enabled me open other business	0 .0%	37 26.4%	3 37.5%	<b>40</b> <b>26.7%</b>
<b>Total</b>	<b>Count % within availability enabled me open other business</b>	<b>2</b> <b>100.0%</b>	<b>140</b> <b>100.0%</b>	<b>8</b> <b>100.0%</b>	<b>150</b> <b>100.0%</b>

Results from table 4.56 revealed that within the decision to influence, 110 (73.3%) acknowledged the influence microfinance institutions had on women start-up projects within categories *agree*, *disagreed*, *strongly agree*. Whereas within the same categories 40 (26.7%) declined. Chi-square test results were conducted and results tabled in table 4.57.

**Table 4.57: Chi-Square Tests**

	Value	df	p-value
Pearson Chi-Square	1.211(a)	2	0.546
Likelihood Ratio	1.692	2	0.429
N of Valid Cases	150		

Table 4.57 of Chi-Square depict a Pearson Chi-Square value of 1.211 with 2 degree of freedom yield a p-value of 0.546. This implies that microfinance availing credit to women start-ups projects did not influence opening of other businesses significantly.

#### 4.6. Influence of banking facilities on start-ups of women entrepreneurship projects

The respondents were asked to indicate their level of agreement on the following statements in the tables below. The tables aimed to elicit responses from the respondent's about training by SMEP microfinance. The tables indicated the level of agreement on the listed statements. The scale used was a pointer from 1-5 scale, with 1 being 'Strongly agree', 2 being 'agree' 3 being 'don't know', 4 being 'disagree' and 5 being 'strongly disagree', the results were as listed in the table 4.58.

##### 4.6.1. Account holders with the microfinance

The study sought to know whether the respondents operated saving accounts with the microfinance. Operating a savings account with the microfinance was one of the prerequisites of being awarded loan by the microfinance institution. By operating a savings account, the microfinance institution was able to get a good history from the transactions that were carried out of the client. Also the bank was able to see the way cash flowed in and out of the account. This was a good indicator to the microfinance about the credit worthiness of the individual. The results below show how the responses were.

**Table 4.58: Frequency distribution of responses on bank account holders with SMEP microfinance**

<b>Response</b>	<b>Frequency</b>	<b>Percent</b>
Strongly agree	112	74.7
Agreed	38	25.3
<b>Total</b>	<b>150</b>	<b>100.0</b>

Table 4.58 demonstrate that all the respondents operated bank accounts with the microfinance. 112 (74.7%) respondents strongly agreed that they had bank accounts with

the microfinance, followed by 38 (25.3%) of the respondents who agreed that they operated banking accounts with the microfinance institution. When a cross tabulation was conducted to examine categorical responses within responses, the results were as presented in table 4.42;

**Table 4.59: Cross tabulation showing microfinance institutions influence on women start-up enterprise projects and ability to save with SMEP micro finance**

Decision model	Measuring scale	i am able to save with SMEP micro finance		Total
		Strongly agree	Agreed	
<b>Influences start-up</b>	Count % within i am able to save with SMEP micro finance	81 73.0	29 74.4	110 73.3
<b>Does not influence start-ups</b>	Count % within i am able to save with SMEP micro finance	30 27.0	10 25.6	40 26.7
<b>Total</b>	<b>Count % within i am able to save with SMEP micro finance</b>	<b>111 100.0%</b>	<b>39 100.0%</b>	<b>150 100.0%</b>

Results from table 4.59 revealed that categorical responses within *strongly agree* stood at 81 (73.0%) whereas in the same category, 30 (27.0%), followed by responses within the *agreed* category who opined acknowledging the influence of microfinance institutions were represented by 29 (74.4%) whereas 10 (25.6%) declined. Chi-Square test was conducted and results listed in table 4.60.

**Table 4.60: Chi-Square Tests**

	Value	df	p-value
Pearson Chi-Square	0.028(b)	1	0.866
Continuity Correction(a)	0.000	1	1.000
N of Valid Cases	150		

Table 4.60 of Chi-Square test depict a Pearson Chi-Square value of 0.028 with 1

degree of freedom yield a p-value of 0.866. This implies that saving in the microfinance institution did not influence start-up projects significantly.

#### 4.6.2. Use of savings as collateral in the microfinance

The study sought to know whether the microfinance could advance loans to their clients on the basis of the savings one had in her account. The responses from the women entrepreneurs were as list in the table below.

**Table 4.61: Savings in SMEP used as collateral for credit**

<b>Measuring scale</b>	<b>Frequency</b>	<b>Percent</b>
Strongly agree	81	54.0
Agreed	65	43.3
Strongly disagree	4	2.7
<b>Total</b>	<b>150</b>	<b>100.0</b>

Table 4.61 demonstrate that majority of saving account holders with SMEP could use their savings as collateral for loan. In this category, 81 (54%) respondents strongly agreed that they could use their savings as collateral for loan access, followed by 65 (43.3%) respondents who agreed, followed by 4 (2.7%) respondents who strongly disagreed that savings could be used as collateral for credit. This result is supported by Naslund et al (1993) who showed that women who have contributed more to their savings have a higher repayment level.

A cross tabulation was conducted to investigate categorical responses within influence of microfinance institutions and the results were as presented in table 4.62.

**Table 4.62: Cross tabulation showing microfinance institutions influence on women start-up enterprise projects and savings being used as collateral for credit access**

Decision model	Measuring scale	savings can be used as collateral for credit access			Total
		Strongly agree	Agreed	Strongly disagree	
<b>Influences start-up projects</b>	Count% within savings can be used as collateral for credit access	55 68.8	52 78.8	3 75.0	<b>110</b> <b>73.3</b>
<b>Does not influence start-up projects</b>	Count% within savings can be used as collateral for credit access	25 31.3	14 21.2	1 25.0	<b>40</b> <b>26.7</b>
<b>Total</b>	<b>Count% within savings can be used as collateral for credit access</b>	<b>80</b> <b>100.0%</b>	<b>66</b> <b>100.0%</b>	<b>4</b> <b>100.0%</b>	<b>150</b> <b>100.0%</b>

Results from table 4.62 revealed that within the decision to influence, 110 (73.3%) acknowledged the influence microfinance institutions had on women start-up projects within categories *agree*, *disagreed*, *strongly agree*. Whereas within the same categories 40 (26.7%) declined. When chi-square was conducted and results shown in table 4.63.

**Table 4.63: Chi-Square Tests**

	Value	df	p-value
Pearson Chi-Square	1.869(a)	2	0.393
Likelihood Ratio	1.891	2	0.389
N of Valid Cases	150		

Table 4.63 of Chi-Square test depict a Pearson Chi-Square value of 1.869 with 2 degree of freedom yield a p-value of 0.393. This implies that use of savings in the microfinance as collateral for credit access did not have significant influence on start-ups projects.

### 4.6.3. Use of check book

Banking facilities also included use of cheque books. The women entrepreneurs were asked if they used cheque books in their operations. The study was seeking to investigate whether the microfinance issued their clients who operated bank accounts with cheque books. Their responses were as follows below.

**Table 4.64: Banking Check book used**

	<b>Frequency</b>	<b>Percent</b>
Strongly agree	51	34.0
Agreed	7	4.7
Don't know	5	3.3
Disagreed	2	1.3
Strongly disagree	85	56.7
<b>Total</b>	<b>150</b>	<b>100.0</b>

Table 4.64 demonstrate that majority of the women entrepreneurs did not use check books. 85(56.7%) of the respondents strongly disagreed with this statement, followed by 51 (34%) respondents who strongly agree, followed by 7 (4.7%) respondents who agreed, followed by 5 (3.3%) respondents who did not know if cheque books could be issued by microfinance to her clients. Finally this category was followed by 2 (1.3%) respondents who disagreed that they could use cheque books in their operations. When a cross tabulation was conducted, results were as presented in table 4.65.

**Table 4.65: Cross tabulation microfinance institutions influence on women start-up enterprise projects and ability to transact using cheque book**

Decision model	Measuring scale	Ability to transact using cheque book					Total
		Strongly agree	Agreed	Don't know	Dis-agreed	Strongly disagree	
Yes	Count% ability to transact using cheque book	38 76.0	7 87.5	3 60.0	1 50.0	61 71.8	<b>110</b> <b>73.3</b>
No	Count% ability to transact using cheque book	12 24.0	1 12.5	2 40.0	1 50.0	24 28.2	<b>40</b> <b>26.7</b>
<b>Total</b>	<b>Count% ability to transact using cheque book</b>	<b>50</b> <b>100.0%</b>	<b>8</b> <b>100.0%</b>	<b>5</b> <b>100.0%</b>	<b>2</b> <b>100.0%</b>	<b>85</b> <b>100.0%</b>	<b>150</b> <b>100.0%</b>

Results from table 4.65 revealed that within the decision to influence, 110 (73.3%) acknowledged the influence microfinance institutions had on women start-up projects within categories *agree*, *disagreed*, *strongly agree*. Whereas within the same categories 40 (26.7%) declined. Chi-square test was conducted and results were as shown in table 4.66.

**Table 4.66: Chi-Square Tests**

	Value	df	p-value
Pearson Chi-Square	2.121(a)	4	0.713
Likelihood Ratio	2.158	4	0.707
N of Valid Cases	150		

Table 4.66 of Chi-Square test depict a Pearson Chi-Square value of 2.121 with 4 degree of freedom yield a p-value of 0.713. This implies that use of cheque books issued

by the microfinance did not influence start-ups projects significantly.

#### 4.6.4. Use of bank statement as credit security

Banking statement from the women entrepreneurs showed how these women deposited and withdrew cash from their accounts. It showed the financial status of women entrepreneurs businesses. It also showed how much and how often the women were depositing cash in their accounts thus how much the business were generating at any given period. The respondents were asked to state if they could use their bank statements as collateral to access loan from the microfinance institution. The responses were as shown in table 4.67.

**Table 4.67: Banking statement for credit**

	<b>Frequency</b>	<b>Percent</b>
Strongly agree	44	29.3
Agreed	102	68.0
Strongly disagree	4	2.7
<b>Total</b>	<b>150</b>	<b>100.0</b>

Table 4.67 demonstrate that majority of the respondents agreed that they could use their banking statement with the microfinance as collateral for credit access. This category had 102 (68%) respondents, followed by 44 (29.3%) respondents who strongly agreed and 4 (2.7) respondents who strongly disagreed that they could use their bank statement to access credit. Then a cross tabulation was carried out to establish individual categorical responses from within whether the factor influenced women start-up projects, and results shown in table 4.68.



**Table 4.68: Cross tabulation showing microfinance institutions influence on women start-up enterprise projects and banking statements can be used by the microfinance to extend credit**

Decision model	measuring scale	banking statements can be used by the microfinance to extend credit				Total
		Strongly agree	Agreed	Don't know	Strongly disagree	
Influences start-up	Count % within banking statements can be used by the microfinance to extend credit	30 68.2	77 76.2	1 100.0	2 50.0	110 73.3
Does not influence start-ups	Count % within banking statements can be used by the microfinance to extend credit	14 31.8	24 23.8	0 0.0	2 50.0	40 26.7
<b>Total</b>	<b>Count % within banking statements can be used by the microfinance to extend credit</b>	<b>44 100.0%</b>	<b>101 100.0%</b>	<b>1 100.0%</b>	<b>4 100.0%</b>	<b>150 100.0%</b>

Results from table 4.68 revealed that within the decision to influence, 110 (73.3%) acknowledged the influence microfinance institutions had on women start-up projects within categories *agree*, *disagreed*, *don't know*, *strongly agree*. Whereas within the same categories 40 (26.7%) declined. Chi-square was conducted and results shown in table 4.69.

**Table 4.69: Chi-Square Tests**

	<b>Value</b>	<b>df</b>	<b>p-value</b>
Pearson Chi-Square	2.510(a)	3	0.473
Likelihood Ratio	2.624	3	0.453
N of Valid Cases	150		

Table 4.69 of Chi-Square test depict a Pearson Chi-Square value of 2.510 with 3 degree of freedom yield a p-value of 0.473. This implies that use of bank statement to get more credit by the women entrepreneurs did not influence their start-ups significantly.

#### **4.6.5 Banking facilities from SMEP improved business efficiency**

Banking facilities offered by the microfinance institution included savings accounts, cheque clearance, mobile money banking etc. The study sought to know whether these facilities improved the entrepreneur's business efficiency. Their responses were as listed below.

**Table 4.70: Frequency distribution on banking facilities and business efficiency**

<b>Responses</b>	<b>Frequency</b>	<b>Percent</b>
Strongly agree	105	70.0
Agreed	35	23.3
Disagreed	4	2.7
Didn't know	4	2.7
Strongly disagree	2	1.3
<b>Total</b>	<b>150</b>	<b>100.0</b>

Table 4.70 demonstrate that majority of the respondents agreed that banking facilities offered by SMEP microfinance improved their business efficiency. This category had 105 (70%) respondents who agreed, followed by 35 (23.3%) respondents who strongly agreed, followed by 4 (2.7%) respondents who didn't know, followed by 4 (2.7%) respondents who disagreed and 2 (1.3%) respondents who strongly disagreed that

these banking facilities improved their business efficiency. A cross tabulation was conducted to ascertain individual responses within categories of measuring on the influence microfinance institutions had on women start-up projects, the results were as presented in table 4.71.

**Table 4.71: Cross tabulation showing microfinance institutions influence on women start-up enterprise projects and payment through the institution has improved business efficiency**

Decision model	Measuring scale	payment through the institution has improved business efficiency					Total
		Strongly agree	Agreed	Don't know	Dis-agreed	Strongly disagree	
<b>Influence start-up</b>	Count% within payment through the institution has improved business efficiency	27 77.1	75 71.4	3 75.0	3 75.0	2 100.0	110 73.3
<b>Does not influence start-ups</b>	Count% within payment through the institution has improved business efficiency	8 22.9	30 28.6	1 25.0	1 25.0	0 0.0	40 26.7
<b>Total</b>	<b>Count % within payment through the institution has improved business efficiency</b>	<b>35 100.0%</b>	<b>105 100.0%</b>	<b>4 100.0%</b>	<b>4 100.0%</b>	<b>2 100.0%</b>	<b>150 100.0%</b>

Results from table 4.71 revealed that responses within the category *agreed* had the majority in terms of acknowledgement when microfinance institutions were involved stood at 75 (71.4%) whereas in the same category 30 (28.6%) held a contrary opinion, this was followed by responses within *strongly agreed* category whereby 27 (77.1%) acknowledged the influence that microfinance institutions had on efficiency of businesses while 8 (22.9%) declined. Responses within *don't know* category that acknowledged the influence of microfinance at 3 (75.0%) while 1 (25.0%) within the same category declined the influence of microfinance institutions. This was respectively followed by responses within *disagreed and strongly disagreed* categories who held the opinion that at a majority of 3 (75.0%) and 2 (100.0%) whereas responses within the respective categories that declined the influence of microfinance institutions stood at 1 (25.0%) and none within the category had the contrary opinion. The study further conducted a chi-Square test and results presented in table 4.72.

**Table 4.72: Chi-Square Tests**

	<b>Value</b>	<b>df</b>	<b>p-value</b>
Pearson Chi-Square	1.193	4	0.879
Likelihood Ratio	1.712	4	0.788
N of Valid Cases	150		

Table 4.72 of Chi-Square depict a Pearson Chi-Square value of 1.193 with 4 degree of freedom yield a p-value of 0.879. This implies that payment through the microfinance institution did not have much significant influence on the start-up projects.

#### **4.6.6 Affordability of banking charges**

Banking charges are charges levied on all services offered by the microfinance institution. These include ledger fees, over the counter withdrawal charges and cheque

processing charges. The study sought to investigate from the respondents how they viewed the affordability of these charges. Their responses were as shown in table 4.73.

**Table 4.73: Frequency distribution on affordability of banking charges**

<b>Responses</b>	<b>Frequency</b>	<b>Percent</b>
Strongly agree	106	70.7
Agreed	32	21.3
Disagreed	4	2.7
Strongly disagree	8	5.3
<b>Total</b>	<b>150</b>	<b>100.0</b>

Table 4.73 demonstrate that majority of the respondents strongly agreed that bank charges were affordable. This category had 106 (70.7%) respondents who strongly agreed, followed by 32 (21.3%) respondents who agreed, followed by 8 (5.3%) respondents who strongly disagreed and 4 (2.7%) respondents who disagreed that the charges were affordable. A cross tabulation was further conducted and the results were as shown in table 4.74.

**Table 4.74: Cross tabulation showing microfinance institutions influence on women start-up enterprise projects and over-the-counter charges' affordability**

Decision model	Measuring scale	the over the counter charges are affordable				Total
		Strongly agree	Agreed	Disagreed	Strongly disagree	
<b>Influences</b>	Count % within the over the counter charges are affordable	72 68.6	28 84.8	4 100.0	6 75.0	110 73.3
<b>Does not influence</b>	Count % within the over the counter charges are affordable	33 31.4	5 15.2	0 0.0	2 25.0	40 26.7
<b>Total</b>	<b>Count % within the over the counter charges are affordable</b>	<b>105 100.0%</b>	<b>33 100.0%</b>	<b>4 100.0%</b>	<b>8 100.0%</b>	<b>150 100.0%</b>

According to results from table 4.74, categorical responses within the study indicated that majority who acknowledged the influence microfinance institution had stood at 72 (68.6%) within the category *strongly agree* whereas minority, within the category *disagreed*, at 4 (100.0%) also acknowledged the influence, whereas, majority from within the category *strongly agree* declined the influence microfinance institution had on the factor standing at 33 (31.4%), followed by 5 (15.2%) within the category *agreed*, 2 (25.0%) within the category *strongly agree*. When a chi – statistic was conducted to identify the significance of the factor influence, results obtained were as shown in table 4.75.

**Table 4.75: Chi-Square Tests**

	<b>Value</b>	<b>df</b>	<b>p-value</b>
Pearson Chi-Square	4.921(a)	3	0.178
Likelihood Ratio	6.183	3	0.103
N of Valid Cases	150		

Table 4.75 of Chi-Square test depict a Pearson Chi-Square value of 4.921 with 3 degree of freedom yield a p-value of 0.178. This implies that over the counter charges affordability had a moderate significant influence on start-up projects.

#### **4.6.7 Mobile banking in the microfinance**

Mobile banking entails the use of mobile phone to deposit and withdraw money from a bank account in the microfinance. Most women entrepreneurs preferred this mode of banking facility because it was convenient and could be carry out at the comfort of their homes and businesses. The study was seeking to know whether the microfinance institution accepted the use of it and the responses that were elicited from the respondents were as shown in table 4.76.

**Table 4.76: Frequency distribution on mobile banking accepted by SMEP microfinance**

<b>Response</b>	<b>Frequency</b>	<b>Percent</b>
Strongly agree	146	97.3
Agreed	2	1.3
Strongly disagree	2	1.3
<b>Total</b>	<b>150</b>	<b>100.0</b>

Table 4.76 demonstrate that majority of the respondents strongly agreed that mobile banking was accepted by the microfinance institution. This category had 146 (97.3%) respondents, followed by 2 (1.3%) respondents who agreed, followed by 2

(1.3%) who strongly disagreed that mobile banking was accepted by the microfinance institution. A cross tabulation was carried out and the results were as presented in table 4.77.

**Table 4.77: Cross tabulation showing microfinance institutions influence on women start-up enterprise projects and mobile banking is accepted by SMEP**

Decision model	Measuring scale	mobile banking is accepted by SMEP			Total
		Strongly agree	Agreed	Strongly disagree	
<b>Influences start-ups</b>	Count% within mobile banking is accepted by SMEP	105 72.4	3 100.0	2 100.0	110 73.3
<b>does not influence start-up</b>	Count% within mobile banking is accepted by SMEP	40 27.6	0 0.0	0 0.0	40 26.7
<b>Total</b>	<b>Count% within mobile banking is accepted by SMEP</b>	<b>145 100.0%</b>	<b>3 100.0%</b>	<b>2 100.0%</b>	<b>150 100.0%</b>

Results from table 4.77 showed that responses within the category *strongly agree* represented the majority in terms of acknowledging microfinance institutions influence on women enterprise project as indicated by 105 (72.4%) responses who acknowledge the same, whereas within the same category 40 (27.6%) declined its influence, this was followed by responses within the category *agreed* and *strongly agreed* with the least representation therefore indicating that majority acknowledge the influence of the factor on their projects. Chi-Square test was conducted and results shown in table 4.78.



**Table 4.78: Chi-Square Tests**

	Value	df	p-value
Pearson Chi-Square	1.881(a)	2	0.390
Likelihood Ratio	3.164	2	0.206
N of Valid Cases	150		

Table 4.78 of Chi-Square depict a Pearson Chi-Square value of 1.881 with 2 degree of freedom yield a p-value of 0.390. This implies that mobile banking being accepted by the institution did not influence the start-up projects significantly.

#### 4.6.8. Mobile banking and business efficiency

The study sought to investigate whether mobile banking increased business efficiency of women entrepreneurs. This was in terms of saving time and money for these women entrepreneurs in the course of doing business. The responses from these women entrepreneurs were as shown in table 4.79.

**Table 4.79: Frequency distribution on influence of mobile banking on business efficiency**

Response	Frequency	Percent
Strongly agree	61	40.7
Agreed	87	58.0
Disagreed	2	1.3
<b>Total</b>	<b>150</b>	<b>100.0</b>

Table 4.79 demonstrate that majority of the respondents agreed that mobile banking improved their business efficiency. This category had 87 (58%) respondents, followed by 61 (40.7%) respondents who strongly agreed and 2 (1.3%) respondents who disagreed that by using mobile banking their business efficiency had improved. Cross tabulation was further conducted and results obtained were as presented in table 4.80.

**Table 4.80: Cross tabulation showing microfinance institutions influence on women start-up enterprise projects and mobile banking enabling them improve their businesses**

Decision model	Measuring scale	mobile banking enabled me improve business			Total
		Strongly agree	Agreed	Disagreed	
Influences start-up	Count% within mobile banking enabled me improve business	46 75.4	63 72.4	1 50.0	<b>110</b> <b>73.3</b>
Does not influence	Count% within mobile banking enabled me improve business	15 24.6	24 27.6	1 50.0	<b>40</b> <b>26.7</b>
<b>Total</b>	<b>Count % within mobile banking enabled me improve my business</b>	<b>61</b> <b>100.0%</b>	<b>87</b> <b>100.0%</b>	<b>2</b> <b>100.0%</b>	<b>150</b> <b>100.0%</b>

Results from table 4.80 revealed that majority within the category *agreed* 63 (72.4%) acknowledged the influence of microfinance institutions and mobile banking enabling business improvement for women start-up projects whereas in the same category 24 (27.6%) declined its influence, this was followed by responses within the category *strongly agreed* whereby 46 (75.4%) acknowledged its influence whereas within the same category 15 (24.6%) declined its influence. Minority within the respondents response represented by 1 (50%) within the category *disagreed* acknowledged the influence of microfinance institution whereas an equivalent 1 (50%) held a contrary opinion.

Chi-Square test conducted to establish significance of mobile banking as a factor and results were shown in table 4.81.

**Table 4.81: Chi-Square Tests**

	<b>Value</b>	<b>df</b>	<b>p-value</b>
Pearson Chi-Square	0.729(a)	2	0.695
Likelihood Ratio	0.665	2	0.717
N of Valid Cases	150		

Table 4.81 of Chi-Square shows a Pearson Chi-Square value of 0.729 with 2 degree of freedom yield a p-value of 0.695. This implies that mobile banking offered by the microfinance institution did not influence start-ups projects significantly in terms of improving the businesses.

#### **4.6.9. Mobile banking and cash risks**

The study sought to investigate how mobile banking influenced risks associated with cash handling by women entrepreneurs. These risks include loss through being stolen and being conned. The responses from the entrepreneurs were as shown in table 4.82.

**Table 4.82: Frequency distribution on Influence of mobile banking on cash risk management reduce cash risk**

<b>Responses</b>	<b>Frequency</b>	<b>Percent</b>
Strongly agree	94	62.7
Agreed	52	34.7
Strongly disagree	4	2.7
<b>Total</b>	<b>150</b>	<b>100.0</b>

Table 4.82 demonstrate that majority of the respondents strongly agreed that when they used mobile banking facilities, risks associated with handling cash was reduced. This category had 94 (62.7%) respondents, followed by 52 (34.7%) respondents who agreed, and 4 (2.7%) respondents who strongly disagreed that when they used mobile

banking cash risks were reduced. A cross tabulation was conducted to establish categorical responses within the decision to influence; the results were as shown in table 4.83.

**Table 4.83: Cross tabulation showing microfinance institutions influence on women start-up enterprise projects and banking facilities reducing risks due to mobile banking**

Decision model	Measuring scale	banking facilities reduce business risk as cash transactions are reduced			Total
		Strongly agree	Agreed	Strongly disagree	
<b>Influences start-ups</b>	Count% within banking facilities reduce business risk as cash transactions are reduced	64 68.1	45 86.5	1 25.0	<b>110 73.3</b>
<b>Does not influence start-ups</b>	Count% within banking facilities reduce business risk as cash transactions are reduced	30 31.9	7 13.5	3 75.0	<b>40 26.7</b>
<b>Total</b>	<b>Count% within banking facilities reduce business risk as cash transactions are reduced</b>	<b>94 100.0%</b>	<b>52 100.0%</b>	<b>4 100.0%</b>	<b>150 100.0%</b>

Results from table 4.83 revealed that within the decision to influence, 110 (73.3%) acknowledged the influence microfinance institutions had on women start-up projects within categories *agree*, *disagreed*, *strongly agree*. Whereas within the same categories 40 (26.7%) declined. Chi-square test was conducted and results were as shown in table 4.84.

**Table 4.84: Chi-Square Tests**

	<b>Value</b>	<b>df</b>	<b>p-value</b>
Pearson Chi-Square	10.739(a)	2	0.005
Likelihood Ratio	10.658	2	0.005
N of Valid Cases	150		

Table 4.84 of Chi-Square reveals that a Pearson Chi-Square value of 10.739 with 2 degree of freedom yields a p-value of 0.005. This implies that mobile banking offered by the microfinance institution influenced start-ups projects significantly.

#### **4.7 Influence of interest rates on loans by start-ups of women entrepreneurship projects**

The respondents were asked to indicate their level of agreement on the following statements in the tables below. The tables aimed to elicit responses from the respondent's about training by SMEP microfinance. The tables indicated the level of agreement on the listed statements. The scale used was a pointer from 1-5 scale, with 1 being 'Strongly agree', 2 being 'agree' 3 being 'don't know', 4 being 'disagree' and 5 being 'strongly disagree', the results were as listed in the tables below.

##### **4.7.1 Affordability of interest rates charged on loans**

The microfinance institution charge interest on all loans to women entrepreneurs. The study sought to know how the women entrepreneurs viewed the interest rates charged on the loans they took from the microfinance institution in terms of how expensive they were. Their responses were as in table 4.85.

**Table 4.85: Frequency distribution on Interest rates charges cheap**

<b>Responses</b>	<b>Frequency</b>	<b>Percent</b>
Strongly agree	10	6.7
Agreed	5	3.3
Disagreed	16	10.7
Strongly disagree	119	79.3
<b>Total</b>	<b>150</b>	<b>100</b>

Table 4.85 demonstrate that majority of the respondents strongly disagreed that interest rates charged by the microfinance were cheap. This category had 119 (79.3%) respondents, followed by 16 (10.7%) respondents who also disagreed, 10 (6.7%) respondents who strongly agreed and 5 (3.3%) agreed that interest rates were cheap. This is similar to what Bett (2014) found on her study. In her study she found out that majority of her respondents were of the view that interest rates charged were high. Also Mwongera (2014) found out that 73% of her responded that interest rates from the microfinance were not reasonable.

A cross tabulation was conducted to ascertain categorical influences within responses against the dependent variable and the results were as shown in table 4.86.

**Table 4.86: Cross tabulation showing microfinance institutions influence on women start-up enterprise projects and interest charged for loans obtained being affordable**

Decision status	Measuring scale	the interest charged for loans obtained is affordable				Total
		Strongly agree	Agreed	Dis-agreed	Strongly disagree	
Influences start-ups	Count% within the interest charged for loans obtained is affordable	4 40.0	88 73.9	14 87.5	4 80.0	110 73.3
Does not influence start-up	Count% within the interest charged for loans obtained is affordable	6 60.0	31 26.1	2 12.5	1 20.0	40 26.7
<b>Total</b>	<b>Count % within the interest charged for loans obtained is affordable</b>	<b>10 100.0%</b>	<b>119 100.0%</b>	<b>16 100.0%</b>	<b>5 100.0%</b>	<b>150 100.0%</b>

Results from table 4.86 revealed that within the decision to influence, 110 (73.3%) acknowledged the influence microfinance institutions had on women start-up projects within categories *agree*, *disagreed*, *strongly agree*. Whereas within the same categories 40 (26.7%) declined. Chi-Square test was conducted to ascertain significance of credit as a factor that influenced the microfinance and results were as shown in table 4.87.

**Table 4.87: Chi-Square Tests**

	Value	df	p-value
Pearson Chi-Square	7.461	3	0.059
Likelihood Ratio	6.941	3	0.074
N of Valid Cases	150		

Table 4.87 of Chi-Square shows a Pearson Chi-Square of 7.461 with 3 degree of freedom yield a p-value of 0.059. This implies that the affordability of interest charged on loan influenced the start-ups significantly.

#### 4.7.2 Competitiveness of interest rates charged compared to other lenders

The study investigated how the women entrepreneurs found the interest rates competitiveness against other lenders in the market. This meant how the women viewed the rates charged by the microfinance in terms of being good or better than other lenders in the market. The responses were as listed below.

**Table 4.88: Frequency distribution on competitiveness of interest rates**

<b>Responses</b>	<b>Frequency</b>	<b>Percent</b>
Strongly agree	9	6.0
Agreed	38	25.3
Don't know	8	5.3
Disagreed	56	37.3
Strongly disagree	39	26
<b>Total</b>	<b>150</b>	<b>100</b>

Table 4.88 demonstrate that majority of the respondents disagreed that the interest charged by the microfinance were competitive compared to other lenders. This category had 56 (37.3%) respondents, followed by 39 (26%) respondents who strongly disagreed, 38 (25.3%) respondents who agreed, 9 (6%) respondents who strongly agreed that interest rates charged were competitive and 8 (5.3%) respondents who didn't know whether these rates were competitive. Also this is similar to what Standard Digital found out. According to Standard Digital (2014), expensive microfinance loans in Kenya are driving small scale business people away from the same institutions that are supposed to boost businesses and help in eradication of poverty.



A cross tabulation was further conducted to ascertain categorical influences within responses against the dependent variable and the results were as shown in table 4.89.

**Table 4.89: Cross tabulation showing microfinance institutions influenced women start-up enterprise projects and interest charged being competitive to other financial lending institutions**

Decision status	Measuring scale	the interest charged was competitive compared to other financial lending institutions					Total
		Strongly agree	Agreed	Don't know	Dis-agreed	Strongly disagree	
Influenced start-ups	Count % within the interest charged was competitive compared to other financial lending institutions	7 77.8	33 84.6	2 25.0	40 72.7	28 71.8	<b>110</b> <b>73.3</b>
Does not influence start-ups	Count % within the interest charged was competitive compared to other financial lending institutions	2 22.2	6 15.4	6 75.0	15 27.3	11 28.2	<b>40</b> <b>26.7</b>
<b>Total</b>	<b>Count% within the interest charged was competitive compared to other financial lending institutions</b>	<b>9</b> <b>100.0%</b>	<b>39</b> <b>100.0%</b>	<b>8</b> <b>100.0%</b>	<b>55</b> <b>100.0%</b>	<b>39</b> <b>100.0%</b>	<b>150</b> <b>100.0%</b>

Results from table 4.89 revealed that within the decision to influence, 110 (73.3%) acknowledged the influence microfinance institutions had on women start-up projects within categories *agree, disagreed, strongly agree*. Whereas within the same categories 40 (26.7%). When chi-square was conducted, with a Pearson chi value of 12.244, at a 4df, the significance of credit as a factor as inflected in microfinance occurred at 0.016 revealing a significant level of the factor. Chi-Square test was conducted to ascertain significance of the responses and the results are as shown in table 4.90.

**Table 4.90: Chi-Square Tests**

	<b>Value</b>	<b>df</b>	<b>p-value</b>
Pearson Chi-Square	12.244(a)	4	0.016
Likelihood Ratio	11.100	4	0.025
N of Valid Cases	150		

Table 4.90 of Chi-Square test depict a Chi-Square value of 12.244 with 4 degree of freedom yield a p-value of 0.016. This implies that competitiveness of interest rates charged by the microfinance on loans compared to other lending institutions influenced the start-ups projects significantly.

#### **4.7.3 Fairness of charged interest compared to other financiers**

The study sought to establish what the respondents' views were concerning the fairness of the interest rates charged. The study wanted to establish whether the respondents viewed the rates as acceptable or appropriate. The respondents gave the following responses.

**Table 4.91: Frequency distribution on fairness of interest charged against other lenders**

	<b>Frequency</b>	<b>Percent</b>
Strongly agree	9	6.0
Agreed	41	27.3
Don't know	4	2.7
Disagreed	65	43.3
Strongly disagree	31	20.7
<b>Total</b>	<b>150</b>	<b>100</b>

Table 4.91 demonstrate that majority of the respondents disagreed that the rates were fair compared to other lenders. This category had 65 (43.3%) respondents who disagreed, followed by 41 (27.3%) respondents who agreed that the rates were fair, 31 (20.7%) respondents who strongly disagreed, 9 (6%) respondents who strongly agreed, and 4 (2.7%) respondents didn't know whether the charges were fair or not. A cross tabulation was conducted to ascertain categorical influences within responses against the dependent variable and the results were as shown in table 4.92.

**Table 4.92: Cross tabulation showing microfinance institutions influenced women start-up enterprise projects and the interest charged being fair compared to other financiers**

Decision status	Measuring scale	The interest charged was fair compared to other financiers					Total
		Strongly agree	Agreed	Don't know	Dis-agreed	Strongly disagree	
<b>Influenced start-ups</b>	Count % within the interest charged was fair compared to other financiers	6 66.7	31 73.8	2 50.0	48 75.0	23 74.2	110 73.3
<b>Does not influence start-ups</b>	Count % within the interest charged was fair compared to other financiers	3 33.3	11 26.2	2 50.0	16 25.0	8 25.8	40 26.7
<b>Total</b>	<b>Count % within the interest charged was fair compared to other financiers</b>	<b>9 100.0%</b>	<b>42 100.0%</b>	<b>4 100.0%</b>	<b>64 100.0%</b>	<b>31 100.0%</b>	<b>150 100.0%</b>

Results from table 4.92 revealed that within the decision to influence, 110 (73.3%) acknowledged the influence microfinance institutions had on women start-up projects within categories *agree*, *disagreed*, *strongly agree*. Whereas within the same categories 40 (26.7%) declined. Chi-square test was further conducted and results were as shown in table 4.93.

**Table 4.93: Chi-Square Tests**

	Value	df	p-value
Pearson Chi-Square	1.426	4	0.840
Likelihood Ratio	1.286	4	0.864
N of Valid Cases	150		

Table 4.93 of Chi-Square depict a Chi-Square value of 1.426 with 4 degree of freedom yield a p-value of 0.840. This implies that fairness of interest charged on loan compared to other financiers did not influence start-ups projects significantly.

#### 4.7.4 Interest rate negotiability

The study sought to establish if interest rates were negotiable. The study sought to establish if the entrepreneurs were given a chance by the microfinance institution to negotiate the interest rate they were to be charged on loans that they took. The responses from the women entrepreneurs were as follows in the table 4.94.

**Table 4.94: Frequency distribution on interest negotiable**

Responses	Frequency	Percent
Strongly agree	2	1.3
Agreed	4	2.7
Don't know	4	2.7
Disagreed	2	1.3
Strongly disagree	138	92.0
<b>Total</b>	<b>150</b>	<b>100.0</b>

Table 4.94 demonstrate that majority of the respondents strongly disagreed that interest rates were negotiable. This category had 138 (92%) respondents, followed by 4 (2.7%) respondents who agreed, 4 (2.7%) respondents who didn't know if they could negotiate the rates, 2 (1.3%) respondents who strongly agree that they could negotiate the

rates and 2 (1.3%) respondents disagreed that they could negotiate the rates. A cross tabulation was conducted to identify individual categorical responses and the results were as presented in table 4.95.

**Table 4.95: Cross tabulation showing microfinance institutions have successfully influenced women start-up enterprise projects and the interest charged for loans obtained is negotiable**

Decision status	Measuring scale	the interest charged for loans obtained is negotiable					Total
		Strongly agree	Agreed	Don't know	Dis-agreed	Strongly disagree	
<b>Influences start-ups</b>	Count % within the interest charged for loans obtained is negotiable	2 100.0	3 60.0	1 25.0	2 100.0	102 74.5	<b>110</b> <b>73.3</b>
<b>Does not influence start-ups</b>	Count % within the interest charged for loans obtained is negotiable	0 0.0	2 40.0	3 75.0	0 0.0	35 25.5	<b>40</b> <b>26.7</b>
<b>Total</b>	<b>Count % within the interest charged for loans obtained is negotiable</b>	<b>2</b> <b>100.0%</b>	<b>5</b> <b>100.0%</b>	<b>4</b> <b>100.0%</b>	<b>2</b> <b>100.0%</b>	<b>137</b> <b>100.0%</b>	<b>150</b> <b>100.0%</b>

Results from table 4.95 revealed that within the decision to influence, 110 (73.3%) acknowledged the influence microfinance institutions had on women start-up projects within categories *agree*, *disagreed*, *strongly agree*. Whereas within the same categories 40 (26.7%) declined. Chi-square test was conducted and results were as shown in table 4.96.

**Table 4.96: Chi-Square Tests**

	<b>Value</b>	<b>df</b>	<b>p-value</b>
Pearson Chi-Square	6.775(a)	4	0.148
Likelihood Ratio	7.040	4	0.134
N of Valid Cases	150		

Table 4.96 of Chi-Square depict a Chi-Square value of 6.775 with 4 degree of freedom yield a p-value of 0.148. These results imply that negotiability of interest rates charged by the microfinance on loans influence the start-ups projects moderately.

#### **4.7.5 Interest rates charged motivated bigger loan uptake**

The study also sought to investigate whether interest rate charged on loans accessed by the women entrepreneurs motivated them to take bigger loans. Table 4.97 shows the results of the responses from the respondents.

**Table 4.97: Frequency distribution on interest motivated bigger loans**

<b>Responses</b>	<b>Frequency</b>	<b>Percent</b>
Strongly agree	3	2.0
Agreed	28	18.7
Disagreed	77	51.3
Strongly disagree	42	28.0
<b>Total</b>	<b>150</b>	<b>100.0</b>

Table 4.97 demonstrate that majority of the respondents disagreed that interest rates charged by the microfinance motivated them to take bigger loans. This category had 77 (51.3%) respondents, followed by 42 (28%) respondents who strongly disagreed, 28 (18.7%) respondents who agreed and 3 (2%) respondents strongly agreed that interest rates motivated them take bigger loans. A cross tabulation was conducted and the results shown in table 4.98.

**Table 4.98: Cross tabulation showing microfinance institutions have successfully influenced women start-up enterprise projects and the interest charged on loan motivated me takes a bigger loan**

Decision status	Measuring scale	the interest charged on loan motivated me take a bigger loan				Total
		Strongly agree	Agreed	Dis-agreed	Strongly disagree	
<b>Influenced start-ups</b>	Count % within the interest charged on loan motivated me take a bigger loan	2 66.7	21 72.4	57 75.0	30 71.4	110 73.3
<b>Does not influence start-ups</b>	Count % within the interest charged on loan motivated me take a bigger loan	1 33.3	8 27.6	19 25.0	12 28.6	40 26.7
<b>Total</b>	<b>Count % within the interest charged on loan motivated me take a bigger loan</b>	<b>3 100.0%</b>	<b>29 100.0%</b>	<b>76 100.0%</b>	<b>42 100.0%</b>	<b>150 100.0%</b>

Results from table 4.98 revealed that majority respondents among the category *disagreed* acknowledged the influence microfinance institutions had on women start-up projects while in the same category 19 (25.0%) declined its influence. This was followed by those within the category *strongly disagree* who stood at 30 (71.4%) whereas 12 (28.6%), followed by those within the *agreed* category who acknowledged the influence at 21 (72.4%) whereas 8 (27.6%) declined its influence. Minority among respondents within the *strongly agree* acknowledged the influence of microfinance's on women enterprises at 2 (66.7%) and 1 (33.3%) denied its influence in the same category. A chi square test was carried out and the results were as indicated in table 4.99.



**Table 4.99: Chi-Square Tests**

	<b>Value</b>	<b>df</b>	<b>p-value</b>
Pearson Chi-Square	0.267(a)	3	0.966
Likelihood Ratio	0.264	3	0.967
N of Valid Cases	150		

Table 4.99 of Chi-Square depict a Chi-Square value of 0.267 with 3 degree of freedom yields a p-value of 0.966. This implies that interest rates charged on loans did not influence significantly the start-up projects uptake of bigger loans.

#### **4.7.6 Interest charged on loan motivated frequent loan uptake**

The study sought to get responses from the respondents on the influence of interest rates charged on loan uptake. The following table tabulate the responds of the women entrepreneurs.

**Table 4.100: Frequency distribution on influence of interest charged on loan uptake**

<b>Response</b>	<b>Frequency</b>	<b>Percent</b>
Agreed	6	4.0
Disagreed	124	82.7
Strongly disagree	20	13.3
<b>Total</b>	<b>150</b>	<b>100.0</b>

Table 4.100 demonstrate that majority of the respondents disagreed that interest charged motivated frequent loan uptake from the microfinance. This category had 124 (82.7%) respondents followed by 20 (13.3%) respondents who strongly disagreed and 6 (4%) respondents who agreed that interest rates charged on loan motivated them take frequent loans. Cross tabulation was conducted and categorical responses recorded in table 4.101.

**Table 4.101: Cross tabulation showing microfinance institutions have successfully influenced women start-up enterprise projects and the interest charged on loan motivated me to take loan frequently**

Decision	Measuring scale	the interest charged on loan motivated me to take loan frequently			Total
		Agreed	Disagreed	Strongly disagree	
<b>Influences start-ups</b>	Count % within the interest charged on loan motivated me to take loan frequently	6 85.7	88 71.5	16 80.0	<b>110 73.3</b>
<b>Does not influence start-ups</b>	Count % within the interest charged on loan motivated me to take loan frequently	1 14.3	35 28.5	4 20.0	<b>40 26.7</b>
<b>Total</b>	<b>Count % within the interest charged on loan motivated me to take loan frequently</b>	<b>7 100.0%</b>	<b>123 100.0%</b>	<b>20 100.0%</b>	<b>150 100.0%</b>

Results from table 4.101 revealed that within the decision to influence, 110 (73.3%) acknowledged the influence microfinance institutions had on women start-up projects within categories *agree*, *disagreed*, *strongly agree*. Whereas within the same categories 40 (26.7%) declined. Chi-square test was conducted and results were as shown in table 4.102.

**Table 4.102: Chi-Square Tests**

	Value	df	p-value
Pearson Chi-Square	1.204(a)	2	0.548
Likelihood Ratio	1.305	2	0.521
N of Valid Cases	150		

Table 4.102 of Chi-Square depict a Chi-Square value of 1.204 with 2 degree of freedom yield a p-value of 0.548. This implies that interest rates charged by the

microfinance institution did not influence significantly motivation to take loan more frequently.

#### 4.7.7 Interest rate charged on loan strained loan repayment

The study sought to know the opinion of the respondents pertaining to interest charged on the loans they took from the microfinance. The respondents gave the following responses in the table below.

**Table 4.103: Frequency Distribution on interest rate strained loan repayment**

<b>Response</b>	<b>Frequency</b>	<b>Percent</b>
Strongly agree	2	1.3
Agreed	144	96.1
Disagreed	2	1.3
Strongly disagree	2	1.3
<b>Total</b>	<b>150</b>	<b>100.0</b>

Table 4.103 demonstrate that majority of the respondents agreed that interest rates strained loan repayment by the respondents. This category had 144 (96.1%) respondents, followed by 2 (1.3%) respondents who strongly agreed, 2 (1.3%) respondents disagreed and 2 (1.3%) respondents strongly disagreed that interest rates charged on loan strained the repayment process. Cross tabulation was conducted and results were as shown in table 4.104.

**Table 4.104: Cross tabulation showing microfinance institutions influence on women start-up enterprise projects and the interest charged straining loan repayment**

Decision	Measuring scale	the interest charged on loan strained loan repayment				Total
		Strongly agree	Agreed	Dis-agreed	Strongly disagree	
<b>Influenc es start- ups</b>	Count % within the interest charged on loan strained loan repayment	2 100.0	106 73.6	1 50.0	1 50.0	<b>110 73.3</b>
<b>Does not influence start-ups</b>	Count % within the interest charged on loan strained loan repayment	0 0.0	38 26.4	1 50.0	1 50.0	<b>40 26.7</b>
<b>Total</b>	<b>Count % within the interest charged on loan strained loan repayment</b>	<b>2 100.0%</b>	<b>144 100.0%</b>	<b>2 100.0%</b>	<b>2 100.0%</b>	<b>150 100.0%</b>

Results from table 4.104 revealed that within the decision to influence, 110 (73.3%) acknowledged the influence microfinance institutions had on women start-up projects within categories *agree*, *disagreed*, *strongly agree*. Whereas within the same categories 40 (26.7%) declined. Chi-square test was conducted and results were as shown in table 4.105.

**Table 4.105: Chi-Square Tests**

	Value	df	p-value
Pearson Chi-Square	1.847(a)	3	0.605
Likelihood Ratio	2.229	3	0.526
N of Valid Cases	150		

Table 4.105 of Chi-Square depicts a Chi-Square value of 1.847 at 3 degree of freedom yield a p-value of 0.605.4.8. This implies that interest charged on loan did not strain repayment significantly.

#### 4.8.1. Licenses

According to UNIDO (2002) SMEs experience tedious registration and licensing processes in Kenya. Various bodies have their requirements and require money and time. One option left to an entrepreneur is to evade the process but this proves more expensive at the end because of penalty given. The study therefore sought to establish whether licenses influenced women start-up project and the results were as presented in table 4.106.

**Table 4.106: Frequency Distribution on licenses (MOD1\_LIC) influencing women start-ups**

<b>Responses</b>	<b>Frequency</b>	<b>Percent</b>
Yes	90	60.0
No	60	40.0
<b>Total</b>	<b>150</b>	<b>100.0</b>

Results from table 4.106 indicted that majority among respondents held the opinion that licenses, as a moderating variable influenced women start-up projects. This category had 90 (60.0%) respondents followed by 60 (40.0%) respondents who did not feel licences influenced the start-ups projects. A cross tabulation was conducted to establish categorical responses against the dependent variable and the following results were as indicated in table 4.107.

**Table 4.107: Cross tabulation showing microfinance institutions influence on women start-up enterprise projects and licenses (MOD1\_LIC)**

Decision model	Measuring scale	LICENCES		Total
		Yes	No	
Influence start-ups	Count % within microfinance institutions have successfully influenced women start-up enterprise projects	63 57.3	47 42.7	<b>110</b> <b>100.0</b>
Does not influence start – ups	Count % within microfinance institutions have successfully influenced women start-up enterprise projects	27 67.5	13 32.5	<b>40</b> <b>100.0</b>
<b>Total</b>	<b>Count % within microfinance institutions have successfully influenced women start-up enterprise projects</b>	<b>90</b> <b>60.0%</b>	<b>60</b> <b>40.0%</b>	<b>150</b> <b>100.0%</b>

The summary of categorical responses within response categories established that within the category *to influence* 63 (57.3%) acknowledged the influence of microfinance institutions had on women start-up project as regards taxes whereas in the same category, 27 (67.5%) declined its influence. This was followed by 47 (42.7%) who within the category does not influence held an opinion that it inflected their businesses and within the same category, 13 (32.5%) declined its influence. When a chi-statistic was performed to identify significance in association, the results were as presented in table 4.108.

**Table 4.108: Chi-Square Tests**

	Value	df	p-value
Pearson Chi-Square	1.278(b)	1	0.258
Continuity Correction(a)	0.888	1	0.346
<b>N of Valid Cases</b>	<b>150</b>		

Table 4.108 of Chi-Square test depict a Chi-Square value of 1.278 with 1 degree of freedom yield a p-value of 0.258. This implies that licences did not influence start-ups projects significantly.

#### 4.8.2. Taxes

Taxes create a wedge between what a new venture earns and what investors receive, boosting the hurdle rate that must be met in order to attract funding. According to Rosenberg (2008) Start-ups often can't make full use of tax breaks. Start-ups often make losses, however, and thus cannot make immediate use of the research and development, tax credit, accelerated depreciation, and other tax benefits. The value of that tax breaks declines the longer companies have to wait to use them. Table 4.109 shows responses within the factor tested

**Table 4.109: Frequency distribution on tax (MOD2\_TAX) influencing women start-ups**

<b>Responses</b>	<b>Frequency</b>	<b>Percent</b>
Yes	89	59.3
No	61	40.7
<b>Total</b>	<b>150</b>	<b>100.0</b>

Results from 4.109 illustrate that majority of the start-ups viewed that taxes influenced their start-ups. In this category had 89 (59.3%) respondents followed by 61 (40.7%) who held a contrary opinion. A cross tabulation was conducted to summarize categorical responses within responses and the results were as presented in table 4.110.

**Table 4.110: Cross tabulation showing microfinance institutions influence on women start-up enterprise projects and taxes (MOD2\_TAX)**

Decision model	Measuring scale	MOD2_TAX		Total
		Yes	No	
<b>Influences start-ups</b>	Count % within microfinance institutions have successfully influenced women start-up enterprise projects	64 58.2	46 41.8	<b>110</b> <b>73.33</b>
<b>Does not influence start – ups</b>	Count % within microfinance institutions have successfully influenced women start-up enterprise projects	25 62.5	15 37.5	<b>40</b> <b>26.6</b>
<b>Total</b>	<b>Count % within microfinance institutions have successfully influenced women start-up enterprise projects</b>	<b>89</b> <b>59.3%</b>	<b>61</b> <b>40.7%</b>	<b>150</b> <b>100.0%</b>

Results from table 4.110 revealed that within the response categories, findings could be summed as 110 (73.3%) both in *yes and no* level of influence acknowledged that microfinance institutions influenced women start-up entrepreneurial projects whereas in the respective categories, 40 (26.6%) held a contrary opinion. A chi statistic was carried out to identify significance in association of both factors on the dependent variable and the result obtained was as presented in table 4.111.

**Table 4.111: Chi-Square Tests**

	Value	df	p-value
Pearson Chi-Square	0.227	1	0.634
Continuity Correction(a)	0.083	1	0.773
N of Valid Cases	150		

Table 4.111 of Chi-Square depict a Chi-Square value of 0.227 with 1 degree of freedom yield a p-value of 0.634. This implies that taxes did not influence start-up projects significantly.



### 4.8.3. Legal Issues

Policies and legal precedence governing SMEs should aim to encourage and promote the development of local technologies. Emphasis should be on the promotion of the local tool industry to reduce reliance on imports. SMEs are said to face a “liability of smallness.” Because of their size and resource limitations, they are unable to develop new technologies or to make vital changes in existing ones. The study therefore asked the respondents whether legal issues affected their start-up projects and the results were as presented in table 4.112.

**Table 4.112: Frequency Distribution on Legal Issues (MOD3\_LEG) influencing women start-ups**

<b>Responses</b>	<b>Frequency</b>	<b>Percent</b>
Yes	120	80.0
No	30	20.0
<b>Total</b>	<b>150</b>	<b>100.0</b>

Results from table 4.112 revealed that majority among respondents held the opinion that legal issues in a manner influenced women start-up entrepreneurial projects in Lurambi Sub-County. This was as represented by 120 (80.0%) respondents followed by 30 (20.0%) respondents who had an opinion that it did not influence women enterprises. However, for SMEs to fully develop and use this potential, they need specific policy measures to ensure that technology services and infrastructure are provided (Wanjohi, 2009). Policy initiatives in revitalizing the SME sub-sector should not be only government engineered, but all the stakeholders in development arena should take frontline.

A cross tabulation was conducted to establish a summary of categorical responses and the results were as presented in table 4.113.

**Table 4.113: Cross tabulation showing microfinance institutions influence on women start-up enterprise projects and Legal issues (MOD\_LEG)**

<b>Decision model</b>	<b>Measuring scale</b>	<b>MOD3_LEG</b>		<b>Total</b>
		<b>Yes</b>	<b>No</b>	
<b>Influences start-ups</b>	Count % within microfinance institutions have successfully influenced women start-up enterprise projects	87 79.1	23 20.9	<b>110</b> <b>100.0</b>
<b>Does not influence start – ups</b>	Count % within microfinance institutions have successfully influenced women start-up enterprise projects	33 82.5	7 17.5	<b>40</b> <b>100.0</b>
<b>Total</b>	<b>Count % within microfinance institutions have successfully influenced women start-up enterprise projects</b>	<b>120</b> <b>80.0%</b>	<b>30</b> <b>20.0%</b>	<b>150</b> <b>100.0%</b>

Table 4.113 gives a summary of responses within the decision to influence and not to influence established that within those who held the opinion that legal issues affected their businesses, 87 (79.1%) acknowledged the influence microfinance institutions had on their businesses while 33 (82.5%) declined. They were followed by those within the category that did not see the effect legal issues had on their businesses who acknowledged the influence microfinance institutions had on their businesses standing at 23 (20.9%) while 7 (17.5%) declined the influence microfinance institutions had on their businesses. Chi-Square test was conducted to identify significance in association between the factor and the dependent variable and results were presented in table 4.114.

**Table 4.114: Chi-Square Tests**

	<b>Value</b>	<b>df</b>	<b>p-value</b>
Pearson Chi-Square	0.213	1	0.644
Continuity Correction(a)	0.053	1	0.817
<b>N of Valid Cases</b>	<b>150</b>		

Table 4.114 of Chi-Square depict a Chi-Square value of 0.213 with 1 degree of freedom yield a p-value of 0.644. This implies that legal issues did not influence start-ups projects significantly.

## CHAPTER FIVE

### SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

#### 5.1 Introduction

This chapter presents a summary of the study findings, conclusions and the recommendations made from the findings of the study. It also presents the suggestions for further researches.

#### 5.2 Summary of findings

Summary of the findings based on objective one which was influence of training on start-ups of women entrepreneurship projects in Lurambi Sub-County, Kakamega County has a result that indicate that 120 (80%) of the respondents agreed that they were trained by the microfinance. Also this training influenced significantly training capacity of these women to train their staff. This is demonstrated in table of Chi-Square 4.18 as it has a p-value of 0.047. Majority of respondents agreed that sales management training was done as represented by 116 (77.3%) respondents. The training also had a minimal significance to women entrepreneurs in terms of sales management as it recorded a p-value of 0.278 as detailed in table 4.33 of Chi-Square values.

Summary of the findings based on objective two had majority of respondents who agreed that credit availability allowed them to diversify their stocks. This was represented by 120 (80%) of respondents. Also, it influenced the start-ups projects moderately as it had a p-value of 0.172 in table 4.51 of Chi-Square values. Majority of the respondents agreed that credit availability enhanced competitiveness of the start-ups of women entrepreneurship projects in Lurambi Sub-County. 125 (83.3%) agreed with

this statement. Also credit availability influenced the start-ups projects moderately as it had a value of 0.248 in the Chi-Square value table 4.52.

The summary of the findings based on objective three which was influence of banking facilities on start-ups of women entrepreneurship projects in Lurambi Sub-County, Kakamega County. The respondents were asked whether bank charges were affordable. 106 (70.7%) respondents strongly agreed that they were affordable. Affordability of charges had a moderate significant influence on the start-ups projects. It had a Chi-Square p-value of 0.178 in table 4.74. Also the respondents were asked if mobile bank had an influence on cash risk management. 94 (62.7%) strongly agreed that credit influenced cash risks. When Chi-Square test was conducted it revealed a very high significant influence as it had a Chi-Square value of 0.005 as detailed in table 4.84.

Summary of the findings based on objective four which was influence of interest rates on start-ups of women entrepreneurship projects in Lurambi Sub-County. The respondents were asked whether interest rates were affordable. 119 (79.3%) strongly disagreed that they were cheap. Affordability of the rates had a significant influence on start-ups projects as it had a figure of 0.059 as detailed in table 4.89 of Chi-Square values. Also interest rates were not competitive as it had a P-value of 0.016 as shown in table 4.90. This was a significant influence on the start-up projects. Also majority of the respondents agreed that the rates were not competitive. This was represented by 56 (37.3%) respondents. Negotiability of interest rates had a moderate influence as it had a Chi-Square p-value of 0.148. This is detailed in table 4.96. Also 138 (92%) respondents were of the opinion that the rates were not negotiable.

### **5.3 Conclusions**

From the findings, the study shows that training offered by microfinance institution has a positive influence on start-ups of women entrepreneurship projects. The training that was offered enabled them relate well with their customers, they could manage their stocks well. Also, this training equipped them with capacity to analyse performance of their businesses and supervision capabilities.

Availability of credit facilities led them to starting businesses and also made them seek business opportunities. Credit availability enabled these women compete favourably with other businesses, diversified their stock and improved their business reliability. These therefore demonstrate that availability of credit had a positive influence on start-ups of women entrepreneurship projects.

Banking facilities influenced positively start-up of women entrepreneurship projects. Savings were used by these women as collateral in the process of accessing loans. Also because they could save with the microfinance institutions, this improved their business standings. Mobile banking also improved efficiency of their businesses.

Interest rates charged on loans influenced negatively all the start-up of women. From the findings of this study, interest rates were not affordable; they strained loan repayments and didn't motivate the uptake of bigger loans. Also, compared to other financiers, they were not fare.

### **5.4 Recommendations**

Training should be extended to cover those who were not trained. This will make all the clients of the microfinance reap benefits of training offered by the microfinance.

Banking facilities improved business operations of the women entrepreneurs. More emphasis should be put on use of more mobile banking as the world economies edge closer to cashless transactions.

The high interest rates affected women projects negatively. The microfinance institutions should review the rates downwards to a point where the rates will assist the women start-ups without compromising the existence of the microfinance. Also the government should put in place legislations that will regulate interest rates for all financial institutions to make the rates attractive to all investors. Since loans are not affordable, this will encourage more people to take up loans and start economic activities that will spur economic development of our country.

#### **5.5 Suggestion for further research**

- 1) The study was limited to influence of microfinance institutions on start-ups of women entrepreneurship projects Lurambi, Kakamega. More studies should be carried out on the influence of other lending institutions on men and youth entrepreneurs.
- 2) More studies should be carried out on the influence of microfinance institutions on other forms of businesses.

## 5.6 Contribution to the body of knowledge

OBJECTIVE	CONTRIBUTION
1) Influence of training on Start-ups of women entrepreneurship projects	The study provided information on how training influenced women entrepreneurs in terms of record keeping, customers relations, and stock management. It also provided information on how the women would analyse performance of their businesses and how they would improve their supervision skills.
2) Influence of credit facilities on start-up of women entrepreneurship projects	The study provided information on how Availability of credit enabled the women entrepreneurs source for business opportunities, how they expanded their businesses, compete with other businesses and service the credit they got from the microfinance. Also the credit repayment period enabled their businesses to grow and security required before accessing the credit. also it provided information on the reliability of their businesses due to availability of credit from the microfinance .
3) Influence of banking facilities start-ups of on Women entrepreneurship projects	The study provided information on banking facilities offered by the microfinance institutions. This included savings and payment facilities, affordability of the over the counter charges and limit of daily withdrawals and if banking statement can be used to source for credit from the microfinance. Also it provides information the application of mobile banking and how these banking facilities have improved the women's businesses.
4) Influence of interest rates on start-ups of women entrepreneurship projects.	The study provided information on how interest rates influence start-ups of women entrepreneurs in terms of their affordability, competitiveness if they motivated the women to take bigger loans.



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## APPENDICES

### APPENDIX I: QUESTIONNAIRE

Dear respondent, you are kindly requested to fill the questionnaire below with utmost honesty. Information provided herein will not be used against you under whatsoever circumstances. You are hereby guaranteed that the information you give will be treated with utter confidentiality.

Please do not provide any form of identity on this questionnaire. Thank you.

#### Section A: profile of the respondents

1. What is your Age Category?

18-25 [ ]      26-35 [ ]      36-45 [ ]      46-55 [ ]      55and above [ ]

2. What is your highest level of education?

Primary school [ ]      Secondary School [ ]      Diploma or less [ ]      Bachelor Degree [ ]

Master Degree [ ]      PH.D Degree [ ]

3. What business are you involved in?

Clothing [ ]      Grocery [ ]      M-pesa [ ]      Carpentry [ ]      Service  
provision [ ]

Other [ ] \_\_\_\_\_ (Specially)

4. How long has your business been existence?

0-2 years [ ]      2-5 years [ ]      5-10 years [ ]      above 10 years [ ]

5. What year of existence of your business were you funded by SMEP?

0-2 years [ ]      2-5 years [ ]      5-10 years [ ]      above 10 years [ ]

**SECTION B:**

6. Please indicate the level of agreement on the listed statements below. The scale used is a pointer from 1-5 scale, with 1 being ‘Strongly agree’, 2 being ‘agree’ 3 being ‘don’t know, 4 being ‘disagree’ and 5 being ‘strongly disagree’,

	<b>To what extent do you agree with the following statements?</b>	1	2	3	4	5
6	I was offered training by SMEP before accessing the loan					
7	Training enabled me keep proper business records					
8	Training offered enable me analyse performance of my business					
9	Training enabled me train my staff					
10	Training enabled me manage my stock well					
11	The training offered contributed to my choice of business					
12	Training enabled me relate well with my customers					
13	Training offered enables me communicate well with my customers					
14	Training enabled me manage my sales					

**(7) CREDIT FACILITIES OFFERED BY MICROFINANCE INSTITUTIONS AND START-UPS OF WOMEN ENTREPRENEURSHIP PROJECTS,**

	<b>To what extent do you agree with the following statements?</b>	1	2	3	4	5
15	Availability of credit enabled me source for business opportunities					
16	Minimum security was required for accessing the credit					
17	Availability of credit enabled me buy assets					
18	The business was able service the credit accessed from SMEP.					
19	The period of repayment enabled my business to grow					
20	Additional loan was allowed before clearance of current loan					
21	Availability of credit facility led to me expanding the business					

22	Availability of credit enabled my business compete with others similar businesses					
23	Availability enabled me open other businesses					

(8) BANKING FACILITIES OFFERED BY MICROFINANCE INSTITUTIONS AND START-UPS OF WOMEN ENTREPRENEURSHIP PROJECTS

	<b>To what extent do you agree with the following statements?</b>	1	2	3	4	5
24	I am able to save with SMEP micro finance					
25	Savings can be used as collateral for credit access					
26	Banking statement can be used by the microfinance to extend credit					
27	I am to do my transactions using cheque book					
28	Payment through the institution improved business efficiency					
29	The over the counter charges are affordable					
30	Mobile banking is accepted by SMEP					
31	Mobile banking enabled me improve my business					
32	Banking facilities reduce business risk as cash transactions are reduced					

(9) INTEREST RATES CHARGED BY MICROFINANCE INSTITUTIONS INFLUENCE AND START-UPS OF WOMEN ENTREPRENEURSHIP PROJECTS

	<b>To what extent do you agree with the following statements?</b>	1	2	3	4	5
33	The interest charged for loans obtained is affordable					
34	The interest charged was competitive compared to other financial lending institutions					
35	The interest charged was fair compared to other financiers					
36	The interest charged for loans obtained is negotiable					
37	The interest charged on loan motivated me take a bigger loan					
38	The interest charged on loan motivated me to take					

	loan frequently					
39	The interest charged on loan strained loan repayment					

**SECTION C: What is your personal and honest opinion on the following statements?**

(40) Training offered by the microfinance enabled me improve my supervision skills.

Yes.....

No.....

(41) Have you been facing other financial challenges apart from what is above?

Yes.....

No.....

(42) Did banking facilities enabled you improve your business?

Yes.....

No.....

(43) Did you start a new business with the credit you accessed from SMEP?

Yes.....

No.....

(44) Do you think the microfinance institution influenced your business?

Yes.....

No.....

45) Do you think licences influenced you business?

Yes.....

No.....

46) Do think government taxes influenced your business?

Yes.....

No.....

47) Do you think legal issues influence your business?

Yes.....

No.....

## APPENDIX 2: UNIVERSITY LETTER OF INTRODUCTION



UNIVERSITY OF NAIROBI  
COLLEGE OF EDUCATION AND EXTERNAL STUDIES  
SCHOOL OF CONTINUING AND DISTANCE EDUCATION  
DEPARTMENT OF EXTRA-MURAL STUDIES  
KAKAMEGA & WESTERN KENYA AREA

Your Ref:  
Our Ref: Uon/Cees/Kak/1/47/(159)  
Telephone: Kakamega 056-31038

P.O. Box 422  
KAKAMEGA  
KENYA

13<sup>th</sup> November, 2015

TO WHOM IT MAY CONCERN

**REF: PETER MBURU KAMANO – L50/73548/2014**

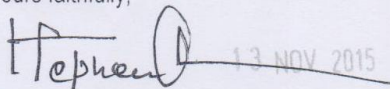
This is to confirm that the above named is a student at the University of Nairobi, College of Education and External Studies, School of Continuing and Distance Education, Department of Extra-Mural Studies, Kakamega Extra-Mural Centre taking a Course in Masters of Arts (Project Planning Management). He has completed his course work for Semester 1, 2 and 3 and he is working on his Project Paper.

He is undertaking a Research Project entitled:-

“Influence Of Microfinance Institutions On Start-Ups Of Women Entrepreneurship Projects: A Case Of SMEP Microfinance In Lurambi Sub-County, Kakamega County.

Any assistance accorded to him will be highly appreciated.

Yours faithfully,

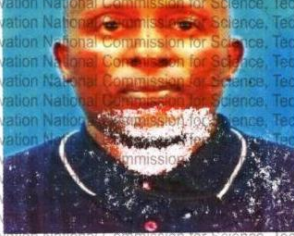
 13 NOV 2015

Stephen Okelo,  
Resident Lecturer,  
Kakamega & Western Kenya Area.



# APPENDIX 3: PERMIT FROM NATIONAL COUNCIL OF SCIENCE AND TECHNOLOGY INSTITUTE.


**THIS IS TO CERTIFY THAT:** **Permit No : NACOSTI/P/16/19348/11150**  
**MR. PETER MBURU KAMANO** **Date Of Issue : 13th June, 2016**  
**of THE UNIVERSITY OF NAIROBI,** **Fee Received :ksh 1000**  
**0-20106 NJORO, has been permitted to**  
**conduct research in Kakamega County**  
**on the topic: INFLUENCE OF**  
**MICROFINANCE INSTITUTIONS ON**  
**START-UPS OF WOMEN**  
**ENTREPRENEURSHIP PROJECTS**  
**for the period ending:**  
**13th June, 2017**



**Applicant's Signature**  
**Director General**  
**National Commission for Science, Technology and Innovation**

**CONDITIONS**

- 1. You must report to the County Commissioner and the County Education Officer of the area before embarking on your research. Failure to do that may lead to the cancellation of your permit**
- 2. Government Officers will not be interviewed without prior appointment.**
- 3. No questionnaire will be used unless it has been approved.**
- 4. Excavation, filming and collection of biological specimens are subject to further permission from the relevant Government Ministries.**
- 5. You are required to submit at least two(2) hard copies and one(1) soft copy of your final report**
- 6. The Government of Kenya reserves the right to modify the conditions of this permit including its cancellation without notice**



**REPUBLIC OF KENYA**  
**NACOSTI**  
**National Commission for Science, Technology and Innovation**

**RESEARCH CLEARANCE PERMIT**

**Serial No. A 9487**

**CONDITIONS: see back page**

## APPENDIX 4: NACOSTI RESEARCH AUTHORIZATION



### NATIONAL COMMISSION FOR SCIENCE, TECHNOLOGY AND INNOVATION

Telephone: +254-20-2213471,  
2241349, 3310571, 2219420  
Fax: +254-20-318245, 318249  
Email: dg@nacosti.go.ke  
Website: www.nacosti.go.ke  
when replying please quote

9<sup>th</sup> Floor, Utalii House  
Uhuru Highway  
P.O. Box 30623-00100  
NAIROBI-KENYA

Ref. No. **NACOSTI/P/16/19348/11150**

Date:  
**13<sup>th</sup> June, 2016**

Peter Mburu Kamano  
University of Nairobi  
P.O. Box 30197-00100  
**NAIROBI.**

#### RE: RESEARCH AUTHORIZATION

Following your application for authority to carry out research on *“Influence of microfinance institutions on start-ups of women entrepreneurship projects,”* I am pleased to inform you that you have been authorized to undertake research in **Kakamega County** for the period ending **13<sup>th</sup> June, 2017.**

You are advised to report to **the County Commissioner and the County Director of Education, Kakamega County** before embarking on the research project.

On completion of the research, you are expected to submit **two hard copies and one soft copy in pdf** of the research report/thesis to our office.

  
**BONIFACE WANYAMA**  
**FOR: DIRECTOR-GENERAL/CEO**

Copy to:

The County Commissioner  
Kakamega County.

The County Director of Education  
Kakamega County.