

Savings Mobilization for Growth of Women-Owned Entrepreneurial Ventures in Kenya

(An Empirical Review of the Constraining Factors)

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Abstract

This study examined internal factors that affect savings mobilization for growth of women-owned MSEs. Many women-owned MSEs have received financial and other assistance from various donors to start their business, but their inability to reduce reliance on external sources to grow had remained unexplained. The study hypothesized that the main constraints to savings mobilization for growth of women-owned MSEs arose from internal and the characteristics of the woman entrepreneurs. The target population were 3,030 women entrepreneurs who had received assistance from the WEDCO project in Kisumu and Kakamega districts in Kenya. Multistage sampling procedure was used to select 300 individual women participants. Questionnaires, interviews and observations were used to collect primary data. Data was analyzed through correlation analysis, chi-square tests, ANOVA, and means. The major findings of the study were that the number of dependants; education level; cultural and religious attachments; endowed management skills; age and marital status had a significant relationship with the savings propensity amongst the women entrepreneurs.

Key words: entrepreneurial ventures, entrepreneurship competencies, Constraints, entrepreneurship development, Women-Entrepreneurial -behavior, Savings mobilization, women entrepreneurs, SMEs.

1.1 Background to the Study

In Kenya, women entrepreneurs face unique socio-economic obstacles in running their businesses to an extent that their enterprises are likely to perform poorer compared to those run by their male counterparts (Musinga, 1994). Granted this, women-run enterprises would tend to create fewer jobs and experience higher failure rate or retardation than men-run-ones due to management constraints. However, women-owned enterprises employ more women than men, a trend positive to the Kenya's gender demographic statistics at present. This implies that women-owned enterprises posit greater opportunity to salvage the unemployment situation in Kenya towards poverty eradication, especially because women numbers and responsibilities are currently major subjects for attention if faster economic development is to be realized. As such, it is expected that women-owned enterprises should increase women employment more than men-owned enterprises (Musinga, 1994), hence the potential to create viable occupation for the ever increasing women population in Kenya (CBS, 1999). In Kenya, giving an example of the clothing industry, Ongile and McCormick (1996) identified factors such as risk and business owners' response to risk, demand, economies of scale, entrepreneurship, access to capital and government policies that could determine whether a given MSE grows or not.

Specifically, women-owned MSEs are important in economic growth of a country and their improvement should form part of a country's development strategy. As Buttner, (2001) rightly argues they play an important role in reducing poverty and promote development by tapping into people's initiative, ingenuity and self-reliance.

A study on the impact of gender distribution on employment (K-Rep 1998) shows that there was an overwhelming gender imbalance in employment before K-Rep loans-with only 38.9% of the people employed being women; compared to 61.1% men. The imbalance was highest in the manufacturing sector (30.8% women); women constituted 44.8% of all the employees in commerce while there was an equal number of women as men employed in services enterprise.

Women employment after the loans, however, grows at a faster rate (12.6%) than that of men (10.7%). This offsets the original imbalance in favour of women, whose proportion in total employment increased to 39.3% after the K-Rep. loan, indicating that with consistent empowerment, the gender-economic imbalance would improve towards equilibrium or better for the women (Musinga, 1994).

The important roles that MSEs play in the development of the economy of Kenya has been recognized and documented in a number of studies. King (1996) for instance, provides a detailed review of the development of the MSEs in Kenya, where he identifies and discusses the critical turning points in the history of the sector. The contributions of this sector to the economy of Kenya have been studied by ILO (19720; McCormick (1988); Daniels and Radebaugh (1995), and King (1996). McCormick (1988) estimated that out of the roughly thirteen million Kenyans of working age in 1993, MSEs provided employment for 16% of the labour force. Daniels and Radebaugh (1995) estimated that MSEs created jobs for 100,000 workers in 1994 and 130,000 in the first half of 1995.

As pointed out in Sessional Paper No. 2 (GoK1996), the entrepreneurs lack access to credit at start-up, during operations and for expansion purposes. Even where credit is available, high-level collateral and documented cash flow requirements as well as general distrust by commercial banks of the small industrialist tend to inhibit access to credit. In an attempt to resolve some of these constraints, this study sought to analyze micro financing through savings mobilization concept that will serve the diverse needs of small and micro entrepreneurs in Kenya especially the women. Women Economic Development Corporation (WEDCO) is one of the various intermediary financial institutions in Kenya that receives support from the Department for International Development (DFID) to support small business start-up, in an attempt to alleviate poverty in Kenya. Intervention strategy of DFID for the MSE sector is being implemented by the The basic concern of WEDCO is to increase off-farm and self-employment opportunities and enhance household incomes by availing savings and credit services to the poor.

Women Economic Development Corporation (WEDCO) had adopted the village banking methodology of lending, which involves working with existing groups, mainly of women, registered with the Ministry of Culture and Social Services. It uses the minimalist approach in lending to these women groups. Thus, credit is seen as the single most important factor in the development of MSEs. The basic features of the lending system were described by Maalu *et al.*, (1999). It lends to a revolving loan fund (RLF) group.

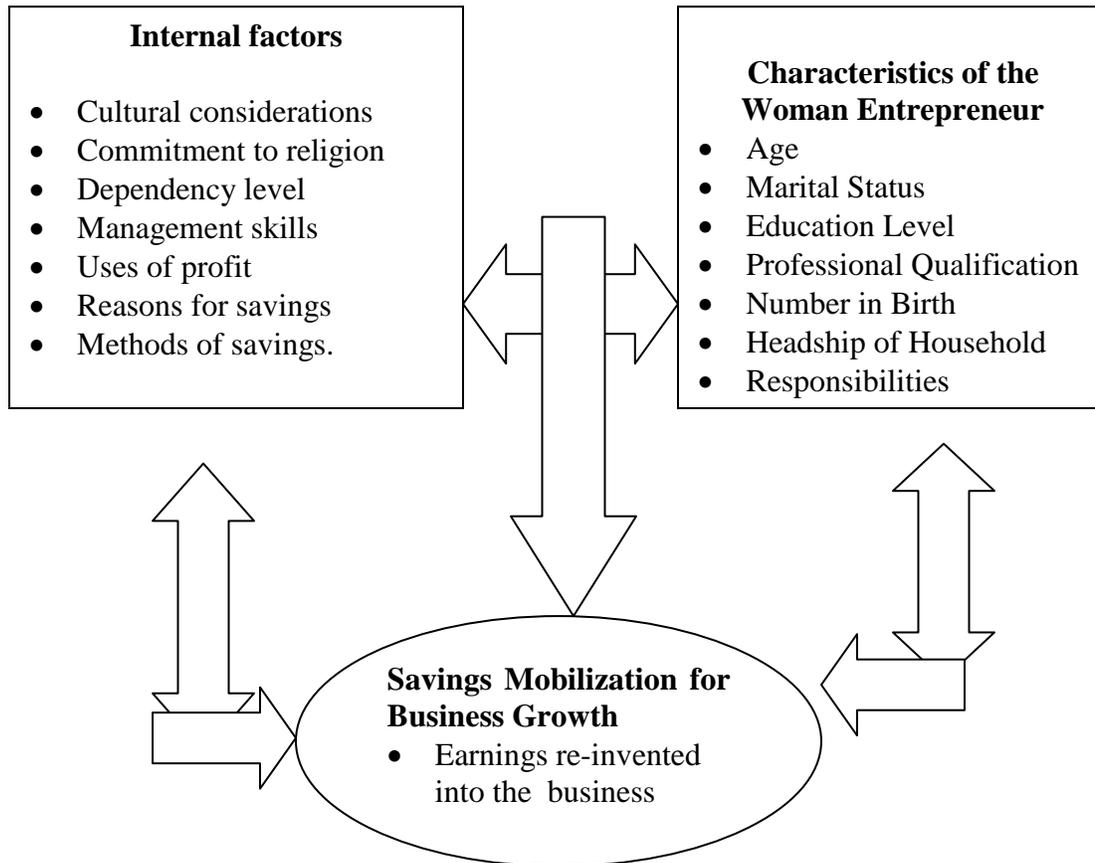
Despite its importance, saving trends in Kenya have not been steady for the last two decades. Gross domestic savings (GDS) as a percentage of Gross Domestic Product (GDP) range between 3.6% and 24.9% with Growth Domestic Investment (GDI) being between 7.7% and 25.0%. In the last two decades, GDS has been below GDI. This suggests in part that resources accumulated locally are inadequate for the country's investment needs. The external debt crisis of the 1990s coupled with the already widely acknowledged limitations of external donor financing (for example, tying of aids in various forms) emphasizes the need to increase business domestic savings.

1.2 Statement of the Problem

The importance of MSE sector in general and women MSE development in particular cannot be overemphasized. It is documented that the government of Kenya, financial institutions and NGOs have offered support to the development of this sector through financial intermediation, infrastructure and policy (GoK 2005). However, in spite of this, the women entrepreneurs continue to rely on financial assistance and credit financing in particular for the growth of their MSEs instead of mobilizing savings from the business earnings to graduate them, for reasons that have not been systematically documented. Over reliance on external financial sourcing for women MSE development, is costly, inconvenient and inflexible (McCormic & Pedersen, 2001). As Inziani (2006) rightly observes, the question of who will successfully and adequately finance women MSEs has remained unanswered for too long, he postulates that a larger MSE financing gap has been created that has affected their operations, performance and realization of their full potential simply due to over dependence on loans. This study contended that savings mobilization for growth could contain this financial gap, if the particular inhibiting factors were examined. The purpose of this study was therefore to investigate the internal and personal factors that constraint savings mobilization for growth of women - owned MSEs in Kenya.

2.0 Conceptual framework

Figure 1: Conceptual Framework



3.0 Study Methodology

Descriptive survey of correlation design was employed in this study. Saunders *et al.* (2003) postulate that combining different designs in one study enables triangulation and increases validity of the findings; for this reason, elements of exploratory design were applied. Correlation design was also used to establish emerging causal relationship among the variables.

3.1 Target Population and sampling

The study population comprised 3,030 women entrepreneurs in Kisumu and Kakamega districts in Kenya who were operating MSEs after being assisted by WEDCO at start-up stage in either commercial, service, light manufacturing business or a combination. A multi step sampling procedure was employed to determine the sample size. This involved a two tier purposive sampling technique and simple random sampling. WEDCO project was purposively selected from twelve other Micro financial institutions operating in western Kenya region. In the secondly sampling step, the study purposively sampled Kisumu and Kakamega districts because, these were the districts where this program was first launched in 1990, it is here that their coordinating offices were situated, thirdly, these districts had registered the highest number of women participants (3,030) as compared to the other districts in the region which combined had 2,940. (According to Kibas and K'aol (2004), In the third stage of sampling, after it was established from the WEDCO office that Kisumu district had 1600 while Kakamega had 1430 women program participants the study adopted simple random sampling to select 10% or 300 individual elements systematically. According to Mugenda and Mugenda (1999) a good representative of a sample should be at least 10% of the population. Every 10th element from the sampling frame was randomized. The choice of the method is supported by Kothari (2003), who gives an example of researchers like Henry (1990) who had argued that systematic sampling makes possible a higher overall accuracy than census. Saunders *et al.*, (2003) notes that sizable sampling of only fewer cases enable a researcher to collect more detailed information.

Table 3.1 Sampling grid

Business sector	Kisumu		Kakamega	
Commercial	883	64	597	53
Service	807	63	593	62
Light Manufacturing	85	26	25	14
Combined	25	7	15	11
Total for survey	1600	160 (10%)	1430	140 (10%)
Pilot Study	23		23	
FGD	10		9	
Observation	2		2	

3.2 Data Collection Instruments and Procedure

Quantitative and qualitative approaches to data collection were adopted and various data collection techniques utilized. These included; questionnaires focus group discussions, and observations.

3.2.1 Questionnaires for the Women Entrepreneurs.

Self-administered semi-structured questionnaires were used to collect the required data. The instrument was chosen because of its credit for flexibility in asking probing questions not beyond the focus of the study.

3.2.2 Focus group discussions (FGD)

The purpose of focus group discussions was to obtain in-depth information on concepts, perceptions and ideas of the women groups on as aspects of entrepreneurship generally and savings mobilization in particular. Participants were drawn from homogenous settings and a total of 10 and 9 women entrepreneurs respectively from Kisumu and Kakamega districts participated in the discussions the interview schedule in was used to guide the discussion and to direct the researcher.

3.2.3 Observation schedule

The study adopted a structured observation check list comprising seven items, with the two research assistants as the observers for five days in two randomly selected women owned MSEs in each district This was a technique involving systematic selection, watching and recording behavior and characteristics of the women entrepreneurs at their business premises, and doing the same to stock levels and movement, visible assets, business records and the general establishment of the businesses. It was done through non-participant observations, where by the observer watched the situation and took note of the observed phenomena. Observations assisted in validating and strengthening quality of the data gathered. Some of the observed aspects of entrepreneurship included; time management, resource allocations, workers supervision, storage, business set up, facilities and display, record keeping, treatment of customers, stocks, participation of the owners and visits by government / local authority agents.

3.2.4 Pilot Study

Before collecting data required for the study, the researcher carried out a pilot study to establish the validity, reliability and consistency of the main research tool, the questionnaire. A pilot study was conducted with six respondents randomly selected from the study *locale*. These subjects did not participate in the main study. The pilot study helped to ask only the relevant questions, clarify some items, clearly phrase the wordings to the respondents, and arrange the questions in logical and easy to follow sequence.

3.3 Data Analysis

Frequency distributions, means; chi-square test of independence and Pearson correlation coefficient were determined through SPSS to examine the savings mobilization pattern, and associations of the women entrepreneurs across the socio-demographic variables. Analysis of Variance (ANOVA) was also generated to test the hypothesis.

4.0 Study Findings

4.1 Response Rate

The study sample population was 300 women entrepreneurs, who owned or managed micro or small enterprises in Kisumu and Kakamega districts. Of this target, a response rate of 76.7% was achieved. This high response rate was attributed to the appropriate introduction done by WEDCO staff, the training and good service rendered by the research assistants and the use of structured questionnaire.

4.2 Savings Mobilization

The study sought to establish how much money the women entrepreneurs accumulated per year as savings, which they reinvested for graduating their MSEs. The findings revealed that 19 % (n=57) saved nothing per year, 49% (n=147) saved less than 10,000 per year, 21% (n=57) saved between 10,000 and 30,000, 9% (n=27) saved between 31,000 and 50,000 while only 2% (n=6) managed to save over 50,000 for business growth. This indicates that the women entrepreneurs' propensity to save for their MSEs growth was on average very low, implying that they were experiencing some constraint factors.

4.3 Profile of Women Entrepreneurs

Internal factors (such as bio-demographics, commitment to culture and religion, level of dependency, household headship, management skills, financial commitments and responsibilities) were hypothesized to have strong impedimental relationship with women-owned MSEs savings mobilization for growth.

4.4 Age of Respondents

The results as shown in Table 4.1, The results suggest that age holds significance in women entrepreneurial engagement with the youth and middle age getting more involved, while the minority and the every old (post-retiring) ages participating less. The results of this study are consistent with the findings of Hirsrich *et. al.*, (2002), which showed that enterprise career progression, began between the ages 22 and 45 years, and that 30 years was the prime age to initiate enterprise start-up.

Table 4:1: Distribution of respondents based on bio-demographics

<i>Variable</i>	<i>Category</i>	<i>Frequency n=230</i>	<i>Valid Percent</i>
Age of respondent	Below 16yrs	2	.9
	16 -32yrs	68	30.1
	33 -55yrs	140	61.9
	Over 55yrs	16	7.1
Number in birth	1st born	94	41.2
	2nd born	52	22.8
	3rd born	32	14.0
	Last born	34	14.9
	Others	16	7.0
Marital status	Single	18	7.9
	Married	162	71.1
	Divorced	8	3.5
	Widow	40	17.5
Tribe/ethnic group	Luo	172	76.8
	Kisii	16	7.1
	Luhya	32	14.3
	Digo	2	.9
	Kuria	2	.9
Commitment to ethnic cultures and beliefs (by self)	Not committed	54	23.9
	Fairly committed	128	56.6
	Very committed	36	15.9
	Extremely committed	8	3.5

Correlation analysis of age and savings mobilization for growth, had significant positive relationship, with number of full-time employees at the time of the study ($r=0.207$, $p<0.05$), profit first quarter ($r=0.016$, $p<0.05$) profit second quarter ($r=0.303$, $p<0.05$), profit third quarter ($r=0.138$, $p<0.05$) and capital at the time of study ($r=0.107$, $p<0.05$). These findings imply that as the age of the woman entrepreneur advanced, a resultant positive change in the performance and growth variables occurred. This could mean that with the advancement in age of the woman entrepreneur, the capacity to improve the business performance increased. The Pearson correlation coefficient between age and the savings mobilized ($r=0.103$, $p<0.05$), also depicted a positive significant relationship which implies that as the age of the woman entrepreneur advanced, a resultant positive change in the perception about savings mobilization for growth of the enterprise occurred. The highest mean savings was with the age category of 33-55 years. The results of this study imply that woman entrepreneurs' enterprise performance and growth is affected by age, for instance, as the woman entrepreneurs age advances, accumulation of capital increases, experience in marketing strategies are reaped, the need for more full-time staff becomes more and the importance for savings for growth is experienced.

4.5 Number in Birth and Marital status

As shown in Table 4.1, the finding portray that as women get into more responsibility, for instance in marriage or as first-born, they tend to enter into entrepreneurial activities, to which savings mobilization forms part.

4.6 Ethnicity /Tribe and Commitment to Ethnic Cultures

As shown in Table 4.1, the ethnic proportions depicted by the results could be a result of the ethnic residence in the study districts that is, Luo and Luhya communities, being the majority in Kisumu and Kakamega districts. Chi-square test of independence showed a significant relationship at 0.05 level between ethnic background and age ($\chi^2 = 13.818$, $df = 12$ $p= 0.03$.)

4.7 Commitment to Ethnic Cultures

Table 4:2a: Mean scores and Standard Deviation of the respondents based on level of commitment to ethnic cultures

Commitment to Ethnic Cultures	Mean	Standard Deviation
Self	2.99	0.74
Husband	2.08	0.77
Parent	2.31	0.86

Source: Survey data

Respondents were asked to indicate how themselves, their parents, and if married, their husbands were committed to their ethnic cultures, traditions and beliefs. As shown in Table 4.2a, women entrepreneurs considered self commitment to religion as the most important with mean score of 2.99. Their husbands or parents commitments to culture were less important with mean scores of 2.08 and 2.31 respectively.

Table 4:2b: Distribution of respondents based on level of commitment to ethnic cultures and beliefs

Variable	Category	Frequency n=230	Valid Percent
Commitment to ethnic cultures and beliefs (By self)	Not committed	54	23.9
	Fairly committed	128	56.6
	Very committed	36	15.9
	Extremely committed	8	3.5
By self commitment to ethnic cultures	Not committed	42	21.9
	Fairly committed	100	52.1
	Very committed	42	21.9
	Extremely committed	8	4.2
Parents' commitment to ethnic cultures	Not committed	42	18.6
	Fairly committed	90	39.8
	Very committed	76	33.6
	Extremely committed	18	8.0

As shown in Table 4.2b, The findings implies that ethnic cultures were a very important factor that could not be ignored in women entrepreneurship development.

Table 4:3: A cross tabulation of tribe/ethnicity and rate of commitment to ethnic culture

Tribe/ethnicity	Rating of self commitment culture		Cumulative Percent
	Committed %	Not Committed %	Total %
Luos	81.2	18.8	100
Kisii	100.0	0	100
Luhya	75.1	24.9	100
Digo	100.0	100.0	100
Kuria	100.0	100.0	100

Source: Survey data (2006)

Pearson chi-square test of independence between tribe/ethnicity and rate of parents' commitment to ethnic cultures show a significant relation at 0.05 level between the variables ($\chi^2=25.084$ df = 14 p= 0.04).

4.8 Level of Education and Professional Qualifications

With regard to level of education, respondents were asked to indicate the highest levels of education attained and the highest professional skills achieved. In addition, those who were married were to state level of education and professional skills achieved by their husbands.

Table 4:4: Distribution of respondents based on education level and professional qualifications

Variable	Category	Frequency n=230	Valid Percent
Highest level of education of self	No formal education	2	0.9
	Primary	88	39.3
	Secondary	124	55.4
	Post - secondary	10	4.5
Highest professional skills by self	None	136	71.6
	Ordinary diploma	34	17.9
	Higher national dip	8	4.2
	Other qualifications	12	6.3
Highest level of education of husband	No formal education	8	6.2
	Primary	20	15.4
	Secondary	82	63.1
	Post-secondary	20	15.4
Highest professional skills of husband	None	42	40.4
	Ordinary diploma	34	32.7
	Higher national dip	12	11.5
	Other qualifications	16	15.4

Source: Survey data (2006)

As presented in Table 4.4, This study compared very well with the national baseline survey (1999) which noted that participants in the formal sector with primary level of education were 54%, while those with secondary level were 33%. The results however show that the women entrepreneurs' without any formal education had reduced while those with secondary level had increased as compared with the national baseline survey (1999). The respondents with post-secondary level compared very well with the baseline survey (1999) results.

The picture was confirmed by a nonparametric correlation (Table 4.5) which showed Spearman's r value of -0.184 indicating that there was very significant correlation at 0.01 level between highest level of education of the women in entrepreneurs and level of commitment to ethnic cultures and beliefs. This implies that the higher the levels of education attained, the less committed the individuals to ethnic cultures and beliefs.

Table 4.5: Correlation analysis of level of education and commitment to ethnic cultures & beliefs

			Highest level of education by self	How committed to ethnic cultures and beliefs
Spearman's rho	Highest level of education by self	Correlation Coefficient	1.000	-.184(**)
	How committed to ethnic cultures and beliefs	Correlation Coefficient	-.184(**)	1.000

** Correlation is significant at the 0.01 level (2-tailed).

This analysis in relation with other researches shows that the general trend in education levels of woman entrepreneurs is changing upwards. A similar trend was also pictured among the spouses of those participants who were married. The relationship between the woman entrepreneurs' education level and the savings mobilization was analyzed by Pearson's correlation coefficient. The results show that there was no statistical significant relationship ($p > 0.05$). This implies that woman entrepreneurs' education level may not have much impact on savings mobilization. This does not support Cuba, Decenzo, & Anish, (1983), which argue that education and experience were significant factors in predicting financial success, that the level of task delegation acquired from formal learning had apposite correlation with enterprise financial success (Cuba Decenzo, & Anish, 1983).

4.9 Household Headship

The respondents were asked to state who the head of their households were, and of the total respondents, 64.5% ($n=142$) indicated that their husbands headed their households. A paltry 35% ($n=78$) said they were the heads of their households. This implies that the majority of the women entrepreneurs were controlled by their husbands, a situation that could influence the uses of business generated funds in general and savings mobilization in particular and delay entrepreneurial decision-making for instance, on business growth prospects. *This indicates that savings mobilization for growth of women MSEs were constrained by household headship.*

4.10 Household / Family Size and Level of Dependency

The respondents were asked to state the total members of their household, in terms of their own children and other dependants and the numbers of these in school.

Table 4.6: Children and dependants in School

Number in School	Primary	Secondary	Post secondary
0	18.0%	20.4%	37.9%
1-5	75.5%	72.2%	55.2%
6-10	6.5%	7.5%	6.9%
TOTAL	100%	100%	100%

As shown in Table 4.6, The results show that the dependency levels from own children could be a choking factor to women entrepreneurship in general and savings mobilization in particular.

These findings show that dependency level is significant in woman entrepreneurship development. The findings is in agreement with, Bush (1997), who applied a broader perspective to her study of factors that facilitated or inhibited growth and identified child and care responsibilities, as inhibitive factors to growth of women MSEs. The findings also show that women entrepreneurs were generally overburdened with dependants other than own children in terms of their domestic and educational requirements. *This implies that savings could be severely constrained, if the women owned MSE resources were directed to cater for the dependents domestic and educational needs.*

4.11 Commitment to Religion Activities

Respondents were asked to rate the importance of their husbands, parents and their own commitment to religion, in terms of : not important, slightly important, very important, or extremely important so as to gauge the relationship of husbands, parents and their own commitment to religion and savings mobilization for growth of their MSEs.

Table 4.7: Distribution of women entrepreneurs based on importance of their husband's parents' and self commitment to religion.

Commitment to Religion	Mean score	Standard Deviation
Self	3.4	0.76
Husband	2.2	0.46
Parent	1.8	0.53

This inquiry reported in Table 4.7 was important to enable the researcher to decide whether to investigate the importance of participation and involvement in religious activities of husband and parents. The findings revealed that the husband's and parents' commitment to religion was not a major consideration to the women entrepreneur's business activities.

4.12 Involvement and Participation in Religious Activities

The respondents were asked to rate in a summated scale their personal involvement and participation in religious activities, in terms of being a religious leader, attending all religious activities; attending only crucial religious activities; giving donation/offerings; participation in other religious activities; giving of tithe as required.

Table 4.8: Distribution of women entrepreneurs based on importance of participation and involvement in religious activities.

Participation	Mean score	Standard Deviation
Being a religious leader	1.6	0.83
Attending all religious activities	2.5	1.00
Attending only crucial religious activities	2.2	1.00
Giving donations/offerings	2.7	0.83
Giving tithes as required	2.79	0.99
Participation on other religious activities	1.09	1.34

As shown in Table 4.8, women entrepreneurs considered giving tithes as required and giving donations/offerings as the most important religious activities, with mean scores of 2.79 and 2.7, respectively. Participation on other religious activities (mean = 1.09) and Being a religious leader (mean = 1.6), were considered least important. The requirement of tithing is contained in Chapter three, verse ten of the Holy bible (King James Version), where it commands the Christian believers to return back to God a tenth of their income. *This implies that for a majority of the women entrepreneurs, at least 10% of income from their MSEs are not saved for business growth on a regular pattern.* This is strong indication that the importance attached to participation and involvement in religious activities constraints savings mobilization for growth of women owned MSEs.

Table 4.11: Ranking of sources of business ideas

Source of business idea	Proportion of Respondents (%)	Ranking
Financier or investor	71.3	1
Friends and associates	67.0	2
Seminars/ workshops	56.6	3
Business partners	37.7	2
Parents	22.0	5
Husbands	14.3	6
College studies	09.4	7

Source: Survey data (2006)

The findings in Table 4.11 show that friends and associations are an important factor, confirm the reason why women form business groups; which is primarily for association, to share ideas, pool resources and consult on socio-economic issues. Financier or investor was rated second because women get inclined to business ideas that would draw support from WEDCO and other investors. Seminars / workshops were also rated highly because WEDCO exposes women entrepreneurs in their register to several seminars /workshops that cover strategic identification of business opportunities, management skills and performance measurements. Business partners and parents trailed the ranking list because the majority of the women were sole proprietors and many had poor business background. *This suggests that strategic choice of business idea is important..*

4.13 Profile of Women -Owned MSEs

To relate the nature and profile of the women-owned MSEs with savings mobilization for growth, the study considered the following factors: Sector or type of the business, the year the business was started (to measure age), the year the woman entrepreneur became the owner - manager (to measure the entrepreneur's active participation in the business operations and its growth prospects), number of other businesses owned by the women entrepreneurs (to measure level of business experience and exposure), legal form of business (to ascertain conformity with the requirements of the law), number of employees at the start of the business and at the time of the research (to measure business growth). The findings are summarized in Table 4.12.

Table 4.12: Distribution of respondents based on the enterprise profile.

Variable:	Category	Frequency <i>n</i> = 230	Percentage
Sector of business	Commercial Trade	154	59.1
	Manufacturing	18	7.8
	Service	48	20.9
	Combination	10	12.2
Number of other businesses owned	None	132	57.4
	One	64	27.8
	Two	26	11.3
	More than two	8	3.5
Number of years in business generally	Less than one	8	3.5
	2 - 5yrs	66	28.7
	6 -10yrs	42	18.3
	over 10 yrs	114	49.6
Legal form of the businesses	Private company	6	2.6
	Partnership	46	20.0
	Sole proprietor	164	70.4

Source: Survey data (2006)

4.14 Sector of Business

The sectors were identified as commercial, manufacturing, service and or a combination. As shown in Table 4.12, these findings portray that the majority of women-owned enterprises were in commercial/trading business, which comprised reselling of first moving consumer goods followed by service businesses comprised mainly hotels & restaurants, and training & consultancy services.

4.15 Hypothesis testing

Hypothesis one states that internal factors (such as commitment to culture and religion, level of dependency, management skills, financial commitments and responsibilities, etc) have a strong impedimental relationship with women-owned MSEs savings mobilization for growth. To test this hypothesis, a series of ANOVA were performed. The summary of which are presented in Table 4.24. The study has adopted to use Mean because it is the simplest measurement of central tendency and is a widely used measure, that summarizes the essential features and enables data to be compared (Kothari, 2003). The generated grouped means and mean scores in Table 4.24, show that commitment to ethnic cultures by the woman entrepreneur was highly significant 0.001 levels. Women entrepreneurs who are not committed to their ethnic cultures have high mean scores in saving mobilization (mean =4.00) compared to those who are extremely committed (mean = 2.00). The women entrepreneurs' husbands commitment to ethnic culture was also highly significant (at 0.001 level) with those who were not committed exhibiting high mean scores in savings mobilization (mean = 3.10) compared to those who were extremely committed (mean = 2.05). Similarly, the parents committed to ethnic culture also depicted high significance at 0.001 level with those who were not committed showing high mean scores in savings mobilization (mean = 4.10) compared to those who were extremely committed (mean = 2.20). These findings show that commitment to culture influenced savings mobilization for growth of women owned enterprises. Women entrepreneurs who were less committed to religious activities in general and who considered *giving tithe* as required as not very important exhibited higher mean score (mean = 2.60) as compared to the mean score (mean = 2.40) for those who considered giving of tithe as extremely important. These findings imply that contribution to religious activities in general and giving of tithe as required in particular has significance on the ability to save for business growth. ($F = 2.40$, $df=3$, $p = 0.042$).

Analysis of Variance (ANOVA) was used to judge the significance at 0.01 of the internal factors as possible constraints to savings mobilization for growth of MSEs. The generated results were compared against the critical values of F-distribution. The results show that the number of dependants and the savings for growth show very significant variation at 0.01 level of significance ($F = 4.99$, $df = 3$), $p = 0.002$) showing that the dependency level is a factor with an immense influence on savings mobilization for growth of woman enterprises. The entrepreneur with no dependants exhibited higher mean score of ($m = 3.11$) compared to those with more than six who scored a lower mean score of (mean = 1.00). This is strong indication that the number of dependants is a constraint to savings mobilization for growth of women owned MSEs. The number of own children, also showed significant variations at 0.01 level of significance ($F = 4.98$ $df = 2$, $p = 0.008$), the woman entrepreneurs with no child of their own exhibited a higher mean score (mean = 4.2) compared to those with between six to ten children whose mean score (mean = 3.50). *This is strong indication that the number of own children is a constraint to savings mobilization for growth of women owned MSEs.*

Number of own children and other dependants in school showed high significant result at 0.01 with savings mobilization for growth showed at 0.01, for those with children in secondary school ($F = 4.46$, $df = 3$, $p = 0.006$) but revealed no significant relationship with those own children in primary ($F = 2.5$, $df = 2$, $p = 0.779$) and post - secondary ($F = 2.00$, $df = 2$, $p = 0.147$). Women entrepreneurs with no child in secondary (mean = 4.44) had least mean score compared to those with more children in one to five (mean = 2.2), six to ten (mean = 20) and more than ten (mean = 2.00). This reflects the declaration that the Kenya government had waived fees and levies in primary school, which in effect lessened the financial burdened on the women entrepreneurs.

5.0 Conclusions

More efforts should be directed at rehabilitating the existing infrastructural facilities to increase the productive capacity of MSE sector in general and the women entrepreneurship sub-sector in particular so as to enhance savings propensity of the women entrepreneurs. In specific,

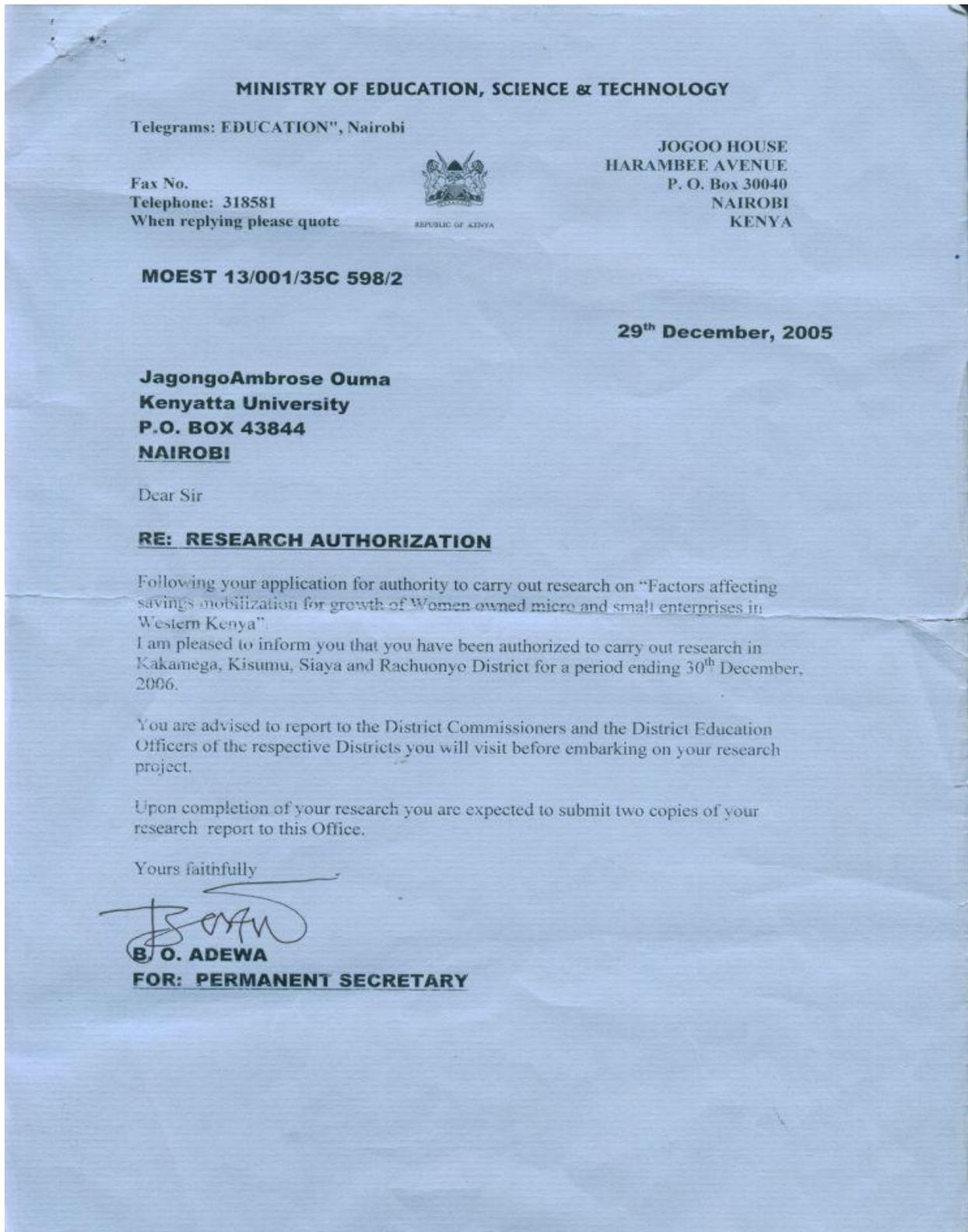
- (i) Strategies to enhance growth of women MSEs through savings must recognize the uniqueness of the women entrepreneurs and their competencies to offer relevant support.
- (ii) Institutional arrangements in the informal credit market be encouraged for the women entrepreneurs for pooling small savings. The shortcomings of these arrangements notwithstanding, they provide veritable sources of investable funds for their members as was found being done by WEDCO.
- (iii) Family household sizes and dependency levels must be addressed in order to put the women entrepreneurs in the category of active savers. The regulatory agencies and the government should move in to assist in this issue. For family household reduction initiatives to succeed, the beneficiaries must be empowered and made to contribute to the wealth of the economy through viable businesses.
- (iv) Sensitization and awareness programmes should be enhanced to expose the women entrepreneurs to conducive financial environment that engenders greater competition. This will facilitate the introduction of new savings products for women in business that could enhance the mobilization of resources for development.

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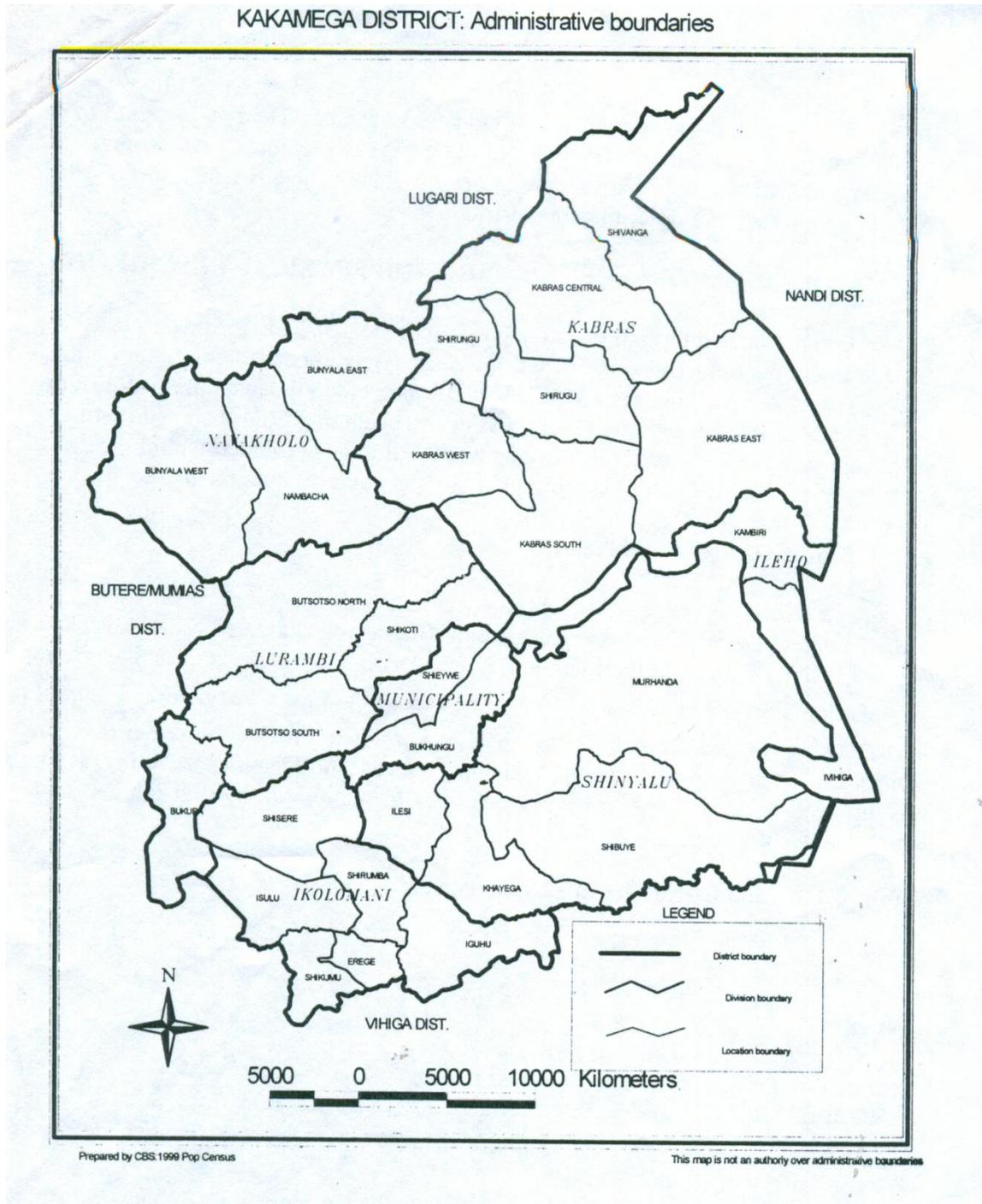
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Appendix 5



Appendix 6



Appendix 7

