

Factors That Enhance Efficiency in Service Delivery in Microfinance Institutions in Nairobi

Author: Obadhi, Patrick Lumumba

Abstract:

The government of Kenya has been at the forefront in encouraging the growth of entrepreneurs with an intention of fighting poverty and creation of wealth within the populace. One of the major challenges faced by the entrepreneurs has been lack of access to affordable finance. There are several reasons why over 38.4% of Kenyans are completely excluded from accessing finance; one of the reasons is that most MFIs are currently operating within towns and its environs. This has disabled Kenyans who are living far from towns from accessing financial services. The other issue has been lack growth and enhanced efficiency in service delivery by MFIs or MF programmes. MF programmes have not considered several factors that can enhance their sustainability. This study is crucial because it will bring to the fore the key areas that MF programmes need to focus on to enhance their services, grow and therefore access financial service to more Kenyans. This will in turn spur economic growth, alleviate poverty, and create more wealth and more employment opportunities. Relevant literature will be reviewed on the development and growth of MFIs in the World and also in Kenya. The study intends to establish what factors affect sustainable MF services in Christian programmes with the case study of Young Women Christian Association (YWCA). Various factors that have contributed to either growth or failure of growth in MF services in various programmes or organizations will be looked at. The study intends to focus on the Micro-Credit operations of YWCA. Data will be collected using questionnaires that will be administered by the researcher himself. Data analysis will be conducted on the quantitative data using the modern statistical software package.