



Influence of Awareness of Kenya Women Finance Trust (KWFT) Services on Socio-Economic Empowerment of Women Entrepreneurs in Kenya

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ABSTRACT

There has been a lot of mushrooming of SMEs, particularly in the rural parts of Kenya. The Small scale and medium enterprises (SMEs) contribute immensely to the women's socio-economic empowerment and hence the growth of most of the world economies. To drive this affirmative action agenda, KWFT funds the SMEs inclined to women groups. However, the economic impact of this on women is still very low. Most women are still poorer than their men counterparts. It was therefore necessary to investigate the influence of awareness of KWFT services on socio-economic empowerment of women entrepreneurs in Kenya. The study objective was to examine the influence of the level of awareness of women on KWFT services on socio-economic empowerment of women entrepreneurs in Kenya. The outcome of the study would be significant since it would be a means to empower women entrepreneurs by enhancing awareness on Services rendered by KWFT. Questionnaires were used to collect data from 60 women entrepreneurs while interview schedule was used to obtain information from five KWFT staff. Simple random sampling was used to select the 60 women respondents and purposive sampling was used to select the five KWFT respondents. The result from the pilot study was used to validate the instruments and to enhance the appropriate reliability coefficient. Descriptive and inferential statistical analysis of quantitative data was done using correlation and multiple regressions. The findings were then presented in tables. The collected qualitative data were analyzed by content analysis into the themes (patterns) that emerged from the study. Pearson's Product Moment Correlation was computed at $p \leq 0.05$ level of significance to show the relationship between the variables. Results indicated that majority of the women entrepreneurs (97 percent) were members of registered self- help groups. The study findings revealed a high positive correlation ($r = .96$) between level of awareness of women entrepreneurs about KWFT services ($r = .243$) on socio-economic empowerment of women. All the two variables added statistically significant to the prediction, $p < .05$. The research study concluded that, women who were aware of the services of KWFT were more likely to utilize them for socio-economic empowerment.

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Introduction

Microfinance has its roots in the 1970s when organizations such as Grameen Bank of Bangladesh were starting and shaping the modern industry of microfinance (Githagaiga, 2011). It has since spread to many developing countries in the Sub – Saharan Africa. The current target of the microfinance institutions are the women because they comprise at least half of the population in rural areas and are generally poorer than men. If any development strategy fails to include and directly benefit such a large number of people, then it is obvious that it becomes irrelevant (Mayoux & Hartl, 2015).

In Kenya, women constitute 51% of the total population and so they play very crucial roles as contributors in the development of the economy but their contribution has been time and again limited by factors such as minimized accessibility to financial services (Amanya, 2013). Consequently, socio-economic empowerment of women is compromised (Kimanjara, 2013). Whether this was due to unawareness by the women about the microfinance institution services, was the researcher's area of concern.

As opined by Wanjiku and Njiru (2016), Microfinance in Kenya plays a major role in many gender and development strategies because of its direct relationship to both poverty alleviation and women empowerment. Micro finance institutions have been on the rise and has been portrayed as the best way to reach poor people in the development process and hence meet the United Nations development millennium goals as a new innovative strategy for poverty alleviation (Wanjiku & Njiru 2016).

Kenya Women Finance Trust is one of such institutions which is a leading micro-credit institution dealing exclusively with financing needs of women in Kenya. Because of this, its services are directly linked to economic empowerment of women as an affirmative action. If the institution is widely spread in the rural parts of Kenya and women are still poorer than men, then it was necessary to investigate the level of awareness of its services to the socio-economic empowerment of women entrepreneurs.

Research Objective

The research objective was to examine the influence of the level of awareness of KWFT services on socio-economic

empowerment of women entrepreneurs in Rachuonyo South Sub-County, Kenya.

Research Methodology

The study employed a descriptive survey research design because it had no influence over the variables and the design involved obtaining information by interview or by administering questionnaire (Orodho, 2009). The mixed research approach was adopted for this study as it permitted a more complete and synergistic utilization of data than would do separate quantitative and qualitative data collection and analysis (Wisdom, J., & Creswell, J.W., 2013)

Population of the Study

Population refers to any person or group of persons, object institution of other units included in a study (Orodho, 2009). The study target population comprised of 17 KWFT staff and 200 women entrepreneurs. This gave a total target population of 217 (KWFT Oyugis Branch, 2018). The sample size population comprised of 60 (30% of 200) women in Rachuonyo South Sub-County and five (30 percent of the 17 KWFT officers). The sample size was obtained using Mugenda and Mugenda (2003) formular. They noted that a minimum of 30 percent of the target population should be included in the sample when dealing with heterogeneous sample as this provided an equal chance to all businesses registered in the area to be represented in the study. The researcher employed simple random sampling and purposive sampling methods in choosing the sample within strata. Simple random sampling was used for the women entrepreneurs while purposive sampling was used to sample KWFT staff. The use of simple random sampling technique allowed all elements in the population equal chances of inclusion in the resultant sample and also helped in eliminating bias. This sampling technique also enabled the researcher to generalize the findings and draw conclusions. Purposive sampling on the other hand is where cases are handpicked because they are informative or they possess the required characteristics (Kothari,2006; Orodho,2009). Purposive sampling was considered appropriate because long serving KWFT staff of good experience were more preferred for the study instead of the newly employed staff who might have not been conversant with the required information. The table that follows gave a summary of the same.

Table 1.1. List of women enterprises served by KWFT-Oyugis branch

Categories	Population	Sample Size
Shops	28	7
Salon/Barber Services	42	14
Hotels	15	5
Tailoring/Dress Making	31	10
M-Pesa	24	8
Grinding Mills	18	6
Others	30	10
Total	200	60

The study used questionnaires and interview guide for gathering data. Interview guide was used in the study to aid in the collection of qualitative data. The instruments were validated using the outcome of pilot study. The pilot study of the instruments were carried out on 20 women entrepreneurs (10 percent of the target population). This was according to Mugenda and Mugenda (2003) who recommends 10 percent of the target population being appropriate for piloting. The instruments had a validity index of .700 and hence met the general and conventional threshold value of .700. This depicted that the instruments were adequately valid for use in the actual study. This was in agreement with Nunally

(1978) as cited by Convoy (2013) that Cronch's alpha should be .700 or above so as to save time and energy. The result from the pilot was used to calculate the reliability coefficient. Mugenda and Mugenda (2003) abhorred that computation of a correlation coefficient should yield a statistic that ranges from -1 to + 1. The reliability coefficient was found out as 0.562. From this, the researcher made necessary corrections by incorporating the missing information, omitting irrelevant questions and paraphrasing questions which would create ambiguity geared towards achieving the objectives of the study and provided alternatives where weaknesses in the design and instruments was detected (Kothari, 2006).

Data Analysis, Presentation and Interpretation

Knowledge of existence of KWFT

The study sought to know whether the respondents had heard about KWFT. All the 60 respondents (100%) indicated to have heard about KWFT.

Source of information on Kenya Women Finance Trust Services

This study sought to establish the respondents' sources of information on KWFT services. The results were as shown in the table 1.2

Table 1.2. Source of information on KWFT services.

Source of Information	Frequency	Percentage (%)
Media	8	13
KWFT Staff	10	17
Other women	34	57
Government Officers	7	12
Civil Society	1	1
Others	0	0
Total	60	100

The findings revealed that 13% of the respondents knew about Kenya Women Finance Trust Services from the media, 17% knew about it from KWFT Staff, 57% from other women, 7% from Government Officers and 1% the civil society. This implies that women have very good networking and can influence one another in the utilization of services offered by an institution. Even though women somehow are aware of the KWFT Services meant to empower them, the government needs to come up with more strategies of women empowerment since a majority of them are still languishing in poverty.

Participation in KWFT programs

The study sought to establish the participation of the respondents in the KWFT programs. The results are as shown in table 1.3

Table 1.3. Participation in Kenya Women Finance Trust Programs.

Participation	Frequency	Percentage (%)
Yes	31	52
No	29	48
Total	60	100

The responses in table 1.3 indicated that 52% regularly participated in KWFT programs while 48% do not participate in the programs.

The study sought to establish the extent of participation of respondents in KWFT programs. The results are in table 1.4.

Among the ones that participated in the KWFT programs, 3(9%) rated their participation as very high, 7(23%) as high, 14(46%) as moderate, 4(13%) as low while and 3(9%) rated very low. Most of the respondents patronized the KWFT services implying continued utilization and provision of feedback for improvement.

Table 1. 4. Level of participation of respondents in KWFT programs.

Level of participation	Frequency	Percentage (%)
Very High	3	9
High	7	23
Moderate	14	46
Low	4	13
Very Low	3	9
Total	31	100

The respondents were also asked to state the nature of their participation. Table 1.5. Shows the results.

Table 1.5. Nature of participation of respondents in KWFT programs

Nature of participation	Frequency	Percentage (%)
Supply information	8	26
Involved but no say	10	32
Initiated projects	9	29
Monitoring and Evaluation	4	13
Others	0	0
Total	31	100

The results showed that 26 % (8) supplied information, 32 % (10) were involved in the projects but had no say, 29 % (9) were crucial in initiating projects while 13%(4) participated in monitoring and evaluation. As observed, over sixty percent of the respondents participated in critical aspects of KWFT. This implied that the likelihood of influencing the uptake of services by the clients who came into contact with KWFT in their daily encounters was enhanced.

Relationship of awareness of women entrepreneurs on KWFT Services and Socio-economic empowerment

The hypothesis tested was: 'there was no significant relationship between levels of awareness of women entrepreneurs on KWFT services and socio-economic empowerment'. A Pearson Product Moment Correlation was computed and the results are as in table 1.6.

Table 1.6. Relationship of awareness of women entrepreneurs on KWFT services and socio-economic empowerment of women

Variable	Correlation	Level of awareness	socio-economic empowerment
Level of awareness	Pearson Correlation	1	.96(*)
	Sig.(2-tailed)	.	.254
	N	60	60
Socio-economic empowerment	Pearson Correlation	.96(*)	1
	Sig.(2-tailed)	.254	.
	N	60	60

Note: *Correlation is significant at 0.05 level (two-tailed)

The findings showed that there was a positive Pearson Correlation of .96 between level of awareness and socio-economic empowerment. This value is statistically significant since it is higher than the $p = 0.05$ significance level. The interpretation was that increasing level of awareness of women entrepreneurs on KWFT services will lead to uptake of the services hence an increase in socio-economic empowerment of women in Rachuonyo South sub-county.

Analysis of the qualitative data in the responses from the business development officers revealed that all the women entrepreneurs were aware of the products and services provided by KWFT. They were mainly in two forms; asset financing which included water tanks, nyumba smart

construction and solar panels acquisition and loans which included Biashara loans, School fee, Elimu loan, dairy loan and aquaculture farming loan. The awareness determined the type of service or product that the entrepreneur would apply for from KWFT. This corresponds with the findings of Fatima, Salisu and Ibrahim (2012), who established that 100% of the respondents knew about the existence of the microfinance. Gogadi (2011)) noted that services offered by a microfinance institution helped empower women economically which leads to high levels of entrepreneurship skills, reducing poverty, creating job and helping them improve their standards of living.

Conclusions of the study

The study investigated the influence of KWFT services on socio-economic empowerment of women in Rachuonyo South Sub County – Kenya. The objective was to establish the level of awareness of women entrepreneurs on KWFT services on socio-economic empowerment. The findings revealed a positive Pearson Correlation of .96. This was statistically significant. This implied that there is a high positive correlation on the level of awareness of women on KWFT services on socio-economic empowerment.

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