MICRO FINANCE INSTITUTIONAL FACTORS AND THEIR EFFECTS ON THE GROWTH OF WOMEN OWNED ENTERPRISES IN UPPERHILL NAIROBI

BY

CAROL AMONDI

UNITED STATES INTERNATIONAL UNIVERSITY – AFRICA

SPRING 2018
MICRO FINANCE INSTITUTIONAL FACTORS AND THEIR EFFECT ON THE GROWTH OF WOMEN OWNED ENTERPRISES IN UPPERHILL NAIROBI.

BY

CAROL AMONDI

A Research Project Report Submitted to the Chandaria School of Business in Partial Fulfillment of the Requirements for the Degree of Masters in Business Administration (MBA)

UNITED STATES INTERNATIONAL UNIVERSITY – AFRICA

SPRING 2018
STUDENT’S DECLARATION

I, the undersigned declare that this is my original work and has not been submitted to any other institution, or university other than the United States International University-Africa in Nairobi for academic credit.

Signed: ___________________________    Date: ___________________________

Amondi Carol Edith (ID 648901)

This project has been presented for examination with my approval as the appointed supervisor.

Signed: ___________________________    Date: ___________________________

Dr. Joseph Ngugi Kamau

Signed: ___________________________    Date: ___________________________

Dean, Chandaria School of Business
COPYRIGHT

All rights reserved. No part of this project report shall be reproduced transmitted electronically or mechanically without prior permission of the author.

©2018 by Amondi Carol Edith
ABSTRACT

The purpose of this study was to investigate the Micro Finance institutional factors and their effects on the growth of women owned enterprises in Upperhill, Nairobi, Kenya. The study assessed three specific objectives: to determine how credit as MFI factor influence growth of women owned enterprises, to determine how managerial experience as an MFI factor impact on growth of women owned enterprises and to determine how social capital as a MFI factor influences the growth of women owned enterprise.

This study employed a descriptive research design through a survey. The study focused on a population of 250 women entrepreneurs. They included all women operating businesses as Individuals, SMEs and Investment Group in Upperhill, Nairobi County. Primary data was collected through closed-ended questionnaires. A pretest of the tool was administered to 20 respondents from the population and the tool was amended in accordance with the comments and feedback. A sample size of 154 was drawn using simple random sampling technique and data was collected using self-administered questionnaires. The study collected a total of 93 questionnaires from the 154 administered and thus a response rate of 60%. The data was analyzed using Statistical Package for Statistical Sciences (SPSS) and Microsoft Excel. The Data was finally presented in tables and figures.

Regarding the effect of credit as MFI factor on the influence growth of women owned enterprises, the results of multiple regression analysis showed that the path coefficient for the relationship between credit and growth of women owned enterprises in Nairobi was positive and significant at the 0.05 level ($\beta=0.623$, T-value $=7.247$, $r=0.233$, $p<0.05$). The positive relationship indicates that one unit increase in access to credit will result in 0.623 increase in growth of women owned enterprises in Nairobi. Thus accepting the hypothesis that credit as a MFI factor influence the growth of women owned enterprises.

In relation to the effect of managerial experience as an MFI factor impact on growth of women owned enterprises, the results of multiple regression analysis showed that the path coefficient for the relationship between Managerial experience and growth of women owned enterprises in Nairobi was positive and significant at the 0.05 level ($\beta=0.707$, T-value $=10.325$, $r=0.541$, $p<0.05$). The positive relationship indicates that one unit increase in access to Managerial experience will result in 0.707 increase in growth of women owned enterprises in Nairobi accepting the hypothesis that managerial experience significantly impacts on the growth of women owned enterprises.
With regard to the effect of social capital as a MFI factor influences the growth of women owned enterprise, the results of regression analysis showed that the path coefficient for the relationship between social capital and growth of women owned enterprises in Nairobi was positive and significant at the 0.05 level ($\beta=0.463$, T-value =7.161, $r=0.773$, $p<0.05$). The positive relationship indicates that one unit increase in access to social capital will result in 0.463 increase in growth of women owned enterprises in Nairobi accepting the hypothesis that social capital positively influences the growth of women owned enterprises.

This study concluded that credit access, managerial experience and social capital are among the factors that influence the growth of women owned enterprises in Nairobi. Further, the study indicated that credit access, managerial experience and social capital influenced growth of women owned enterprises in Nairobi positively. This study recommends that MFIs should come up with innovative ways to finance Women Owned Enterprise for successful growth and come up with better financial management which will enable both business survival and growth given that demand for entrepreneurial finance is unquestionable, meaning that attention has inclined to focus on the supply of finance, mainly on gaining access to finance from the business owners’ side or increasing supply from lenders, investors or business support agencies. The study also recommended that the county government of Nairobi should look for an easier way of networking for women entrepreneurs as said, “Information is Power”
ACKNOWLEDGEMENT

I would like to thank God for giving me this opportunity to pursue the Master of Business Administration Course at USIU – A.

I am grateful for my supervisor, Dr. Joseph Ngugi Kamau whose patience and encouragement helped me complete this project.

I thank my mother and my family for the continuous support, patience, motivation and encouragement they offered during the study period.

I also thank my friends and everyone who participated in one way or another to help me complete this course.

I also acknowledge the respondents for giving me the valuable information used in this study.

May the Almighty bless you all.
DEDICATION

I dedicate this work to my loving mother Joyce Oketch. To the entire women entrepreneurs forging to make the world a better place. Thank you all for your love, patience and support.
TABLE OF CONTENT

STUDENT'S DECLARATION..............................................................................................................ii
COPYRIGHT......................................................................................................................................iii
ABSTRACT..........................................................................................................................................iv
ACKNOWLEDGEMENT....................................................................................................................vi
DEDICATION.......................................................................................................................................vii
TABLE OF CONTENT......................................................................................................................viii
LIST OF TABLES .............................................................................................................................x
LIST OF FIGURES ..........................................................................................................................xi

CHAPTER ONE ............................................................................................................................1
1.0 INTRODUCTION.........................................................................................................................1
1.1 Background of the Study ............................................................................................................1
1.2 Statement of the Problem ..........................................................................................................7
1.3 General Objective ......................................................................................................................8
1.4 Specific Objectives ...................................................................................................................8
1.5 Significance of the Study .........................................................................................................8
1.6 Scope of the Study ....................................................................................................................9
1.7 Definition of Terms ..................................................................................................................9
1.8 Chapter Summary ...................................................................................................................10

CHAPTER TWO ..........................................................................................................................11
2.0 LITERATURE REVIEW .............................................................................................................11
2.1 Introduction............................................................................................................................11
2.2 Effect of Credit on Growth of Women Owned Enterprise ......................................................11
2.3 Effect of Managerial Experience on Growth of Women Owned Enterprises ....................17
2.4 Effect of Social Capital on Growth of Women Owned Enterprise ........................................21
2.5 Chapter Summary ...................................................................................................................26

CHAPTER THREE .......................................................................................................................27
3.0 RESEARCH METHODOLOGY .................................................................................................27
3.1. Introduction..........................................................................................................................27
3.2 Research Design.....................................................................................................................27
3.3 Population and Sampling Design...........................................................................................27
CHAPTER FOUR .................................................................33
4.0 RESULTS AND FINDINGS ...............................................32
  4.1 Introduction ..............................................................32
  4.2 Response Rate ..........................................................32
  4.3. Demographic Characteristics ........................................32
  4.4. Descriptive Analysis of Study Variables .............................35
  4.5 Inferential Analysis .....................................................41
  4.6. Confirmatory Measurement Model ....................................43
  4.7 Structural Model Estimation .............................................50
  4.8 Predictive Relevance of the Model ....................................52
  4.9 Chapter Summary .......................................................52

CHAPTER FIVE ....................................................................53
5.0 DISCUSSION, CONCLUSIONS AND RECOMMENDATIONS .............53
  5.1 Introduction ..............................................................53
  5.2 Summary of Findings .....................................................53
  5.3 Discussion .................................................................55
  5.4 Conclusion .................................................................61
  5.5 Recommendations ......................................................62

REFERENCES ................................................................63

APPENDIX I: QUESTIONNAIRE .................................................71
# LIST OF TABLES

Table 4.1: Response Rate ........................................................................................................... 32  
Table 4.2: Annual sales ............................................................................................................. 35  
Table 4.3: Credit MFI factor ..................................................................................................... 36  
Table 4.4: Problem with Loan Criteria ....................................................................................... 38  
Table 4.5: Managerial Experience ............................................................................................. 39  
Table 4.6: Social Capital .......................................................................................................... 40  
Table 4.7: Growth of Women Owned Enterprises ........................................................................ 41  
Table 4.8: Normality Test using Skewness and Kurtosis Statistics .............................................. 41  
Table 4.9: KMO and Bartlett’s Test ............................................................................................ 43  
Table 4.10: Total Variance Explained ....................................................................................... 44  
Table 4.11: Communalities and Pattern Matrix ......................................................................... 46  
Table 4.12: Model fits for CFA model ....................................................................................... 48  
Table 4.13: Construct Reliability ............................................................................................... 48  
Table 4.14: Correlation Matrix .................................................................................................. 49  
Table 4.15: Model Fits for Structural Model ............................................................................. 51  
Table 4.16: Regression Weights ............................................................................................... 52
LIST OF FIGURES

Figure 4.1 Age of Respondents ................................................................. 33
Figure 4.2 Level of Education ................................................................. 33
Figure 4.3 Period of Active Business ....................................................... 34
Figure 4.4 Loan Application ................................................................. 36
Figure 4.5 Amount Applied ................................................................. 37
Figure 4.6 Criteria to be met ................................................................. 38
Figure 4.7 Confirmatory Factor Analysis Model for Study Variables .......... 47
Figure 4.8: Structural Model for the Relationship of the Study Variables .......... 50
CHAPTER ONE

1.0 INTRODUCTION

1.1 Background of the Study

The approach of Small and Medium scale Enterprises (SMEs) in women throughout the world is detectable and has gotten worldwide consideration. This is incompletely in light of the fact that SMEs assume a basic part in work creation, development, progression and feasible improvement. As per the (WorldBank, 2010), small scale and medium-sized enterprises are socially and financially imperative as they speak to 99% for each penny of an expected 19.3 million enterprises in the EU and give around 65 million occupations speaking to 66% of all work. In Africa, SMEs frame a more prominent greater part of organizations and utilize a critical bit of the population.

Women in the working sector, both formal and informal contribute to the overall income of a nation. These women provide and maintain to a sustainable livelihood of the communities and families in the country and around the world. Women face many socio-challenges such as personal difficulties, lack of education, legal barriers and socio-cultural attitude. As traditionally, women have often been marginalized, approximately 70% of the world population comprises of women, and they still lack access to financial services and access to credit. MFIs today predominantly target women. Micro Finance is an important tool to empower women from poor household (Noreen, 2012).

According to Harris (2007), Micro Finance reached more than 133 million of poor people from 3316 Micro Finance institutions (MFIs) such that by the end of 2006, out of which 69.85 % were among the poorest, and 85.2 % were women. In sub-Saharan Africa, the growth of Micro Finance has been well documented with the gross loan portfolio of MFIs in the region expected to be 15 – 25 % in 2014 leading both South and Central America. However, the MFI sector is held back by supply-side challenges such as a lack of infrastructure, a lack of responsiveness from regulators and political uncertainty (Noreen, 2012). Kenya’s Micro Finance sector is among the most vibrant in Sub-Saharan Africa and includes a diversity of institutional forms and a relatively huge branch network to serve the poor (Ngugi, 2012). There have been various studies on the relationship between Micro Finance institutions and women empowerment across the globe, (Paramanik, 2014) study on Micro Finance impact on women’s decision making in rural India revealed that MFI
system of financing has had an unexpected positive influence in the lives of rural women. Additionally, Nilakantan (2013), study on the impact of Micro Finance on women empowerment in India, however, found that need to design explicitly program features to promote women empowerment. Furthermore, Kratzer (2013) study on Micro Finance and women empowerment found that participation in Micro Finance services could enable women to have the capability of making strategic choices concerning their lives.

According Kratzer (2013), MFIs should enable the poorer and subordinate groups to gain control over resources and ideology which they did not possess before the process of empowering them which forces them to perceive as able and entitled to make decisions on their own. Women SMEs has often remained a global challenge due to the historical marginalization of women under men. However, in Africa and Asia women are often regarded as the ideal customers for the Micro Finance products, the real impact of Micro Finance loans to female entrepreneurs is based on assumptions (Muteru, 2013). The concept, Women SMEs, was introduced at the international women’s conference is 1985 at Nairobi (Sarker, 2013). The importance of entrepreneurship in the development of the Kenyan economy and the achievement of vision 2030 cannot be overemphasized. A survey by the Global Entrepreneurship Monitor Report found that in 34 countries surveyed, 9.3 percent (73 million) of the 784 million people either were nascent entrepreneurs or were owner of a new business (Report, 2004,) Businesses are started by entrepreneurs who are innovators that seize opportunities in a market place to realize rewards for their efforts. Micro Finance is a term for the practice of providing financial services such as micro-credit, micro-saving, or micro-insurance or all in one to poor people.

As suggested by name, most transactions involve small amounts of money, frequently less than US$100. According to the World Bank, Africa as a continent had been left behind in the development of Micro Finance programs. This is due to the fact that Africa’s Micro Finance institutions tend to be smaller and less advanced as compared to those in Asia and Latin America. However, there is a common factor in the objective of the Micro Finance programs globally; they are often designed for the poor of whom women are the majority (Saropa, 2014).

While recent approach activities have tried to expand the number of women entrepreneurs, the rate of increment has been low with respect to the US encounter, yet like that seen crosswise over other northern European nations. Research that has focused on the
consequences of gender-based differences in business financing has established explicit links between the initial under capitalization of female-owned enterprises and subsequent business performance. In Kenya, Women constitute around half of the world’s population while in most nations, Kenya included, they are in fact more than half of the world’s population. They are therefore regarded as the better half of the society (Saropa, 2014). Since women make up the majority of the informal working poor, focus on women’s entrepreneurial activity is needed in order to strengthen the organization of the working poor into a representative voice for effective policy making (Omena, 2012). Increase of women entrepreneurs is rapid in both developed and developing economies such that more than 25% of enterprises in developed and advanced nations were owned by women in 1998 (NFWBO, 1998) and (OECD, 1998). Currently a decade later, women entrepreneurship is expected to grow organically with support from advancements in trade, communication and social networking technologies which can aid in scaling to new peaks in the corporate world. Current data in the USA alone shows that an estimated 38% of businesses (that is, the 8.1 million women-owned businesses) contribute $1.3 trillion to the economy and employ 7.7 million people (Omena, 2012).

Development of small-scale and medium enterprises (SMEs) possessed by women is one of the requirements of accomplishing vision 2030. There is an absence of an entrepreneurial culture in Kenya when all is said and done, all the more especially, for potential and working ladies proprietor/directors of SMEs. Furthermore, Noreen (2012) brought up that ladies got generous family bolster in the start-up phases of their organizations, however later on such help is constrained, confined or pulled back inspired by a paranoid fear of husbands losing predominance over their spouses. Different investigations completed in Kenya have credited the absence of entrepreneurial culture among Kenyan ladies to: absence of certainty and self-conviction; absence of an assortment of solid and applicable systems; uninvolved learning strategies; and, beginning up enterprises without sufficient earlier planning (Kratzer, 2013). These components have constrained ladies’ entrance to a significant business encounter that prompts vocations hindered by family commitments (Kratzer, 2013). Also, obstructions have been believed to block ladies' entrance to money related assets (Kratzer, 2013). Along these lines the fundamental impediments that ladies look in the development of their organizations are instructive and work foundation, mental qualities, inspiration, discernment and vocation viability, preparing and aptitudes
improvement, relative profit levels, administration rehearses, outer systems administration, want to succeed and different snags (Noreen, 2012).

Socioeconomic dynamics have led to the active participation and involvement of women in the growth of the economy and creation of employment opportunities in the small and medium enterprises sector through financial support from different sources, one of which is the MFIs. Small and Medium Enterprises (SMEs) sector contributes significantly to the Gross Domestic Product (GDP) of the Kenyan economy, according to the Financial Services Deepening (FSD, 2011). Factors that affect women leading businesses are different across the world, changing with the dynamic nature of the environments in which they live (Mula, 2013) encouraging women’s roles in business leadership is critical for the growth of the economy.

Most of the organizations and government institutions (ILO, 2005), (Lakwo, 2006), (UN, 2005) and (UNIFEM, 2008) recognized the importance of women, in both developed and developing nations, for the process of increased economic development (Sarker, 2013). Educated women have self-confidence, jobs with higher incomes, and higher likelihood of being entrepreneurs. There are various reasons for the lower performance of female-owned enterprises which are thought to include, but are not limited to, unequal rights, unequal access to markets (Nasir, 2013), undercapitalization at multiple levels, female gender role expectations, conflicts between family commitments and business, and a lack of support from family (Coleman, 2006).

Growth of an enterprise has various combinations and can be defined in terms of value addition, revenue generation and expansion in terms of volume of the business. Growth can also be measured in terms of qualitative measures such as market share, quality of a product and goodwill of the customers. Suggestion by (Coleman, 2006) states that small enterprises and entrepreneurs will always be considered important for growth of developing economies, making it critical to pay attention to the overall growth of this sector. Capabilities of growth are an outcome of leadership behaviors and management activities combined, developed through the result of interactions and complementarities among individuals, processes has provided four categories of growth: (Nasir, 2013) Financial growth (which is increase in turnover, costs, investments for achieving profits, assets, value), Strategic growth (resulting in formulating a strategy for developing capabilities to exploit a presence in the marketplace), Structural growth (involves changes in a company’s
personnel, planning and systems) and Organizational growth (involves changes in a company's processes, culture and attitudes as it grows and develops. Changes in entrepreneurs’ roles and leadership style.

Establishing small-scale industries which consist of responsible individuals with the training to economically move a community or country toward further growth through trade with the international community is one of the attributes of micro-credit initiatives (Nasir, 2013). Micro Finance Services refer mainly to small loans; savings mobilization and training in micro enterprise investment services extended to poor people and the vulnerable in the society to enable them undertake self-employment projects in order to generate income. Women are grouped to fall under the vulnerable and hence they need these services. Micro Finance programme has been viewed as a unique program to reduce vulnerability, and hence the achievement of the Millennium Developmental Goals (Nasir, 2013).

Micro Finance institutions (MFIs) are regarded as the main source of funding micro enterprises in Africa and developing countries (Anane, 2013). Micro Finance is perceived as the provision of both non-financial and financial services by Micro Finance institutions (MFIs) to low income groups without tangible collateral but whose activities are linked to income generating venture. The financial services include savings, credit, payment facilities, remittances and insurance while the non-financial services mainly entail training in micro enterprise investment and business skills. It is also believed that Micro Finance encompasses micro credit, micro savings and micro insurance (Rahman, 2009). These activities make up the Micro Finance factors.

Additionally, Sarumathi (2011) highlight women’s motivation to start a business as the main reason for women’s low quantitative performance such as job creation, profitability and turnover sales when compared to men. The Kenya Vision 2030 is a long-term development blueprint launched in 2008 that further rejuvenated policy efforts targeted at growth of MSEs through skills development and access to financial services. The government recently enacted an MSE legislation that among other interventions aims to promote growth of MSE’s through an enabling business environment, access to business development services, and establishment of an authority to formulate, review and monitor relevant policies (GOK, 2012). The government with the help of other relevant stakeholders
has designed various programs and policies that are market driven and market non-distorting to support SMEs.

Access to credit for female entrepreneurs remains a major concern for policymakers and researchers (Coleman, 2006). In as much as women tend to create smaller firms/enterprises, lack of capital is still a major obstacle to them. Several studies show that, on average, female entrepreneurs are less financed than male ones, (Sarumathi, 2011). Focusing on poor women entrepreneurs in developing countries, micro-credit has brought to light the underestimated potential of female self-employment, (Lascelles, 2012) note that the micro-credit industry has proved on a large scale that women are more trustworthy than men in terms of repayment conduct. However, Brana (2008), Fletschner (2009) and Sarumathi (2011) show that women are more credit-rationed compared to men by MFIs.

Although there has been little research in Kenya that has directly considered the performance of women-owned firms, current research provides undeniable evidence that women-owned enterprises do not lack the competence to run successful enterprises, they simply lack the initial resources. Substantial effort has been expended on encouraging women to engage in SMEs, an understanding of the effects of Micro Finance Institutions (MFIs) factors on their business performance, readiness and the challenges they face in growing their businesses become indispensable. This research sought to establish the effects of Micro Finance Institutional (MFI’s) factors on the growth of women owned enterprises.

Considering the significant contribution to employment in the country’s economy there is need for stakeholders to pay close attention to women owned SMEs sector. The government has emphasized the importance of this sector by committing to develop five small and medium enterprise industrial parks in the key urban centers as outlined in Kenya’s Vision 2030. The government further has initiated the youth enterprise fund and the women enterprise fund targeting entrepreneurs in the SME sector (GOK, 2012). Entrepreneurs face different challenges in raising capital, business management and planning which are the key ingredients in the survival of a small business therefore there is need to investigate the role of Micro Finance Institutions which are licensed to provide these services in the growth of SME’s.
1.2 Statement of the Problem

According to Noreen (2012), Micro Finance Institutions will ensure steady supply of microcredit, management and social capital which is greatly needed to run the activities of women owned SMEs. This will in turn lead to steady growth of these SMEs. He also asserted that growth of SMEs also depends on success ability of such enterprises, which also depends on non-interruption of their business activities by natural disasters and business accidents. There is therefore the need to hedge how MFIs affects women owned SMEs. Additionally, Morduch (2010) asserted that provision of microcredit alone is not enough, but borrowers must be trained on the use of such credit and management of the SMEs to ensure sufficient growth and further circulation of funds amongst the borrowers. Furthermore, Maleko (2013) also established that provision of Micro Finance services like social intermediation, and enterprise development services leads to growth of SMEs.

A study by Ojo (2009) revealed that micro financing in sufficient quantities will have a greater effect on profitability, productivity and growth and expansion of women owned enterprises. Sufficient effort has also been put in by the government to establish and regulate the operations of MFIs through the Micro Finance Amendment Act 2013. Several initiatives have been taken by government’s donors and non-government (NGOS) both, local and internationally to improve the growth of women Micro Finance and small enterprises in Kenya. Even with the influx of Micro Finance Institutions that are regulated women enterprises largely remain micro and small, with very few women having growth oriented enterprises. The study however does not define what comprises sufficient quantities and so takes a general approach.

Notably, Maheswaranathan (2010) researched on the effects of Micro Finance services on the growth of SMEs in Machakos County and found out that there was a relationship between predictor variable; micro credit, micro insurance and training and response variable annual growth in turnover, yet social growth indicators like employment and asset base were not considered which may lead to bias. Additionally, Lesiiyo (2012) also conducted a study on the effect of small and medium enterprises in Narok County. The study established that the MFIs service has contributed to the development of SMEs through provision of credit. The study however forecasted on credit and ignored other important aspects of credit management and other Micro Finance factors. He also focused only on the financial performance which is only one aspect of growth.
Notably, Cooper (2012) studied the impact of Micro Finance services on the growth of SMEs in Kenya, and concluded that Micro Finance services have a strong positive impact on the growth of SMEs in Kenya. In all the above studies, no researcher has focused specific attention on the specific Micro Finance services and women owned SMES. Notwithstanding, there is no known study by the researcher on the Micro Finance factors as drivers of growth of women owned microenterprises during this era of sustainable development goals hence, the need for the study. This will aid the stakeholders to understand areas to address when tackling sustainable development goal nine on fostering innovation and promoting sustainable industrialization.

1.3 General Objective

The general objective of this study was to investigate the MFI factors and their effect on the growth of Women-owned enterprises in Upperhill Nairobi, Kenya.

1.4. Specific Objectives

1.4.1. To determine how credit as MFI factor influence growth of women owned enterprises.

1.4.2. To determine how managerial experience as an MFI factor impact on growth of women owned enterprises.

1.4.3. To determine how social capital as a MFI factor influences the growth of women owned enterprises.

1.5 Significance of the Study

The benefits that accrue from this study are numerous and will affect the following:

1.5.1 Women Entrepreneurs

The study is of significance to female entrepreneurs who depend on and seek Micro Finance services for credit. The study provides an avenue through which they can inform Micro Finance of their expectation, challenges, and opportunities, experience with Micro Finance leadership.
1.5.2 Micro Finance Institutions

Through the study, Micro Finance Institutions get to know which of its factors enhance growth and maximize on those for revenue and which one needs to be improved on to ensure growth and sustainability of enterprises and the MFI as well.

1.5.3 Researchers and Academicians

This study acts a source of reference and information to other researchers to develop on the topic. In addition, the study compels the attention of researchers and academics in determining the MFI factors and their effect on growth of women owned enterprises.

1.6 Scope of the Study

This research project was limited to a selected number of women entrepreneurs in Upperhill Nairobi, County. The potential respondents were intercepted and asked whether they have an operational enterprise. Once they agreed, questionnaires were administered to them for data collection. In addition, most of the respondents had different economic backgrounds, race, income brackets, age brackets, gender and education. The administration of the questionnaires took place within Upperhill Nairobi, County. The population had sufficient knowledge to answer the research questions adequately. The study was carried out within a two months from the month of December 2017 to January 2018.

1.7 Definition of Terms

1.7.1 Enterprise

According to Drucker (2004) an enterprise as a business or a company operated by an entrepreneur harnessing various factors of production with the aim of making profit.

1.7.2 Micro Finance

Micro Finance is the provision of a broad range of financial services such as deposits, loans, payment services, money transfers, and insurance to poor and low-income households and, their micro enterprises. Micro Finance is an approach that has been proven to empower people around the world to pull themselves out of poverty (Ogindo, 2006).

1.7.3 Micro Finance Factors

Micro-finance factors include (credit, savings, training and social capital) which are often offered by micro-finance institutions (Ekpe, 2010)
1.8 Chapter Summary

The chapter outlines the background and statement of the problem. It provides a clear and brief statement representing the purpose of the study and states the objectives of the study in research questions format that are to guide the study. The significance and scope of study are also described in this chapter as well as key terms to be applied are also defined. Chapter two presents the Literature Review and it provides insights into what other researchers have done in the field of MFI factors and growth. Chapter three is on the research methodology and it highlights the various methods and procedures that the researcher used in conducting this research.
CHAPTER TWO

2.0 LITERATURE REVIEW

2.1 Introduction

This chapter reviews literature from various scholars written in the areas of entrepreneurship, women entrepreneurs, and women entrepreneurs in SMEs, the problems of entrepreneurship and factors that affect the growth of women entrepreneurs. Journal articles, reports and textbooks have been used as sources of literature.

2.2 Effect of Credit on Growth of Women Owned Enterprise.

Provision of credit to women has been accepted as a means of economic development and as an effective means for empowering women. (Bwisa, 2014). Access to finance for entrepreneurial activities, Micro Finance services can significantly increase women ability and capacity to work independently hence reducing their vulnerability to poverty (Wrigley-Asante, 2011)

2.2.1 Micro-lending and Growth of Women Enterprises

Most little scale enterprises work singular organizations and hence the need to get cash to back their organizations (Duflo, 2014). Due to the dull procedure of consolidating a business in Kenya most business women pick to work as people implying to look for credit from budgetary organizations. Study by Akanga (2015) found that individual and gathering techniques require diverse operational and money related structures. The decision of structure depends on hierarchical objectives, productivity targets, and hazard resistance. Micro-lending have distinctive cost structures. For example, due to the expansion in advance sum per customer, a portion of the managerial expenses on a for every customer premise would be lower; in any case, because of increment in the due steadiness and observing costs which get converted into diminished case stack per credit officer, costs on work force may increment. Singular loaning requires watchful investigation in the interest of the loaning foundation preceding asset dispensing (Akanga, 2015).

Discovery of business opportunity and the decision to exploit the opportunity leads to a search for external funds, and the acquisition of such funds again creates opportunity for entrepreneurial income-generating activity. Micro- lending is essential for young and
upcoming businesses with no funds. Lack of funds to invest in a startup has proven to be a major challenge to women with little or no source of capital. According to Bwisa (2014), one of the most promising economic development strategies for low-income communities in the world that has emerged in the past decade is microenterprise. Microenterprise is entrepreneurship on the small scale that offers the most disadvantaged an escape from the trap of minimum wage jobs or welfare. To a beginning micro entrepreneur the biggest hurdle can be funding start-up/Scale up capital. Banks are seldom interested in business loans. This in turns leads to most of the women to give up on the venture. Hence therefore the need to provide micro-lending services in order to scale up their businesses to ensure growth and development.

The technique for giving little credits to the poor especially women is most utilized by MFIs that give advances without insurance. The premium charged is far lower than premium charged by singular cash moneylenders. The Grameen bank is a run of the mill case of MFI utilizing bunch loaning strategy. The reimbursement rate is high since every part is at risk for the obligation of a gathering part (Stiglitz, 2011). The gathering is ordinarily contained individuals who know each other exceptionally well and most presumably have some regular destinations together. Credits are not conceded to people without anyone else but rather to people having a place with a gathering which go about as insurance. This is to stay away from the issues of unfavorable choice and decrease expenses of checking credits to the individuals who must ensure the advance is compensated or they end up noticeably subject for it (Armendáriz, 2008)

Micro-lending is perceived as the provision of financial and non-financial services by Micro Finance Institutions (MFIs) to low income groups without tangible collateral but whose activities are linked to income generating ventures (Rosenberg, 2011).These financial services include savings, credit, payment facilities, remittances and insurance. The non-financial services mainly entail training in micro enterprise investment and business skills. There is also a belief that micro-lending encompasses micro credit, micro savings and micro insurance (Rahman, 2009).

Micro-lending generally means providing the funds that are easily accessible with little or no collateral with at times the business itself acting as collateral to ensure start up or scale up. With such a rooting, the youth are perceived to find it easy to fund their businesses.
Micro-finance factors create opportunity for entrepreneurial activity (Shane, 2013); as such there is a positive relationship between micro-finance factors and opportunity for entrepreneurial activity. Micro-lending is mostly done with MFI’s or small Sacco’s in the community.

According to Yaron (2011), poor access to loans and limited finance as the main causes limiting the growth of micro and small enterprises. Additionally, Makokha (2011) revealed that inadequacy of capital hindered the expansion of businesses. Banks made more micro-loans overall although the average size of such loans is declining. The total amount of micro-loans increased by just 4.1 percent. The increased number of loans may reflect in part the expansion of small business credit card and credit line programs. The business lending sector's adoption of the credit scoring techniques traditionally used in mortgage lending are making it more feasible for banks to make more small loans to small businesses. However, there is no certainty as to the effect of micro-lending on the growth of women owned enterprise.

2.2.2 Conditions for Borrowing and Growth of Women Owned Enterprises

Relationship between SME’s and MFI’s keeps on deteriorating due to failure to fulfill their loan obligations (O’Brien, 2011). This could be due to the stringent credit terms to include interest rates, collateral securities, and loan repayment schedules among others which seem to frustrate businesses financially.

Financial institutions form the major source of loans to most small and microenterprises. Women require funding for their business start-ups, sustainability and continuity and one way of raising these funds is through loans from financial institutions and other lending institutions (Stock, 2013). High interest rates curb inflation but slow down the economy while low interest rates stimulate the economy but leads to inflation. When interest rates are high, people do not want to take loans out from the bank because it is more difficult to pay the loans back. This is the case for women in Kenya because their investment is small which gives them very little returns and thus cannot afford to pay the monthly premiums and also the interest accruing from the facility (Ojo, 2009). In, Kenya until recently the banks was charging very high interest rates making it impossible for small scale entrepreneurs to afford credit.
High interest rates are used as an instrument used to curb inflation rates in different countries (Ojo, 2009). Several country studies show that women entrepreneurs are more likely to face higher interest rates, be required to collateralize a higher share of the loan, and have shorter-term loans (IFC, 2011). For instance, in MENA between 50 and 75 percent of the women surveyed conveyed that they have pursued external financing for their businesses at some time during the previous 12 months. Most of them had not received any financing from a formal financial institution and the difficulties conveyed include high interest rates, collateral, lack of track record, and complexity of the application process. A record of 55 percent of women business owners in Tunisia encountered an obstacle when seeking financing which was high interest rates (36%) were the most significant barrier (IFC, 2011). An additional 11 percent were denied financing due to lack of collateral.

In the UAE, 51 percent of those surveyed also faced difficulties, ranging from high interest rates (28%) to finding the process too complicated (16%), lack of collateral (15%), and being denied formal bank credit because of the lack of a track record (14%). Meanwhile in Jordan, 47 percent of those surveyed encountered difficulties seeking external financing, 19 percent found the interest rates too high, 17 percent found the process too complicated, and another 16 percent were denied due to lack of collateral. In Lebanon and Bahrain, 29 percent encountered difficulties when seeking external financing with the high interest rates (16% each) is the main problem (IFC, 2011).

A present venture overview of new undertakings in Côte d'Ivoire, Kenya, Nigeria, and Senegal finds that the offer of ladies entrepreneurs is 50 percent higher in the casual part, with 18.1 percent of the enlisted are operated by ladies, contrasted with 27.6 percent of the casual firms (Maleko, 2013), taking note of the fact that IGAs in the casual part in Kenya have brought down livelihoods contrasted with those in the formal area. Additionally, (Maleko, 2013) takes note of that such undertakings with bring down wage as a rule have a poor record of loan repayment and thus don't effectively fit the bill for credit from officially settled MFIs. If there should arise an occurrence of progression of credit, these endeavors get little credit propels for high loan fees whose securities as a rule are the methods for generation claimed by these organizations.

Repayment problems is the main obstacle for the MFIs to continue providing microcredit services (Norhaziah, 2010). Loans received on the basis of joint liability, ensure the risk of
loan default by a particular member is shared by his/her peers. It may also be that borrower’s assessment of his or her peer’s likelihood of defaulting triggers the borrower’s own decision to default. And also groups beyond a certain size may experience increased difficulty of communication and coordination so that both information and monitoring advantage of the group are dilute (Bwisa, 2014). And also, the lenders cannot observe the behaviors of their clients whether they are honest and dishonest. The lenders only observe the outcome of the loans either the clients repay or not (Norhaziah, 2010). Hence, loan repayment problem is one of the major issues of MFIs that concerns many stakeholders were the high loan default rate is the primary cause for the failure of MFIs.

2.2.3 Accessibility to Financial Credit and Growth of Women Owned Enterprises.

Access to finance is a test basic to all ventures, however the test for women entrepreneurs is intensified by the multifaceted sexual orientation related issues that hinder their capacity to get to credit (Gakure, 2013). According to an overview of (Bank, 2010), 52% of women business visionaries in urban regions in Kenya confront challenges in getting to finance from money related and loaning establishments.

According to (KWFT, 2011), women undertaking access to credit in Kenya has been enhanced, yet real loaning is not comparing with the development of women possessed organizations. In Kenya 48% of entrepreneurs are ladies yet just 7% secure formal credit while 1% utilized land as formal guarantee to secure finances (GOK, 2012). Albeit numerous MFIs created to give beginning and working cash-flow to ladies business visionaries in Nairobi Central Business, significance and cost-adequacy is frequently wrong in fulfilling the specific needs of potential and working ladies business people (GOK, 2012). A few women business people in Nairobi tend to stay away as a result of absence of data, and conditions, for example, high exchange expenses and loan fees averaging over 35 for each penny for each annum (IFC, 2011). According to Wanjiru (1992), factors that inhibit credit availability to women include: lack of start-up (seed) capital; lack of responsiveness to existing credit schemes, high interest rates, lengthy and vigorous procedures for loan applications and lack of collateral security for finance. Access to credit has eventually become a detrimental factor to advancing small scale business enterprises given most businesses owned by the rural poor women are poorly managed, have low income and are mostly deemed not credit worthy by financial institutions due to lack of training (Ong’olo, 2013). As stated by Likinski (2011) more women need to partake in
business education addressing business growth, technology, revenue models, and securing correct types of finance. She further notes that universally, women-led businesses receive less than 5 percent of venture capital.

The idea of women entrepreneurship is a new phenomenon in Kenya. Until the 1980’s little was known about women entrepreneurship both in practice and research, which made its focus wholly on men. Scientific dissertation about women’s entrepreneurship and women owned and run organizations is just the development of 1980s (ILO, 1999) late 1990s and early 2000s in Eastern Africa especially Kenya (Mwoobia, 2012). Access to credit by women owning small scale business enterprises in Kenya is hindered by many factors including low levels of education, higher interest rates by lending institutions, low income generated from these businesses and other socio-cultural factors that place women in a lower status in the society as compared to men in as far as running of businesses is concerned. Moreover, (Njoka, 2012) points out that due to masculine social authority structures, women received substantial family support in the start-up stages of their businesses, but later on such support was limited, limited or withdrawn for fear of husbands losing dominance over their wives.

Absence of access to acknowledge has been named the best test by little scale business visionaries in the little and medium endeavor segment as advance loan fees ascends inaccessible (Sanya, 2013). He expresses that limited access to credit positions above formality, current monetary conditions, mastery of expansive corporates and absence of market data and administrative abilities at 86% pertinence to business people. In Ghana, comparative perceptions were made by Association of Ghana Industries, (AGI, 2013) where challenges in getting to acknowledge re-developed as the most astounding deterrent confining development of little scale organizations, taking note of that the most exceedingly bad hit were little scale organizations possessed by women. On division by area challenges, (AGI, 2013) expressed that entrance to credit, high cost of crude materials and cost of credit looked after to begin with, second and third positions as the best most difficulties limiting development in the SME segment, where women-claimed little undertakings fell under.

According to Kenny (2011) rural women are more likely to be credit constrained than men of equivalent socio-economic conditions. This is due to the fact that men have traditional rights to own land and thus they have collaterals that give them ability to borrow. Credit
conditions when forming a group, paying membership fees, group registration fees and joining saving plans, result in delays in accessing initial capital, thereby deteriorating the women's household financial burden (Alila, 2002). Finance is the core problem for expansion of activities in all categories of entrepreneurs (Lesvitsky, 2011).

2.3 Effect of Managerial Experience on Growth of Women Owned Enterprises

Larger parts of the individuals who run SMEs are standard parcel whose instructive foundation is inadequate. Subsequently they may not well be prepared to do administrative schedules for their endeavors (McGrath, 2012). Administration abilities identify with the supervisor/proprietor and the venture, (Bennet, 2007) characterizes administration as worried about the sending of material, human and back assets with the plan of association structure. However, Haimann (2014) takes a gander at administration as a procedure of getting assignments achieved with and through individuals by directing and empowering their endeavors. Experience takes numerous veneers and degree of experience is appeared to be an essential factor driving the execution of firms, with the quantity of past occupations emphatically identified with new firm execution (Armendáriz, 2008).

2.3.1 Financial Management and Growth of Women Owned Enterprises

Finance is an effective development instrument which enhances the working of the profitable channels of an undertaking and animates their smooth operation. Each sort of issue looked by a business person, in its definitive investigation, ends up being an issue of fund (Akintoye, 2011). As Mbuva (2014) contends that bookkeeping ability is essential for a powerful entrepreneurial and independent venture improvement. This is on the grounds that the inability to introduce a legitimate bookkeeping framework would deny business checking, revealing, and execution assessment that are fundamental to the business survival. Bookkeeping aptitudes are the totality of abilities going from record keeping, consideration coordinating, money related administration and announcing abilities that are relied upon to advance powerful choice, execution assessment and business detailing of any business venture (Bwisa, 2014).

Even though women have access to information on the financial services and market opportunities available to them, they may be less equipped to grasp it due to low levels of information on finances (UNDP, 2013). Studies of the reasons for small business failure inevitably show meagre or careless financial management to be the most important cause
(Anane, 2013). Several women entrepreneurs are good in business, but not in handling money (Akanga, 2015).

As stated by Chen (2005), most women undertaking proprietors don't have money related administration aptitudes, for example, accounting, stock administration, work force administration, and essential advertising consequently most entrepreneurs wind up forgetting about their everyday exchanges and can't represent their costs and benefits toward the finish of the month. Furthermore, Baughn (2006) expresses that money related ramifications are there in for all intents and purposes all business choices and in such manner they characterize monetary administration as the errand of obtaining and utilizing stores to expand the estimation of the firm/business. Administration issues specifically money related administration have prompted the conclusion of a few organizations, in this manner making it huge in the investigation of independent ventures and women business visionaries given the societal strain to take care of their core and more distant families.

Some women entrepreneurs do not keep records/accounts nor do they have a bank account, they end up spending their capital because they cannot differentiate between business capital and profit leading to business stagnation and failure and one wonders whether the lack of growth of women owned businesses is not a product of poor financial management (Akande, 2016). According to Mboko (2014), possibly one of the less glamorous aspects of entrepreneurship, financial management is necessary for the successful launch and operation of a small business. They further contend that weaknesses or discomfort in this area of management may translate into key areas or errors in judgments that can be fatal to the business, given that about 60 percent of the women perceived controlling expenses, cash flow planning and forecasting were major problems.

According to Lam (2011), better financial management can lead both business survival and growth given the observation that what is agreed in the literature is that demand for entrepreneurial finance is unquestionable, meaning that attention has inclined to focus on the supply of finance, mainly on gaining access to finance from the business owners’ side or increasing supply from lenders, investors or business support agencies. One of the key weaknesses is the underlying fact that finance is a resource that is “supplied” and should be accessible to entrepreneurs in order to meet the businesses’ financial needs, (Lam, 2011). He further says the “funding gap” remains in a stalemate due to inequalities between what
is demanded and what is supplied. Consequently, entrepreneurs have to find alternative ways of funding business operation which according to (Lam, 2011) include two ways i.e. women entrepreneurs can wait until they raise enough money to complete their project or use limited resources to achieve some intermediate milestone. In that regard, they have to be judicious financial managers if they are to grow their businesses intrinsically through the use of existing capital and generated profits.

2.3.2 Organizational Management and Growth of Women Owned Enterprises

Uncertainty, there is generous proof to recommend that general administration forms are steady of development in SMEs (Baughn, 2006). The Human Resource (HR) work can possibly assume a vital part by creating human capital, impacting inspiration and conveying hierarchical objectives in help of effective development methodologies. Women business people, all the more so in creating nations need preparing (IFC, 2011) and entrepreneurial process is an essential wellspring of creating human capital and in addition assumes an indispensable part in giving learning chance to people to enhance their aptitudes, states of mind and capacities, (Kuhn, 2012) and (Shane, 2013). Impact of hierarchical administration preparing on women business visionaries' execution, particularly in creating nations, has not been adequately tended to in the writing. Considering the impossible to miss circumstances of most women in creating nations as far as neediness, low instructive levels and other societal segregations (Akanga, 2015). Organizational administration preparing is viewed as a vital smaller scale fund factor for women business visionaries as it would give the aptitudes and experience required for business (Akande, 2016), (Kuhn, 2012) and (Kuzilwa, 2015).

Authoritative procedures 'develop' after some time because of on work preparing, experimentation, experimentation and imaginativeness (Alila, 2002). At the point when particular procedures are observed to be powerful, they have a tendency to be rehashed and they turn into a schedule. Despite the fact that the possibility of routine is to some degree mental, it might be characterized as 'redundant, unmistakable examples of associated activities, did by different on-screen characters' (Brana, 2008). There are many identifiable hierarchical exercises and procedures supporting the advancement of development abilities (Armendáriz, 2008) and (Makokha, 2011). For example, client mind abilities are critical in the execution of endeavors (Haimann, 2014). According to Chen (2005), there is need to treat the clients with the most extreme regard given that clients whether they deliberately
do it or not, know the estimation of their cash and they generally need to realize that they are being treated with the pride they merit as a client. She additionally discloses that clients hope to have full focus since conveying complete consideration and demonstrating the clients that you are mindfully tuning in to what they are stating, you set yourself up for a rehashed business and perhaps referrals. Listening wisely and having all consideration on the clients, obviously compliments them. The clients will need to backpedal where they are approached with deference.

2.3.3 Skill Acquisition and Growth of Women Owned Enterprises

Ownership of pertinent aptitudes and experience guarantees the survival of a business at start-up, its future execution and development particularly the case for business abilities and particular involvement in comparable organizations. Skills and particular involvement in a comparable business additionally enable proprietors to fabricate a development arranged business (Chen, 2005). Micro scale and little undertakings can fruitful if the proprietor/chief have proper aptitudes and capacities to maintain the business (Ekpe, 2010). Subsequently making it imperative for business visionaries build up every single vital aptitude required for setting and successful running of the undertakings. With a specific end goal to be effective in the current aggressive market as a business person, one needs a wide exhibit of entrepreneurial abilities. However, Akande (2016) contended that entrepreneurs need to have essential abilities important to begin, create, fund and market a business. Entrepreneurial aptitudes contrasts decidedly and the essential abilities required for beginning, creating, financing, financing and showcasing business endeavor as opined by. Additionally, Lam (2011) depicted entrepreneurial aptitudes as qualities or characteristics required for a business person to begin and effectively deal with a business in an aggressive situation.

Instruction is probably going to enhance "a man's range of abilities, premonition, creative energy, and additionally computational and relational abilities" (Harding, 2006) bringing about higher rates of development (Bird, 2002). Studies advocate that those with more instruction and preparing will probably be effective in the SME segment (Anane, 2013). However, Fletschner (2009) characterize business enterprise instruction as "the organized formal movement of entrepreneurial capability, which thusly alludes to the ideas, aptitudes and mental mindfulness utilized by people amid the way toward beginning and building up their development situated endeavors." Entrepreneurship preparing and training
at that point is about the advancement of individual abilities and conduct change. Furthermore, Akintoye (2011) lists impacts they accept is the aftereffect of inspiration, for example, fulfillment of testing assignments, having control of one’s own occupations, adapting new abilities, making more open doors for endeavors and upward development of big business activities. As stated by Bird (2002), that notwithstanding individual inspiration, interest in human capital (instruction, preparing and aptitudes) prompt higher profitability and subsequently higher wages and higher work rates.

Furthermore, Rosenberg (2011) argues that there is minimum experiential proof of the positive impact of education on entrepreneurship and entrepreneurial success. However, Ojo (2009) propose trainings to target growth, marketing development opportunity identification and quality, marketing/promotional skills and deal with credit institutions, borrowing mechanism and negotiating strategies. Literature confirms that skill training and tertiary education have positive effect on enterprise performance (Akanji, 2016), (Kuhn, 2012) and (Kuzilwa, 2015). Several women lack this especially in developing countries (Ibru, 2015) however the exploitation of entrepreneurial opportunity depends on the entrepreneur’s level of education, skills or knowledge acquired through work experience, social network and credit (Shane, 2013) hence the need for skill acquisition training as a micro-finance factor especially to women who are in entrepreneurship.

2.4 Effect of Social Capital on Growth of Women Owned Enterprise

Social capital is delegated unmistakable or virtual resources, which individuals traverse relationship with frameworks (Shane, 2013). Social capital is a blend of different components with two fundamental segments, including certain parts of structure; and it energizes exercises of individual or corporate on-screen characters. Social capital has been more than once showed in many asks going to have a relationship with financial headway and in extending desires for ordinary solaces, all things considered (Koech, 2015). According to Kuhn (2012), social capital is the missing association in budgetary change. Despite money related change, destitute people utilize social capital frameworks and put stock considering somebody to be ways to deal with oversee emergencies, a way to deal with accomplishes available open entryway, and to appreciate social events, for instance, festivities, weddings, and funerals (Kuzilwa, 2015).
Social capital is moreover compared to extending family assets, pay per capital, and family utilizations in Indonesia and Tanzania. Social capital was even found in the troubled African American society in the mid-1990s. It was found that they used both standard and non-customary social money to progress budgetary outcomes. In light of the significance of (Kuzilwa, 2015), this examination describes social capital as 'the total of the certifiable and potential resources introduced inside, available through, and got from the arrangement of associations controlled by an individual or social unit and is isolated into three estimations particularly, social, assistant, and intellectual. Entrepreneurship and social capital are nearly entwined since business start-up activities are impacted by counsel and assistance from family, companions, neighbors, relatives or partners (Chen, 2005) and (Coleman, 2013). According to Cutura (2013), the focal principle of systems administration is to fill in as a conductor for data while asserting informal organization gives assets and other monetary open doors at beneath advertise level. Further, Cutura (2013) perceives interpersonal organization as "oil" and "paste" that give a scaffold between the economy and society. Research on the development of women ventures recommends emphatically the foundation of systems as a basic need factor (Bwisa, 2014). Subsequently, women business people with high development assets tend to utilize more formal informal organizations (Akande, 2016).

2.4.1 Network Diversity and Growth of Women Owned Enterprises

According to Marlow & Carter (2014), networks have long been hailed as essential to the survival of female-run establishments. It is a critical element for entrepreneurs in gaining access to capital/loans, advice and information needed for initiating and operating a new venture easily. Entrepreneurs make use of social relations and social contacts as channels to gain access to information, customers, and suppliers and to the sources of finance. They make use of family networks to access unpaid family work as well as emotional support. It has been found that support from personal network improves survival, growth and performance chances of new ventures (Coleman, 2006). Specifically, support from strong ties (spouse/life partner, parents, friends and relatives) is more important than support from weak ties (business collaborators, acquaintances, former employers and former co-workers) which influence the success of new ventures. Help and emotional support from spouse are more important for success in case of the women entrepreneurs.
Networks are one important form of social capital since they “provide a conduit for the exchange of information and resources that can enhance the success and survival of women owned businesses” (Alila, 2002). Diversity of entrepreneur’s networks enhances their opportunity recognition capabilities by helping them acquire opportunity-related knowledge, forecast future trends, evaluate information and decisions, as well as react proactively to future trends (Alila, 2002).

Speculations according to Akanga (2015), states that for women-owned businesses, a formal and informal network enhances business’ market growth and expansion. Moreover, Ekpe (2010) confirms that women business owners are more disadvantaged than their male counterparts in terms of resources due to their limited access to the “right” social circles that can help them access resources. However, Akanga (2015) strongly links the underperformance of women-owned firms to their initial undercapitalization. They state that this initial undercapitalization is not only restricted to access to finance, but also includes human and social capital, which comprises previous managerial and sectoral experience as well as access to suitable professional and personal networks.

Women’s social structure and how they socialize have a major influence on the social capital that they use for their start-ups with women being less welcome than men in social networks (Chen, 2005). As Hisrich (1999) provide some clues on the importance of social capital and social networks to entrepreneurship, they define social capital broadly as “the resources available to entrepreneurs through their social connections”. Networks may be categorized as scant or cohesive (Armendáriz, 2008). Social capital may also be distinguished between that belonging to the entrepreneur who founded the business or business owner and that belonging to the organization (Chen, 2005). However, for small and micro-enterprises (which includes the majority of businesses owned by women) the two are vague as the entrepreneur will bring her/his own network of personal contacts into the business (Hisrich, 1999). Later in the company’s life cycle, the network will become formalized, becoming part of the organization’s social capital, strategic exchange of information and other resources can then occur between organizations (Kuhn, 2012).

As stated by Akanga (2015) the importance of networking and developing relationships and explained how critical they are for business success. They further mention that both male and female entrepreneurs require a strong network of individuals, which they can use
to share ideas and access information in the running of their businesses (Kratzer, 2013). Women “do better with a small network of interconnected contacts” and do not profit from brokerage per se (as men do), women can benefit indirectly from brokerage through strong ties to established business and network sponsors. Others, however, argue that women’s close circles are detrimental to their careers. As Kuzilwa (2015) cites, “women’s gender-homophiles ties (i.e., exchange occurs mainly through ties with the same sex) create stronger disadvantages because they tend to be lower in status and consist of fewer connections to important sponsors.” While contemporary research recognizes the need to investigate context and to be cautious about “essential zing” any characteristics of women in business, certain key factors seem particularly relevant to their success as entrepreneurs (Kuzilwa, 2015).

Even though entrepreneurs are to be closely tied through their social relationships to a broader network of actors, understanding what really goes on within a network remains limited to relatively broad and descriptive accounts (Lam, 2011). Furthermore, despite the pervasion of the network concept and its increasing popularity, many questions remain unanswered about the actual content of interactions and the relationship between networks and women entrepreneurship (Lam, 2011). Literature is also mute on how diversity networks can assist women to develop their social capital which will further leads towards the growth of their firms.

**2.4.2 Trust and Growth of Women Owned Enterprises**

As characterized by Yaron (2011) trust is a specific level of the subjective likelihood with which an operator assesses that another specialist or gathering of specialists will play out an exact activity. Furthermore, Akanga (2015) characterizes trust as the conviction that the aftereffects of someone's planned activity will be proper from an individual perspective. Notably, Kenny (2011) has contended that social business people identify with the level of trust in the group or gathering, (Fletschner, 2009) goes further to recommend that an abnormal state of trust in specific social orders can elucidate monetary execution. According to Akanga (2015), trust can build the capability of a framework for adapting to many-sided quality, and subsequently assorted variety. However, Kenny (2011) depicts trust as an instrument for keeping up or reproducing social lucidness.
According to Harding (2006) these diverse meanings of trust and its part concede to three crucial components. To start with component being is correspondence: put stock in alludes to human activity and not to normal occasions, alluding to a behavioral state of mind which may encourage the working of trust with others. Also, trust is alluded to as a condition of desire towards conceivable, typically foreseen, future responses of the protest of trust. Thirdly, trust empowers individuals to gain information without the strict affirmation of its precision, as per their trust in the individual or foundation being trusted.

The idea of trust is connected to the conceptualization of social capital, it is conceivable to state that a few creators liken the two (Lakwo, 2006), while others consider trust to be a wellspring of social capital, others consider it to be an aggregate resource coming about because of social capital translated as a social resource, put in the individual (Lam, 2011). Given these meanings of trust, it is conceivable to take note of an extraordinary esteem, yet in addition a level of vulnerability in relating it to social capital. Thus making it hard to decide if trust is a component, a reason, or a result of social capital.

2.4.3 Norms and Rules of Women Owned Enterprises.

Norms and rules have since quite a while ago intrigued imperative sociologists (Lesiiyo, 2012). Standards will be measures or examples of social conduct that are acknowledged in or expected of a gathering; they may likewise be levels built up by governments or different specialists to be consented to or accomplished. Then again, standards can be comprehended as a formal or casual articulation of these standards. In this way, enactment as well as social codes have govern like qualities (Lam, 2011).

In conjunction with the ideas of standards and guidelines, it is basic to consider esteems which are a piece of the ethical codes or social or metro assertions that are transmitted by families, instruction or experts (Lam, 2011). Arguments demonstrate that esteems, standards and principles can help in understanding states of mind towards group contribution (Chen, 2005). As indicated by Bwisa (2014) Institutions can be likened to rules for keeping request and expanding the consistency of social activities with foundations being characterized as medicines for what activities are required, disallowed or allowed, and the approvals approved if rules are not taken after.
For instance, Coleman (2006) incorporates governments, administers of law, the court framework, and common and political freedoms as pointers of social capital. A few hypotheses of trust incorporate a full scale perspective of institutions as (Gakure, 2013) express that examples of trust and correspondence be liable to an expansive degree on the standards that are made in any commonwealth and communicated by establishments. It is conceivable to reason that the nearness of guidelines, standards and establishments in specific gatherings are identified with the presence of social capital in a specific culture/group and thus in this way the need to examine its connection to development of women – claimed endeavors.

2.5 Chapter Summary

This chapter broadly reviews the literature on Micro Finance Institution factors and their effect on growth of women-owned enterprises. The first research question looks at credit as a MFI factor and the effect on growth of women-owned enterprises. The second research question looks at managerial experience as a MFI factor and the effect on growth of women-owned enterprises. The third addresses social capital as a MFI factor and the effect on growth of women-owned enterprises. Chapter three of the research will outline the design and methodology of the study. It will describe the design to be adopted by this research to achieve the appropriate objectives. The chapter will also describe the stages by which the methodology will be implemented, details the respondents, list of all the instruments to be used in the study and how the data will be analyzed.
CHAPTER THREE

3.0 RESEARCH METHODOLOGY

3.1. Introduction

This chapter presents the research techniques that were adopted with the aim of answering the research questions. These included the research design, population, sampling design, sampling method, sample size, data collection methods, research procedures and data analysis methods.

3.2. Research Design

According to Schindler (2014) a research design can be defined as a blueprint for the collection, measurement, and analysis of data. It could also refer to the plan, organization and structure of investigation geared towards obtaining relevant answers to research questions or simply a framework guiding analysis of data collected from the field. In a nutshell, the research design or plan constitutes the blueprint for conducting research and comprises an outline of what the researcher will do from the onset of writing of the research questions or specific objectives to the final analysis of data (Mjomba, 2011). Descriptive research design was adopted in this study. A descriptive research design is a scientific method which involves observing and describing the behavior of a subject without influencing it in any way. A survey in form of standardized questions in a questionnaire used to collect data. According to Mjomba (2011), a survey can be defined as a method of collecting data from people about who they are, how they think (motivations and beliefs) and what they do (behavior). Therefore, the study adopted a quantitative approach on the effect of MFIs on the growth of women owned enterprises in Nairobi.

3.3 Population and Sampling Design

This part of the chapter provides a description of the population of the study and describes the sampling design for the study.
3.3.1 Population

Population of the study is defined as pool of people, items and events from which the researcher draws the individuals and cases for sampling (Creswell, 2013). According to Creswell (2008) such a population should be homogeneous in that it must possess and exhibit the information of interests to the researcher. The research is valid if the findings it generates close links to the opinions, features and characteristic of the population (Creswell, 2008). The population for this study comprised of the women owning enterprises in Nairobi. The population was estimated to be 250 business women located in Upperhill, Nairobi County. The population was diverse in several aspects including individuals with varied characteristics in terms of age, gender, tribe and education. The choice for this population was based on issues relating to accessibility time and resource constraints. The researcher chose this target population because it was easy to access given time and resource constraints on the part of the researcher.

3.3.1.1 Target Population Distribution

The population of 250 business women in Upperhill was distributed in three categories. A total of 150 sole-proprietorships, 30 partnerships and 70 small companies were derived from the population.

3.3.2 Sampling Design

To obtain relevant sample for consideration and inclusion in the research, a significant number of individuals were selected from the population, it is normally from this population that researcher collects and infers information (Creswell, 2013). It follows therefore that the validity of the study result were contingent on the suitability of the sampling design (Crotty, 1998). The sampling design comprises of the sampling frame, the sampling technique and the sample size.

3.3.2.1 Sampling Frame

A sampling frame is a register or a list of individuals, cases and events from which the researcher obtains the sample (Creswell, 2013). Furthermore, Crotty(1998) clarify more that the sampling frame denotes to the source of the appropriate or correct population from which the survey sample is drawn. It is a comprehensive and precise list which consist of population members’ only. The sampling frame for the study was obtained from the Sacco’s headquarters located in Nairobi.
3.3.2.2 Sampling Technique

Explanation by Creswell (2008) states that the study objectives determine the methodology for deriving sample for inclusion in the study. Additionally, Creswell (2013) further states that the sampling process is not abstract but is guided by the scope and parameters of the study as well as the population and the objectives of the study. The study adopted a simple random sample technique to get the respondents for the study. This technique ensured that all elements of the population had an equal chance of being represented in the study, thus ensuring that women from all the three categories of entrepreneurship had an equal chance of representation in the study.

3.3.2.3 Sample Size

A sample size is the number of sampling units selected from the population for analysis. Saunders, Lewis, & Thornhill (2016) noted that the bigger the sample size, the lower the likely error in taking a comprehensive view of the population. The study used Yamane’s formula to identify the sample size.

Yamane’s formula: \[ n = \frac{N}{1+N \times (e^2)} \]

\[ = \frac{250}{1+ (250 \times (0.05^2))} \]

\[ = \frac{250}{1.625} \]

\[ = 154 \]

Where: \( n \) = Sample size, \( N \) = Population Size, \( e \) = Margin of error (0.05)

The study used a sample size of 154 respondents.

3.4 Data Collection Methods

According to Creswell (2013) and Creswell (2008), data collection is the technique for obtaining the information from the respondents. Data collection implies the method that the researcher uses whether it is the use of questionnaires, interview schedules, face-to-face interviews or telephone interviews or whether it is participation and observation (Sreejesh, 2014). For this study, the researcher used structured questionnaires in which a combination of Likert scale questions was used to obtain data from the respondents. The questionnaire
was categorized into four key parts each dealing with a particular set of questions all aimed at obtaining relevant responses.

The questionnaire took each respondent between 20 and 30 minutes to respond effectively to all the questions in the study. The questions were kept both short and precise to prevent respondent fatigue and to ensure proper understanding, on the part of the respondents of all the questions.

3.5. Research Procedures

Sample questionnaires were subjected to piloting test few weeks prior to administration from 20 respondents in the population. This was done to evaluate the completeness, accuracy, precision and clarity of the questionnaire. According to Schindler (2014), pilot testing is mainly conducted to help the researcher detect any weakness in design and instrumentation as well as providing proxy data for selection of probability sample. After piloting, amendments was done on the questionnaire where deemed necessary then permission was sought from the university in order for the researcher to carry out the actual study. The researcher went to the target population and administered the questionnaires to the selected respondents. The researcher ensured completeness of the questionnaires and that all the respondents gave back the filled questionnaire. Additionally, the researcher answered and clarified questions from the respondents. The data collected was coded and analyzed using statistical package for social sciences (SPSS). Results of the data analysis were presented using graphs, pie charts and tables.

3.6. Data Analysis Method

According to Nabintu (2013), data analysis could mean a process of inspecting, then cleaning, followed by transforming and finally modelling of data with the goal of discovering useful information to support decision making. The study used both descriptive and inferential statistics. However, Gates (2001) defined descriptive statistics as the process of transforming a mass of raw data into tables, charts, with frequency distribution and percentages, which are a vital part of making sense of the data. In this study, the descriptive statistics such as percentages and frequency distribution were used to analyse the demographic profile of the participants. In order to describe the data, the study used means
of each variable and correlation analysis between the independent and the dependent variable.

3.7. Chapter Summary

The chapter describes the research methodology that the researcher used in order to carry out the study and answer the research questions raised. The chapter is divided into the following sections: the research design, population and sample, data collection methods, sampling design and sample size, research procedures and data analysis. The next chapter presents the results and findings of the study. The following chapter presents the findings of the study. This is followed by conclusions and recommendations in chapter five. The next chapter discusses the results and findings of the study.
4.0 RESULTS AND FINDINGS

4.1 Introduction

This chapter contains the findings from the research study that were analyzed using the SPSS tool. The chapter contains interpretation of the data that was collected and analyzed.

4.2 Response Rate

The study focused on Women owned enterprises in Upperhill, Nairobi and a total of 154 questionnaires were physically and electronically administered by the researcher. A total of 93 questionnaires were retrieved by the researcher from the 154 questionnaires administered. This gave a response rate of 60%. The response rate helps to produce accurate useful results that represent the target population.

Table 4.1: Response Rate

<table>
<thead>
<tr>
<th>Questionnaires</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Responded</td>
<td>93</td>
<td>60</td>
</tr>
<tr>
<td>Did not respond</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>61</td>
<td>100</td>
</tr>
</tbody>
</table>

4.3. Demographic Characteristics

This section discusses the results of the general information about the respondents including the age bracket, education level, period in active business and the annual sales.

4.3.1 Age

The respondents were asked to indicate their age bracket and the findings indicated in Figure 4.1. The findings indicate that majority of the respondents 56% were between the ages of 21-30 years, 19% were in the age bracket of 31-40 years, 6% were in the age bracket of 41-50 years, 10% were in the age bracket of 51-60 years, 5% of the respondents were over 60 years and 3% were under 20 years.
4.3.2 Level of Education

Figure 4.2 shows the level of Education of the respondents. Majority of the respondents (46%) had postgraduate level, 37% were Degree holders, 7% had tertiary level of Education, 7% had Secondary level of Education and 3% had primary level of Education

4.3.3. Period of Active Business

The respondents were asked to indicate the period in which they have been in active business and the findings are as indicated in figure 4.3.
The results indicates that 47% who constituted the majority had been in business for a period of 1-5 years, 19% were in business for less than 1 year, 17% were in business for 6-10 years, 9% were in business for a period of 11-15 years and 8% were in business for over 15 years.

![Figure 4.3 Period of Active Business](image)

**4.3.4 Annual Sales**

Table 4.2 indicates the annual sales of the respondents businesses. In 2014 majority of the respondents (56%) indicated that they had an annual sale of 100,000-200,000 thousand. In 2015 36% of the respondents indicated that they had an annual sale of 200,000-300,000. In 2016 31% indicated that they had an annual sale of 200,000-300,000 and in 2017, 35% of the respondents indicated that they had an annual sale of above 400,000.
Table 4.2: Annual Sales

<table>
<thead>
<tr>
<th>Annual Sales</th>
<th>100000-200000 (%)</th>
<th>200001-300000 (%)</th>
<th>300001-400000 (%)</th>
<th>Above 400000 (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>56</td>
<td>17</td>
<td>11</td>
<td>16</td>
</tr>
<tr>
<td>2015</td>
<td>32</td>
<td>36</td>
<td>16</td>
<td>16</td>
</tr>
<tr>
<td>2016</td>
<td>27</td>
<td>31</td>
<td>21</td>
<td>21</td>
</tr>
<tr>
<td>2017</td>
<td>27</td>
<td>21</td>
<td>17</td>
<td>35</td>
</tr>
</tbody>
</table>

4.4. Descriptive Analysis of Study Variables

4.4.1 Credit MFI Factor on Growth of Women Owned Enterprises

The study sought to establish the extent to which credit MFI factor affects growth of women owned enterprises and the findings indicated in table 4.3.

The results shows that 51% of the responded agreed that women applying for micro credit must have collaterals like title deeds and car log books, 47% agreed that their business can always raise the required collaterals, 38% agreed that the loan application procedure is simple, 32% agreed that microloans are always available within a few hours of application by women entrepreneurs, 44% agreed that Micro Finance regularly helps them to get market information and 51% agreed that micro loan interest rates are lower than commercial bank rates.
Table 4.3: Credit MFI factor

<table>
<thead>
<tr>
<th>Credit As MFI Factor</th>
<th>Strongly Agree (%)</th>
<th>Agree (%)</th>
<th>Neutral (%)</th>
<th>Disagree (%)</th>
<th>Strongly Disagree (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Women applying for micro credit must have collaterals like title deeds and car log books.</td>
<td>21</td>
<td>30</td>
<td>15</td>
<td>22</td>
<td>12</td>
</tr>
<tr>
<td>My business can always raise the required collaterals.</td>
<td>19</td>
<td>28</td>
<td>26</td>
<td>20</td>
<td>7</td>
</tr>
<tr>
<td>The loan application procedure is simple</td>
<td>10</td>
<td>28</td>
<td>22</td>
<td>26</td>
<td>14</td>
</tr>
<tr>
<td>Microloans are always available within a few hours of application by women entrepreneurs.</td>
<td>10</td>
<td>22</td>
<td>30</td>
<td>24</td>
<td>14</td>
</tr>
<tr>
<td>My Micro Finance regularly helps me get market information.</td>
<td>8</td>
<td>36</td>
<td>20</td>
<td>25</td>
<td>11</td>
</tr>
<tr>
<td>Micro loan interest rates are lower than commercial bank rates.</td>
<td>22</td>
<td>29</td>
<td>23</td>
<td>17</td>
<td>9</td>
</tr>
</tbody>
</table>

4.4.2. Business Information

The study sought to find out whether the respondents have ever applied for a loan for their business. 72% who were the majority indicated that they have applied for a loan and 28% had not applied for a loan.

Figure 4.4 Loan Application
4.4.3. Amount Applied

The respondents were asked to indicate the amount they had applied for. 37% indicated that they had applied for an amount not exceeding 150,000. 27% had applied for an amount between 150,001-450,000. 11% had applied for an amount between 450,001-750,000. 3% of the respondents had applied for an amount between 750,001-1,050,000. 14% had applied for an amount of between 1,050,001-1,350,000 and 7% indicated that they had applied for an amount more than 1,350,001.

![Figure 4.5 Amount Applied](image)

4.4.4. Criteria to be met

The respondents were asked to indicate whether the criteria to be met for loan application were easy. 61% who were the majority indicated that the criteria to be met were not easy while 39% indicated that the criteria to be met were easy.
4.4.5. Problem with Loan Criteria

The respondents who had indicated that the criteria were not easy to be met were further asked to indicate the problems with the loan criteria. 52% agreed that lack of collateral required by MFIs was the problem, 64% agreed that high interest rates was the problem, 58% agreed that the problem was the cost of processing the loan, 58% also agreed that stringent terms by MFIs was the problem and 56% indicated that long procedure was the problem.

Table 4.4: Problem with Loan Criteria

<table>
<thead>
<tr>
<th>Problem Criteria</th>
<th>With Loan</th>
<th>Strongly Agree (%)</th>
<th>Agree (%)</th>
<th>Neutral (%)</th>
<th>Disagree (%)</th>
<th>Strongly Disagree (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lack of collateral required by MFIs</td>
<td></td>
<td>30</td>
<td>22</td>
<td>16</td>
<td>18</td>
<td>14</td>
</tr>
<tr>
<td>High interest rates</td>
<td></td>
<td>28</td>
<td>36</td>
<td>20</td>
<td>8</td>
<td>8</td>
</tr>
<tr>
<td>Cost of processing the loan</td>
<td></td>
<td>22</td>
<td>36</td>
<td>26</td>
<td>10</td>
<td>6</td>
</tr>
<tr>
<td>Stringent terms by MFIs</td>
<td></td>
<td>18</td>
<td>40</td>
<td>22</td>
<td>10</td>
<td>10</td>
</tr>
<tr>
<td>Long procedure</td>
<td></td>
<td>28</td>
<td>28</td>
<td>18</td>
<td>16</td>
<td>10</td>
</tr>
</tbody>
</table>

4.4.6 Managerial Experience on Growth of Women Owned Enterprises

The study sought to find out managerial experience on growth of women owned enterprises. The findings are as presented in table 4.5. Majority of the respondents (50%) agreed that MFIs monitor the trained women entrepreneurs until they stabilize in business,
54% agreed that MFIs provide regular business training to women entrepreneurs, 73% agreed that MFIs encourage group savings, 67% agreed that level of group saving determine volume of lending by MFIs to women owned enterprises, 49% agreed that no extra influence is needed to obtain microloans and 51% agreed that MFIs have abled them to change their mode of doing business.

Table 4.5: Managerial Experience

<table>
<thead>
<tr>
<th>Managerial Experience</th>
<th>Strongly Agree (%)</th>
<th>Agree (%)</th>
<th>Neutral (%)</th>
<th>Disagree (%)</th>
<th>Strongly Disagree (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>MFIs monitor the trained women entrepreneurs until they stabilize in business.</td>
<td>19</td>
<td>31</td>
<td>18</td>
<td>18</td>
<td>14</td>
</tr>
<tr>
<td>MFIs provide regular business training to women entrepreneurs.</td>
<td>14</td>
<td>40</td>
<td>24</td>
<td>12</td>
<td>10</td>
</tr>
<tr>
<td>MFIs encourage group savings.</td>
<td>26</td>
<td>47</td>
<td>20</td>
<td>4</td>
<td>3</td>
</tr>
<tr>
<td>Level of group saving determine volume of lending by MFIs to women owned enterprises.</td>
<td>31</td>
<td>36</td>
<td>22</td>
<td>9</td>
<td>2</td>
</tr>
<tr>
<td>No extra influence is needed to obtain microloans.</td>
<td>18</td>
<td>31</td>
<td>33</td>
<td>15</td>
<td>3</td>
</tr>
<tr>
<td>MFIs have abled me to change my mode of doing business.</td>
<td>17</td>
<td>34</td>
<td>16</td>
<td>14</td>
<td>19</td>
</tr>
</tbody>
</table>

4.4.7 Social Capital on Growth of Women owned Enterprises

The study sought to find out the effects of social capital on growth of women owned enterprises. The findings are presented in table 4.6. The results indicate that 50% of the respondents agreed that MFIs are concerned with the strategic location of their business premises, 67% agreed that MFIs trust them with their loans regardless of sex and race, 48% disagreed that MFIs mostly give priority to married couples while giving loans and 45% agreed that MFIs encourage norms and rules governing women owned enterprises.
Table 4.6: Social Capital

<table>
<thead>
<tr>
<th>Social Capital</th>
<th>Strongly Agree (%)</th>
<th>Agree (%)</th>
<th>Neutral (%)</th>
<th>Disagree (%)</th>
<th>Strongly Disagree (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>MFIs are concerned with the strategic location of your business premises.</td>
<td>19</td>
<td>31</td>
<td>26</td>
<td>12</td>
<td>12</td>
</tr>
<tr>
<td>MFIs trust you with their loans regardless of sex and race.</td>
<td>26</td>
<td>41</td>
<td>20</td>
<td>6</td>
<td>7</td>
</tr>
<tr>
<td>MFIs mostly give priority to married couples while giving loans.</td>
<td>7</td>
<td>12</td>
<td>33</td>
<td>29</td>
<td>19</td>
</tr>
<tr>
<td>MFIs encourage norms and rules governing women owned enterprises.</td>
<td>12</td>
<td>33</td>
<td>39</td>
<td>8</td>
<td>8</td>
</tr>
</tbody>
</table>

4.4.8 Growth of Women Owned Enterprises

The respondents were asked to indicate the effects of growth of women owned enterprises and the findings presented in table 4.7. The findings indicate that 70% of the respondents agreed that availability and access to credit is the key success factor of their business, 91% agreed that business training has a positive contribution to the sale growth trend in their business, 64% agreed that group savings and information sharing has fueled the sales growth of their enterprise, 33% agreed that the loan application procedure is simple and 52% agreed that no extra influence is needed to obtain microloans.
Table 4.7: Growth of Women Owned Enterprises

<table>
<thead>
<tr>
<th></th>
<th>Strongly Agree (%)</th>
<th>Agree (%)</th>
<th>Neutral (%)</th>
<th>Disagree (%)</th>
<th>Strongly Disagree (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Availability and access to credit is the key success factor of my business.</td>
<td>40</td>
<td>30</td>
<td>11</td>
<td>13</td>
<td>6</td>
</tr>
<tr>
<td>Business training has a positive contribution to the sale growth trend in my business.</td>
<td>37</td>
<td>54</td>
<td>5</td>
<td>0</td>
<td>4</td>
</tr>
<tr>
<td>Group savings and information sharing has fueled the sales growth of my enterprise.</td>
<td>32</td>
<td>32</td>
<td>15</td>
<td>12</td>
<td>9</td>
</tr>
<tr>
<td>The loan application procedure is simple.</td>
<td>10</td>
<td>23</td>
<td>37</td>
<td>21</td>
<td>9</td>
</tr>
<tr>
<td>No extra influence is needed to obtain microloans.</td>
<td>15</td>
<td>37</td>
<td>27</td>
<td>10</td>
<td>11</td>
</tr>
</tbody>
</table>

4.5 Inferential Analysis

According to (Tukey, 1962) Inferential Statistics refers to the attempt to apply the conclusions that have been obtained from one experimental study to more general populations. Therefore, this means that inferential statistics tries to answer questions about populations and samples that have not been tested in the given experiment (Tukey, 1962).

4.5.1 Normality Test

Normality of the items of the variables was tested using Skewness and kurtosis statistics and results were presented in table 4.8. Normality of the items is assumed if the values of skewness and kurtosis statistics are in the range -1.0 and + 1.0. All the items followed a normal distribution.

Table 4.8: Normality Test using Skewness and Kurtosis Statistics
<table>
<thead>
<tr>
<th>Construct</th>
<th>Item</th>
<th>Description</th>
<th>Skewness</th>
<th>Kurtosis</th>
</tr>
</thead>
<tbody>
<tr>
<td>Credit</td>
<td>C1</td>
<td>Women applying for micro credit must have collaterals like title deeds and car log books.</td>
<td>.283</td>
<td>0.153</td>
</tr>
<tr>
<td></td>
<td>C2</td>
<td>My business can always raise the required collaterals.</td>
<td>.178</td>
<td>-.819</td>
</tr>
<tr>
<td></td>
<td>C3</td>
<td>The loan application procedure is simple</td>
<td>.001</td>
<td>0.011</td>
</tr>
<tr>
<td></td>
<td>C4</td>
<td>Microloans are always available within a few hours of application by women entrepreneurs.</td>
<td>-.045</td>
<td>-.762</td>
</tr>
<tr>
<td></td>
<td>C5</td>
<td>My Micro Finance regularly helps me get market information.</td>
<td>.213</td>
<td>-.975</td>
</tr>
<tr>
<td></td>
<td>C6</td>
<td>Micro loan interest rates are lower than commercial bank rates.</td>
<td>.399</td>
<td>-.833</td>
</tr>
<tr>
<td>Managerial Experience</td>
<td>ME1</td>
<td>MFIs monitor the trained women entrepreneurs until they stabilize in business.</td>
<td>-.432</td>
<td>-.616</td>
</tr>
<tr>
<td></td>
<td>ME2</td>
<td>MFIs provide regular business training to women entrepreneurs.</td>
<td>-.660</td>
<td>-.368</td>
</tr>
<tr>
<td></td>
<td>ME3</td>
<td>MFIs encourage group savings.</td>
<td>-.699</td>
<td>-.072</td>
</tr>
<tr>
<td></td>
<td>ME4</td>
<td>Level of group saving determine volume of lending by MFIs to women owned enterprises.</td>
<td>-.717</td>
<td>-.064</td>
</tr>
<tr>
<td>Social Capital</td>
<td>ME5</td>
<td>No extra influence is needed to obtain microloans.</td>
<td>-.696</td>
<td>-.032</td>
</tr>
<tr>
<td></td>
<td>ME6</td>
<td>MFIs have abled me to change my mode of doing business.</td>
<td>-.557</td>
<td>-.388</td>
</tr>
<tr>
<td></td>
<td>SC1</td>
<td>MFIs are concerned with the strategic location of your business premises.</td>
<td>-.610</td>
<td>-.325</td>
</tr>
<tr>
<td></td>
<td>SC2</td>
<td>MFIs trust you with their loans regardless of sex and race.</td>
<td>-.782</td>
<td>-.100</td>
</tr>
<tr>
<td></td>
<td>SC3</td>
<td>MFIs mostly give priority to married couples while giving loans.</td>
<td>-.839</td>
<td>.802</td>
</tr>
<tr>
<td></td>
<td>SC4</td>
<td>MFIs encourage norms and rules governing women owned enterprises.</td>
<td>-.529</td>
<td>-.035</td>
</tr>
<tr>
<td>Growth</td>
<td>GR1</td>
<td>Availability and access to credit is the key success factor of my business.</td>
<td>-.526</td>
<td>-.908</td>
</tr>
<tr>
<td></td>
<td>GR2</td>
<td>Business training has a positive contribution to the sale growth trend in my business.</td>
<td>-.542</td>
<td>-.607</td>
</tr>
<tr>
<td></td>
<td>GR3</td>
<td>Group savings and information sharing has fueled the sales growth of my enterprise.</td>
<td>-.766</td>
<td>-.218</td>
</tr>
<tr>
<td></td>
<td>GR4</td>
<td>The loan application procedure is simple.</td>
<td>-.805</td>
<td>.176</td>
</tr>
<tr>
<td></td>
<td>GR5</td>
<td>No extra influence is needed to obtain microloans.</td>
<td>-.721</td>
<td>.041</td>
</tr>
</tbody>
</table>
4.6. Confirmatory Measurement Model

The estimation of the relationships was done using structural equation model (SEM). The first phase was the exploratory factor analysis (EFA) whose key steps included the computation of factor loading matrix, communalities and principal components analysis (PCA). The second phase involved running confirmatory factor analysis (CFA) that evaluates the measurement model on multiple criteria such as internal reliability, convergent, and discriminant validity.

4.6.1 Exploratory Factor Analysis

Exploratory factor analysis was used to polish the constructs. Kaiser Meyer-Olkin Measure of Sampling Adequacy, Bartlett’s Test of Sphericity and communalities tests were run to assess the data factorability. Table 4.9 shows the results. The KMO measure of Sampling Adequacy measure varies between 0 and 1, and values closer to 1 are better. The KMO measure of sampling adequacy indicates an approximate score 0.836, well above 0.50 level, indicating an acceptable degree of sampling adequacy. Bartlett’s test of Sphericity show a Chi-Square of 882.197 with associated significant P-value of 0.000<0.05 indicating that the items retained to measure credit, managerial experience, social capital and growth of women owned enterprises were significant.

Table 4.9: KMO and Bartlett’s Test

<table>
<thead>
<tr>
<th>KMO and Bartlett's Test</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kaiser-Meyer-Olkin Measure of Sampling Adequacy.</td>
<td>.836</td>
</tr>
<tr>
<td>Bartlett’s Test of Sphericity</td>
<td>Approx. Chi-Square 882.197</td>
</tr>
<tr>
<td></td>
<td>Df 153</td>
</tr>
<tr>
<td></td>
<td>Sig. .000</td>
</tr>
</tbody>
</table>
### 4.6.2. Total Variance Explained

Table 4.10 indicates that out of 18 factors, only four in the initial solution that had Eigen values greater than 1 were extracted based on Kaiser’s criterion. The four extracted factors accounted for almost 66.843% of the variability in the original variables.

#### Table 4.10: Total Variance Explained

<table>
<thead>
<tr>
<th>Component</th>
<th>Initial Eigenvalues</th>
<th>Extraction Sums of Squared Loadings</th>
<th>Rotation Sums of Squared Loadings&lt;sup&gt;a&lt;/sup&gt;</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total</td>
<td>% of Variance</td>
<td>Cumulative %</td>
</tr>
<tr>
<td>1</td>
<td>6.600</td>
<td>36.664</td>
<td>36.664</td>
</tr>
<tr>
<td>2</td>
<td>2.697</td>
<td>14.981</td>
<td>51.645</td>
</tr>
<tr>
<td>3</td>
<td>1.537</td>
<td>8.538</td>
<td>60.183</td>
</tr>
<tr>
<td>5</td>
<td>.922</td>
<td>5.125</td>
<td>71.968</td>
</tr>
<tr>
<td>6</td>
<td>.675</td>
<td>3.749</td>
<td>75.717</td>
</tr>
<tr>
<td>7</td>
<td>.649</td>
<td>3.606</td>
<td>79.323</td>
</tr>
<tr>
<td>8</td>
<td>.549</td>
<td>3.050</td>
<td>82.373</td>
</tr>
<tr>
<td>9</td>
<td>.519</td>
<td>2.884</td>
<td>85.257</td>
</tr>
<tr>
<td>10</td>
<td>.451</td>
<td>2.508</td>
<td>87.765</td>
</tr>
<tr>
<td>11</td>
<td>.432</td>
<td>2.399</td>
<td>90.164</td>
</tr>
<tr>
<td>12</td>
<td>.377</td>
<td>2.095</td>
<td>92.259</td>
</tr>
<tr>
<td>13</td>
<td>.331</td>
<td>1.837</td>
<td>94.096</td>
</tr>
<tr>
<td>14</td>
<td>.296</td>
<td>1.647</td>
<td>95.743</td>
</tr>
<tr>
<td>15</td>
<td>.247</td>
<td>1.374</td>
<td>97.117</td>
</tr>
<tr>
<td>16</td>
<td>.222</td>
<td>1.231</td>
<td>98.348</td>
</tr>
<tr>
<td>17</td>
<td>.178</td>
<td>.986</td>
<td>99.334</td>
</tr>
<tr>
<td>18</td>
<td>.120</td>
<td>.666</td>
<td>100.000</td>
</tr>
</tbody>
</table>

Extraction Method: Principal Component Analysis.

<sup>a</sup> When components are correlated, sums of squared loadings cannot be added to obtain a total variance.
4.6.3. Pattern Matrix

Communality measures the percent of variance in a specified variable explained by all the combined factors and is interpreted as the reliability of the indicator. A low value for communality (less than 0.3) could indicate that the variable does not fit well with other variables in its component, and it is unwanted. Table 4.11 indicates that the values for communalities were above 0.5 demonstrating acceptable factorability for all items. Table 4.11 shows the factor loadings of the five components extracted with the first one been Managerial experience whose loadings ranged from 0.748 to 0.906, credit was the second component with loadings ranging from 0.635 to 0.819, growth of women owned enterprises was the third component with loadings ranging from 0.602 to 0.938, the last component was social capital with loadings 0.642 and 0.827. All the factor loadings were greater than 0.5, an indication that the measures were well loaded.
Table 4.11: Communalities and Pattern Matrix

<table>
<thead>
<tr>
<th>ITEMS</th>
<th>Communalities</th>
<th>Managerial experience</th>
<th>Credit</th>
<th>Growth</th>
<th>Social capital</th>
</tr>
</thead>
<tbody>
<tr>
<td>C2</td>
<td>.584</td>
<td></td>
<td>.762</td>
<td></td>
<td></td>
</tr>
<tr>
<td>C3</td>
<td>.642</td>
<td></td>
<td>.787</td>
<td></td>
<td></td>
</tr>
<tr>
<td>C4</td>
<td>.702</td>
<td></td>
<td>.819</td>
<td></td>
<td></td>
</tr>
<tr>
<td>C5</td>
<td>.599</td>
<td></td>
<td>.753</td>
<td></td>
<td></td>
</tr>
<tr>
<td>C6</td>
<td>.521</td>
<td></td>
<td>.635</td>
<td></td>
<td></td>
</tr>
<tr>
<td>ME1</td>
<td>.728</td>
<td>.872</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ME2</td>
<td>.796</td>
<td>.826</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ME3</td>
<td>.765</td>
<td>.906</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ME4</td>
<td>.674</td>
<td>.748</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ME5</td>
<td>.753</td>
<td>.879</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SC1</td>
<td>.758</td>
<td></td>
<td>.757</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SC2</td>
<td>.728</td>
<td></td>
<td>.827</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SC3</td>
<td>.540</td>
<td></td>
<td>.642</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SC4</td>
<td>.566</td>
<td></td>
<td>.787</td>
<td></td>
<td></td>
</tr>
<tr>
<td>GR2</td>
<td>.682</td>
<td></td>
<td>.602</td>
<td></td>
<td></td>
</tr>
<tr>
<td>GR3</td>
<td>.749</td>
<td></td>
<td>.690</td>
<td></td>
<td></td>
</tr>
<tr>
<td>GR4</td>
<td>.595</td>
<td></td>
<td>.711</td>
<td></td>
<td></td>
</tr>
<tr>
<td>GR5</td>
<td>.749</td>
<td></td>
<td>.938</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Extraction Method: Principal Component Analysis.
Rotation Method: Promax with Kaiser Normalization.

   a. Rotation converged in 5 iterations.

4.6.4. Confirmatory Factor Analysis.

Confirmatory factor analysis (CFA) was then done to measure the reliability and validity of the item measurements before using them in the hypothesised model. CFA was also executed using IBM AMOS version 23 to measure the model fitness. The CFA model is shown in figure 4.7.
Figure 4.7 Confirmatory Factor Analysis Model for Study Variables
4.6.4.1. Model Fits for CFA model

Table 4.12 presents the model fit measurement statistics for the overall measurement model for study variables. The fit statistics indices were within the satisfactory range therefore the CFA model fit the data adequately.

**Table 4.12: Model Fits for CFA model**

<table>
<thead>
<tr>
<th>Measure</th>
<th>CMIN</th>
<th>DF</th>
<th>CMIN/DF</th>
<th>CFI</th>
<th>SRMR</th>
<th>RMSEA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Estimate</td>
<td>199.382</td>
<td>129</td>
<td>1.546</td>
<td>0.967</td>
<td>0.046</td>
<td>0.042</td>
</tr>
<tr>
<td>Threshold</td>
<td>--</td>
<td>--</td>
<td>Between 1 and 3</td>
<td>&gt;0.95</td>
<td>&lt;0.08</td>
<td>&lt;0.06</td>
</tr>
<tr>
<td>Interpretation</td>
<td>--</td>
<td>--</td>
<td>Excellent</td>
<td>Excellent</td>
<td>Excellent</td>
<td>Excellent</td>
</tr>
</tbody>
</table>

4.6.5 Construct Reliability

Construct reliability was assessed using the Cronbach’s alpha and Composite reliability measures. The Composite reliability of indicator items were all above the threshold 0.7 and the Cronbach’s alphas values were all above the 0.6 threshold indicating that all the variables in the study demonstrated construct reliability as indicated in table 4.13.

**Table 4.13: Construct Reliability**

<table>
<thead>
<tr>
<th></th>
<th>Composite reliability (CR)</th>
<th>Number of item</th>
<th>Cronbach's alpha</th>
<th>Item removed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Managerial experience</td>
<td>0.725</td>
<td>5</td>
<td>0.717</td>
<td>ME6</td>
</tr>
<tr>
<td>Credit</td>
<td>0.813</td>
<td>5</td>
<td>0.803</td>
<td>C1</td>
</tr>
<tr>
<td>Growth</td>
<td>0.729</td>
<td>4</td>
<td>0.721</td>
<td>None</td>
</tr>
<tr>
<td>Social capital</td>
<td>0.834</td>
<td>4</td>
<td>0.813</td>
<td>GR1</td>
</tr>
</tbody>
</table>

4.6.6 Convergent Validity

To evaluate convergent validity, Average variance extracted (AVE) was used. Table 4.14 indicates that AVE of all factors were above the 0.5 threshold indicating that the latent constructs account for at least fifty percent of the variance in the items. This indicates that the measurement scales revealed satisfactory measurement validity.
4.6.7 Discriminant Validity.

Table 4.14 shows the correlation matrix and the AVEs of the constructs. The bold elements in the diagonal are the square root of the average variance extracted (AVE) of all the latent constructs. If the diagonal elements are higher than other off-diagonal elements in their rows and columns then discriminant validity is assumed. Discriminant validity was confirmed for the measurement model.

Table 4.14: Correlation Matrix

<table>
<thead>
<tr>
<th>Constructs</th>
<th>Managerial experience</th>
<th>Credit</th>
<th>Growth</th>
<th>Social capital</th>
<th>AVE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Managerial</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>experience</td>
<td><strong>0.739</strong></td>
<td></td>
<td></td>
<td></td>
<td>0.546</td>
</tr>
<tr>
<td>Credit</td>
<td>0.284*</td>
<td><strong>0.76</strong></td>
<td></td>
<td></td>
<td>0.577</td>
</tr>
<tr>
<td>Growth</td>
<td>0.541***</td>
<td>0.233*</td>
<td><strong>0.82</strong></td>
<td></td>
<td>0.672</td>
</tr>
<tr>
<td>Social capital</td>
<td>0.414**</td>
<td>0.341**</td>
<td>0.773***</td>
<td><strong>0.921</strong></td>
<td>0.848</td>
</tr>
</tbody>
</table>

Key: * p < 0.050, ** p < 0.010, *** p < 0.001

4.6.8 Correlation

Table 4.14 indicates the correlation coefficients. Credit was found to be positive and significantly related to growth of women owned enterprises (r=0.233, p-value<0.05). Managerial experience was found to be positive and significantly related to growth of women owned enterprises (r = 0.541, p-value<0.05). Social capital was found to be positive and significantly related to growth of women owned enterprises (r = 0.773, p-value<0.05).
4.7 Structural Model Estimation

Figure 4.8: Structural Model for the Relationship of the Study Variables

4.6.4.6. Model Fits for Structural Model

Table 4.15 presents the model fit measurement statistics for the overall structural model for study variables. The fit statistics indices were within the satisfactory range therefore the structural model fit the data adequately.
### Table 4.15: Model Fits for Structural Model

<table>
<thead>
<tr>
<th>Measure</th>
<th>CMIN</th>
<th>DF</th>
<th>CMIN/DF</th>
<th>CFI</th>
<th>SRMR</th>
<th>RMSEA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Estimate</td>
<td>217.091</td>
<td>132</td>
<td>1.645</td>
<td>0.952</td>
<td>0.074</td>
<td>0.044</td>
</tr>
<tr>
<td>Threshold</td>
<td>--</td>
<td>--</td>
<td>Between 1 and 3</td>
<td>&gt;0.95</td>
<td>&lt;0.08</td>
<td>&lt;0.06</td>
</tr>
<tr>
<td>Interpretation</td>
<td>--</td>
<td>--</td>
<td>Excellent</td>
<td>Excellent</td>
<td>Excellent</td>
<td>Excellent</td>
</tr>
</tbody>
</table>

#### 4.7. Regression Weights

**4.7.1. Influence of Credit and Growth of Women Owned Enterprises in Nairobi**

The path coefficient for the relationship between credit and growth of women owned enterprises in Nairobi was positive and significant at the 0.05 level ($\beta=0.623$, T-value $=7.247$, $p<0.05$) as indicated on table 4.16 and figure 4.8. The positive relationship indicates that one unit increase in access to credit will result in 0.623 increase in growth of women owned enterprises in Nairobi.

**4.7.2. Influence of Managerial Experience and Growth of Women Owned Enterprises in Nairobi**

The path coefficient for the relationship between Managerial experience and growth of women owned enterprises in Nairobi was positive and significant at the 0.05 level ($\beta=0.707$, T-value $=10.325$, $p<0.05$) as indicated on table 4.16 and figure 4.8. The positive relationship indicates that one unit increase in access to Managerial experience will result in 0.707 increase in growth of women owned enterprises in Nairobi.

**4.7.3. Influence of Social Capital and Growth of Women Owned Enterprises in Nairobi**

The path coefficient for the relationship between social capital and growth of women owned enterprises in Nairobi was positive and significant at the 0.05 level ($\beta=0.463$, T-value $=7.161$, $p<0.05$) as indicated on table 4.16 and figure 4.8. The positive relationship indicates that one unit increase in access to social capital will result in 0.463 increase in growth of women owned enterprises in Nairobi.
Table 4.16: Regression Weights

<table>
<thead>
<tr>
<th>Path</th>
<th>unstandardized estimate</th>
<th>Standardized estimate</th>
<th>Standard Error</th>
<th>T value</th>
<th>P value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Growth &lt;- Credit</td>
<td>0.529</td>
<td>0.623</td>
<td>0.073</td>
<td>7.247</td>
<td>0.00</td>
</tr>
<tr>
<td>Growth &lt;- Managerial experience</td>
<td>0.857</td>
<td>0.707</td>
<td>0.083</td>
<td>10.32</td>
<td>0.00</td>
</tr>
<tr>
<td>Growth &lt;- Social capital</td>
<td>0.401</td>
<td>0.463</td>
<td>0.056</td>
<td>7.161</td>
<td>0.00</td>
</tr>
</tbody>
</table>

4.8 Predictive Relevance of the Model

The quality of the structural model can be assessed by $R^2$ which shows the variance in the endogenous variable that is explained by the exogenous variables. Based on the results reported in figure 4.8, the $R^2$ was found to be 0.672 indicating that credit access, managerial experience and social capital can account for 67.2% of the variance in the growth of women owned enterprises in Nairobi.

4.9 Chapter Summary

The study results presented and discussed in this chapter reveals that credit access, managerial experience and social capital are among the factors that influence the growth of women owned enterprises in Nairobi. Further, the study indicated that credit access, managerial experience and social capital influenced growth of women owned enterprises in Nairobi positively.
CHAPTER FIVE

5.0 DISCUSSION, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter presents the major findings on Micro Finance institution and their effects on the growth of women owned enterprises in Upperhill, Nairobi Kenya. The findings are spelt out in consonance with the objectives of the study. The researcher delves into a deeper discussion on the major findings in relation to the literature reviewed presented in chapter two.

5.2 Summary of the Study

The main objective of this study was to determine the effects of Micro Finance institution on the growth of women owned enterprises in Upperhill, Nairobi Kenya. The study was guided by the following research objectives: To determine how credit as MFI factor influence growth of women owned enterprises, to determine how managerial experience as an MFI factor impact on growth of women owned enterprises and to determine how social capital as a MFI factor influences the growth of women owned enterprise.

This research adopted a descriptive research design. A descriptive research design is a scientific method which involves observing and describing the behavior of a subject without influencing it in any way. The research population consisted of 250 women owned SMEs in Upperhill, Nairobi County. In this study, the sampling frame constituted of women doing business in Upperhill, Nairobi Kenya and the information was obtained from them using questionnaires. The sampling techniques included the purposive sampling method in the determination of businesses to be included in the study. Using a confidence level of 95% and a total population of 250 women, the sample size was 154. The data collection techniques that were employed for the research included the use of structured questionnaires. The respondents were requested for their time prior to sending the actual questionnaires.

A pilot test involving 15 respondents was carried out to evaluate the completeness, precision, accuracy and clarity of the questionnaires. In this study, the descriptive statistics such as percentages and frequency distribution were used to analyze the demographic
profile of the participants. In order to describe the data, the study used means of each variable. The study established that most of the responded (51%) agreed that women applying for micro credit must have collaterals like title deeds and car log books. The MFIs offer loans at lower interest rates than the commercial banks.

Access to finance has been identified as a key element for small scale enterprises to succeed in their drive to build productive capacity, to compete, to create jobs and to contribute to poverty alleviation in the county. Without finance, small scale enterprises cannot grow or compete in the turbulent business environment. MFIs play a small role on the growth of social capital. From the findings, MFIs also play a small role in making the management to be more productive. A small proportion of the respondents agreed that there were a number of MFIs offering business training to small and medium scale entrepreneurs in, Upperhill, Nairobi County.

It was also found that MFIs do not play any significant role in offering training in business skills. Any government interested in the development of their economy should be involved in the provision of good regulations for business growth. Making credit available to women owned SMEs in Upperhill, Nairobi County and at an affordable rate is a means to empower them. MFIs should deal with trust worthy SMEs. MFIs should increase the grace period of loan repayment among Agribusiness. MFIs should collaborate with other MFIs in assisting and sensitization of SME business management in giving clients information about new loans, saving procedures and any other new products from the MFIs.

It was found out that Micro-lending is perceived as the provision of financial and non-financial services by Micro Finance institutions (MFIs) to low income groups without tangible collateral but whose activities are linked to income generating ventures (Rosenberg, 2011). These financial services include savings, credit, payment facilities, remittances and insurance. The non-financial services mainly entail training in micro enterprise investment and business skills. There is also a belief that micro-lending encompasses micro credit, micro savings and micro insurance (Roth, 2012).

Micro-lending generally means providing the funds that are easily accessible with little or no collateral with at times the business itself acting as collateral to ensure start up or scale up. With such a rooting, the youth are perceived to find it easy to fund their businesses. Micro-finance factors create opportunity for entrepreneurial activity (Shane, 2013); as such
there is a positive relationship between micro-finance factors and opportunity for entrepreneurial activity. Micro-lending is mostly done with MFI’s or small Sacco’s in the community.

5.3 Discussion

5.3.1 Effect of Credit on Growth of Women Owned Enterprise.

The most significant impact of MFIs is on the growth of women owned SMEs. However, much of these SMEs complain about the high interest rate offered by MFIs. Apart from that, the conditions for borrowing are stringent and they offer small amount of loans for lack of trust for the SMEs. Micro-lending remains the most important source of finance throughout the business cycle. As suggested by Bwisa (2014), provision of credit to women has been accepted as a means of economic development and as an effective means for empowering women. Access to finance for entrepreneurial activities, Micro Finance services can significantly increase women’s ability and capacity to work independently hence reducing their vulnerability to poverty (Wrigley-Asante, 2011). On the other hand, the high dependency on the individual savings by the women may suggest that SME owners lack information and are afraid of high transaction costs and interest rates in accessing finance from MFIs that tend to limit their business growth.

Though a large proportion of the respondents (72%) borrowed money for their business startup capital, they are being offered small amount of loans at a very high interest rates. This can be an indication that most of business equity does not come from MFIs. These suggest that the majority of the entrepreneurs surveyed were actually using some other means such as personal savings to get credit instead of borrowed funds. Other sources of finance available to SMEs for example financial institutions loans are practically not accessible as 58% of the respondents suggested that there were strict or inflexible terms from MFIs, 52% stated that lack of collateral required by MFIs.

This conquers with Akanga (2015) who argued that discovery of business opportunity and the decision to exploit the opportunity leads to a search for external funds, and the acquisition of such funds again creates opportunity for entrepreneurial income-generating activity. Micro-lending is essential for young and upcoming businesses with no funds. Lack of funds to invest in a startup has proven to be a major challenge to women with little or no source of capital. According to Bwisa (2014), one of the most promising economic
development strategies for low-income communities in the world that has emerged in the past decade is microenterprise. Microenterprise is entrepreneurship on the small scale that offers the most disadvantaged an escape from the trap of minimum wage jobs or welfare. To a beginning micro entrepreneur the biggest hurdle can be funding start-up/Scale up capital. Banks are seldom interested in business loans. This in turns leads to most of the women to give up on the venture. Hence therefore the need to provide micro-lending services in order to scale up their businesses to ensure growth and development.

The findings revealed that there was a significant relationship between MFI provision of credit and provision of working capital (r=0.541, p>0.001) in promoting the growth of Women Owned Enterprise. There was also a significant relationship between access to Micro Finance services and promoting the growth of Women Owned Enterprise (r=0.233, p>0.001). This means that for anyone who access to Micro Finance services, they were likely to access working capital and hence the growth of the business.

This is a reflection that Women Owned Enterprise provides a vital source of employment and income in the society by itself. On the other hand, on sourcing for the initial capital start up, 34% of the respondents suggested that the criteria for the loan were met as compared to 61% of the respondents who disagreed. According to Baughn (2006) poor access to loans and limited finance as the main causes limiting the growth of micro and small enterprises. Additionally, revealed that inadequacy of capital hindered the expansion of businesses. Banks made more micro-loans overall although the average size of such loans is declining.

It can also be concluded that absence of access to acknowledge has been named the best test by little scale business visionaries in the little and medium endeavor segment as advance loan fees ascends inaccessible (Nasir, 2013). He expresses that limited access to credit positions above formality, current monetary conditions, mastery of expansive corporates and absence of market data and administrative abilities at 86% pertinence to business people. In Ghana, comparative perceptions were made by Association of Ghana Industries, (AGI, 2013) where challenges in getting to acknowledge re-developed as the most astounding deterrent confining development of little scale organizations, taking note of that the most exceedingly bad hit were little scale organizations possessed by women. On division by area challenges, (AGI, 2013) expressed that entrance to credit, high cost of crude materials and cost of credit looked after to begin with, second and third positions as...
the best most difficulties limiting development in the SME segment, where women-claimed little undertakings fell under.

5.3.2 Managerial Experience on Growth of Women Owned Enterprises

The study sought to find out managerial experience on growth of women owned enterprises. Majority of the respondents (50%) agreed that MFIs monitor the trained women entrepreneurs until they stabilize in business. This is in line with the fact that larger parts of the individuals who run SMEs are standard parcel whose instructive foundation is inadequate. Subsequently they may not well be prepared to do administrative schedules for their endeavors (McGrath, 2012). Administration abilities identify with the supervisor/proprietor and the venture, (Bennet, 2007) characterizes administration as worried about the sending of material, human and back assets with the plan of association structure.

Additionally, Lam (2011) generally agrees with this sentiment in that better financial management can lead both business survival and growth given the observation that what is agreed in the literature is that demand for entrepreneurial finance is unquestionable, meaning that attention has inclined to focus on the supply of finance, mainly on gaining access to finance from the business owners’ side or increasing supply from lenders, investors or business support agencies. One of the key weaknesses is the underlying fact that finance is a resource that is “supplied” and should be accessible to entrepreneurs in order to meet the businesses’ financial needs, (Lam, 2011). He further says the “funding gap” remains in a stalemate due to inequalities between what is demanded and what is supplied. Consequently, entrepreneurs have to find alternative ways of funding business operation which according to (Lam, 2011) include two ways i.e. women entrepreneurs can wait until they raise enough money to complete their project or use limited resources to achieve some intermediate milestone. In that regard, they have to be judicious financial managers if they are to grow their businesses intrinsically through the use of existing capital and generated profits.

Substantially, Haimann (2014) takes a gander at administration as a procedure of getting assignments achieved with and through individuals by directing and empowering their endeavors. Experience takes numerous veneers and degree of experience is appeared to be an essential factor driving the execution of firms, with the quantity of past occupations emphatically identified with new firm execution (Marvel, 2015).
Furthermore, 54% agreed that MFIs provide regular business training to women entrepreneurs. It has been supported in that Most women undertaking proprietors don't have money related administration aptitudes, for example, accounting, stock administration, work force administration, and essential advertising consequently most entrepreneurs wind up forgetting about their everyday exchanges and can't represent their costs and benefits toward the finish of the month (Okpara, 2011).

According to Gapenski (2013), money related ramifications are there in for all intents and purposes all business choices and in such manner they characterize monetary administration as the errand of obtaining and utilizing stores to expand the estimation of the firm/business. Administration issues specifically money related administration have prompted the conclusion of a few organizations, in this manner making it huge in the investigation of independent ventures and women business visionaries given the societal strain to take care of their core and more distant families. Finally, 73% agreed that MFIs encourage group savings, 67% agreed that level of group saving determine volume of lending by MFIs to women owned enterprises, 49% agreed that no extra influence is needed to obtain microloans and 51% agreed that MFIs have enabled them to change their mode of doing business.

Arguments made by Stoney (2014) is in line with this study as he said that there is minimum experiential proof of the positive impact of education on entrepreneurship and entrepreneurial success. Additionally, Onge (2015) propose trainings to target growth, marketing development opportunity identification and quality, marketing/promotional skills and deal with credit institutions, borrowing mechanism and negotiating strategies. Literature confirms that skill training and tertiary education have positive effect on enterprise performance (Akande, 2016), (Kuhn, 2012) and (Kuzilwa, 2015). Several women lack this, especially in developing countries (Ibru, 2015), however the exploitation of entrepreneurial opportunity depends on the entrepreneur’s level of education, skills or knowledge acquired through work experience, social network and credit (Shane, 2013); hence the need for skill acquisition training as a micro-finance factor especially to women who are in entrepreneurship.
5.3.3 Social Capital on Growth of Women owned Enterprises

The study sought to find out the effects of social capital on growth of women owned enterprises. The results indicate that 50% of the respondents agreed that MFIs are concerned with the strategic location of their business premises. This is true since it is a critical element for entrepreneurs in gaining access to capital/loans, advice and information needed for initiating and operating a new venture easily. Entrepreneurs make use of social relations and social contacts as channels to gain access to information, customers, and suppliers and to the sources of finance. They make use of family networks to access unpaid family work as well as emotional support. It has been found that support from personal network improves survival, growth and performance chances of new ventures. Specifically, support from strong ties (spouse/life partner, parents, friends and relatives) is more important than support from weak ties (business collaborators, acquaintances, former employers and former co-workers) which influence the success of new ventures. Help and emotional support from spouse are more important for success in case of the women entrepreneurs.

Secondly, 67% agreed that MFIs trust them with their loans regardless of sex and race. Therefore, trust remains one of the most important factors in business enterprises. This is supported in the literature review by (Fukuyama, 2015) by saying that the idea of trust is connected to the conceptualization of social capital, it is conceivable to state that a few creators liken the two (Fukuyama, 2015) while others consider trust to be a wellspring of social capital (Putnam, 2012), others consider it to be an aggregate resource coming about because of social capital translated as a social resource, put in the individual (Lin, 2013). Given these meanings of trust, it is conceivable to take note of an extraordinary esteem, yet in addition a level of vulnerability in relating it to social capital.

Finally, 48% disagreed that MFIs mostly give priority to married couples while giving loans and 45% agreed that MFIs encourage norms and rules governing women owned enterprises. In conjunction with the ideas of standards and guidelines, it is basic to consider esteems which are a piece of the ethical codes or social or metro assertions that are transmitted by families, instruction or experts (Lesse, 2011). Arguments demonstrate that esteems, standards and principles can help in understanding states of mind towards group contribution (Christenson 2011). As indicated by Ahn (2014) institutions can be likened to rules for keeping request and expanding the consistency of social activities with
foundations being characterized as medicines for what activities are required, disallowed or allowed, and the approvals approved if rules are not taken after.

The study also concluded that women’s social structure and how they socialize have a major influence on the social capital that they use for their start-ups with women being less welcome than men in social networks. Furthermore, Aldrich (2015) provided some clues on the importance of social capital and social networks to entrepreneurship. They define social capital broadly as “the resources available to entrepreneurs through their social connections” (Aldrich, 2015).

Networks may be categorized as scant or cohesive (Filieri, 2011). Social capital may also be distinguished between that belonging to the entrepreneur who founded the business or business owner and that belonging to the organization (Aldrich, 1997) & (Bratkovic, 2009). However, for small and micro-enterprises (which includes the majority of businesses owned by women) the two are vague as the entrepreneur will bring her/his own network of personal contacts into the business (Bratkovic, 2014). Later in the company’s life cycle, the network will become formalized, becoming part of the organization’s social capital. Strategic exchange of information and other resources can then occur between organizations.

Women “do better with a small network of interconnected contacts” and do not profit from brokerage per se (as men do), women can benefit indirectly from brokerage through strong ties to established business and network sponsors. Others, however, argue that women’s close circles are detrimental to their careers. As Lutter (2015) cites, “women’s gender-homophiles ties (i.e., exchange occurs mainly through ties with the same sex) create stronger disadvantages because they tend to be lower in status and consist of fewer connections to important sponsors.”48 While contemporary research recognizes the need to investigate context and to be cautious about “essential zing” any characteristics of women in business, certain key factors seem particularly relevant to their success as entrepreneurs.
5.4 Conclusion

5.4.1 Effect of Credit on Growth of Women Owned Enterprise.

The study established that MFIs remains the most important source of finance throughout the business cycle. The MFIs play a bigger role in economic empowerment of SMEs in Upperhill, Nairobi County. The county government should come up with other financial institutions such as self-help groups (SHG). SHGs can also promote savings and yield moderate economic benefits that reduce the dependence on moneylenders. Access to finance has been identified as a key element for small scale enterprises to succeed in their drive to build productive capacity, to compete, to create jobs and to contribute to poverty alleviation in the county. Without finance, small scale enterprises cannot grow or compete in the turbulent business environment.

5.4.2 Managerial Experience on Growth of Women Owned Enterprises

Any government interested in the development of their economy should be involved in the provision of good management experience for business growth. Making training facilities available to SMEs and making follow ups is a means to empower them. There is generous proof to recommend that general administration forms are steady of development in SMEs. For a better growth of SMEs, financial and organization managements as well as skill acquisition are inevitable.

5.4.3 Social Capital on Growth of Women owned Enterprises.

Women’s social structure and how they socialize have a major influence on the social capital that they use for their start-ups with women being less welcome than men in social networks. Social capital may also be distinguished between that belonging to the entrepreneur who founded the business or business owner and that belonging to the organization. However, for small and micro-enterprises (which includes the majority of businesses owned by women) the two are vague as the entrepreneur will bring her/his own network of personal contacts into the business.
5.5 Recommendations

5.5.1 Recommendation for Improvement

5.5.1.1 Effect of Credit on Growth of Women Owned Enterprise.

The study recommends that MFIs should come up with innovative ways to finance Women Owned Enterprise for successful growth. This would enable MFIs play a great role in economic empowerment of Women Owned Enterprises in Upperhill, Nairobi County. MFIs should also collaborate with self-help groups and pyramid schemes in generating startup capital for these businesses. SME owners should be made aware on loan interest rates, grace period in repayments to have confidence in approaching MFIs for capital. This will lead to access to adequate finance which is critical for the growth of Agribusiness.

5.5.1.2 Managerial Experience on Growth of Women Owned Enterprises

The MFIs should come up with better financial management which will enable both business survival and growth given that demand for entrepreneurial finance is unquestionable, meaning that attention has inclined to focus on the supply of finance, mainly on gaining access to finance from the business owners’ side or increasing supply from lenders, investors or business support agencies. One of the key weaknesses is the underlying fact that finance is a resource that is “supplied” and should be accessible to entrepreneurs in order to meet the businesses’ financial needs

5.5.1.3 Social Capital on Growth of Women owned Enterprises

The county government of Nairobi should look for a way of networking much easier for the Women owned Enterprises as it is always being said that information is power. Therefore, small scale entrepreneurs should be made aware of any financial assistance as well as challenges in their business environment.

5.5.2 Recommendations for Further Research

While this study is on Upperhill, Nairobi County, it can be applicable to many other counties and areas within Nairobi County with the same level of development. Other studies can also be conducted on the formal and informal institution’s lending policies and access to credit by small scale enterprises in Upperhill, Nairobi County.
REFERENCES


APPENDIX I: QUESTIONNAIRE

Carol Edith Amondi
United States International University – Africa
carolamondy5@gmail.com
+254-719683642
13-November-2018

Dear Respondent,

I am a Masters of Business Administration (MBA) student at United States International University-Africa – Chandaria School of Business. In partial fulfillment of the requirement for the degree, I am carrying out a research project on “MFI factors and their effect on the growth of Women-owned enterprises in Upperhill Nairobi, Kenya.

I would appreciate if you could kindly complete the attached questionnaire which will be instrumental in collecting the data relevant to my study. Completing the survey will take 10-15 minutes. I kindly look forward to your honest and objective response. I appreciate your cooperation in advance

All data gathered through this survey will be used in a form that will make it impossible to determine the individual respondents. Confidentiality of all responses is guaranteed.

If you have any questions or concerns about the enclosed questions, please do not hesitate to contact me through my contacts which are provided at the top of this letter.

I highly appreciate your assistance and the time taken to fill the questionnaire. Once again, thank you for your participation and kind cooperation in advance.

Yours Sincerely,
Carol Amondi.
MBA Students – Researcher
United States International University – Africa.
Kindly answer the questions below. The researcher would like to assure you that the information gathered be kept confidential and used strictly for academic purpose only. The usefulness of the information to the researcher will solely depend on your honesty.

**PART A: DEMOGRAPHIC INFORMATION**

1. What is the name of your enterprise (optional)………………………………

2. What is your age bracket?
   - Under 20 yrs. [ ]
   - Between 21-30 [ ]
   - Between 31-40 [ ]
   - Between 41-50 [ ]
   - Between 51-60 [ ]
   - Over 60 [ ]

3. What is the level of your formal education?
   - No education [ ]
   - Primary level [ ]
   - Secondary level [ ]
   - Tertiary level [ ]
   - University level [ ]

4. How long have you been engaged in active business?
   - Less than 1 year [ ]
   - Between 1-5 years [ ]
   - Between 6-10 years [ ]
   - Between 11-15 years [ ]
   - More than 15 years [ ]

**PART B: HOW CREDIT AS MFI FACTOR INFLUENCE GROWTH OF WOMEN OWNED ENTERPRISES.**

Indicate the effects of credit as MFI factor influence growth of women owned enterprises by use of scale of 1-5 where (1) Strongly Agree (2) Agree (3) Neutral (4) Disagree (5) Strongly disagree.
<table>
<thead>
<tr>
<th></th>
<th>Statement</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Women applying for micro credit must have collaterals like title deeds and car log books.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>My business can always raise the required collaterals.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>The loan application procedure is simple</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>Microloans are always available within a few hours of application by women entrepreneurs.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>My Micro Finance regularly helps me get market information.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>Micro loan interest rates are lower than commercial bank rates.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

What other MFIs credit factor affect the growth of your organisation
________________________________________________________________________
________________________________________________________________________

BUSINESS INFORMATION
Have you ever applied for a loan for your business?
Yes ( ) No ( )
State the amount applied and mark where applicable

<table>
<thead>
<tr>
<th>Amount in Shillings</th>
<th>✓</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. 1-150,000</td>
<td></td>
</tr>
<tr>
<td>2. 150,001-450,000</td>
<td></td>
</tr>
<tr>
<td>3. 450,001-750,000</td>
<td></td>
</tr>
<tr>
<td>4. 750,001-1,050,000</td>
<td></td>
</tr>
<tr>
<td>5. 1,050,001-1,350,000</td>
<td>( )</td>
</tr>
<tr>
<td>6. 1,350,001 and Above</td>
<td></td>
</tr>
</tbody>
</table>

If yes, were the criteria easy to be met?
Yes (   ) No (   )

If no, what were the problems with the loan criteria?
- Lack of collateral required by MFIs (   )
- High interest rates (   )
- Cost of processing the loan (   )
- Stringent terms by MFIs (   )
- Long procedure (   )

**PART C: HOW MANAGERIAL EXPERIENCE AS AN MFI FACTOR IMPACT ON GROWTH OF WOMEN OWNED.**

Indicate the effects of managerial experience as an MFI factor influence growth of women owned enterprises by use of scale of 1-5 where (1) strongly agree (2) agree (3) neutral (4) disagree (5) strongly disagree.
<table>
<thead>
<tr>
<th></th>
<th>Statement</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>MFIs monitor the trained women entrepreneurs until they stabilize in business.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>MFIs provide regular business training to women entrepreneurs.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>MFIs encourage group savings.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>Level of group saving determine volume of lending by MFIs to women owned enterprises.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>No extra influence is needed to obtain microloans.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>MFIs have abled me to change my mode of doing business.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

What other MFIs managerial experience affect the growth of your organisation.

___________________________________________________________
_________________________________________________________________
_________________________________________________________________

PART D: HOW SOCIAL CAPITAL AS A MFI FACTOR INFLUENCES THE GROWTH OF WOMEN OWNED ENTERPRISE

Indicate the effects of social capital as an MFI factor influence growth of women owned enterprises by use of scale of 1-5 where (1) strongly agree (2) agree (3) neutral (4) disagree (5) strongly disagree.
<table>
<thead>
<tr>
<th></th>
<th>Statement</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>MFIs are concerned with the strategic location of your business premises.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>MFIs trust you with their loans regardless of sex and race.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>MFIs mostly give priority to married couples while giving loans.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>MFIs encourage norms and rules governing women owned enterprises.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

What other MFI’s social capital factors affect the growth of your organisation

______________________________________________________________________________

______________________________________________________________________________
PART E: GROWTH OF WOMEN OWNED ENTERPRISES IN UPPERHILL, NAIROBI KENYA

<table>
<thead>
<tr>
<th>Statement</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Availability and access to credit is the key success factor of my business.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2 Business training has a positive contribution to the sale growth trend in my business.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3 Group savings and information sharing has fuelled the sales growth of my enterprise.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4 The loan application procedure is simple.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5 No extra influence is needed to obtain microloans.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

What other factors have contributed to the growth of your business…………………..

Please indicate your annual sales for each of the years below

a. 2013………………………………………………………………………………..

b. 2014………………………………………………………………………………..

c. 2015………………………………………………………………………………..

d. 2015………………………………………………………………………………..

Kindly comment on the factors that have contributed to the above growth………………………………………………………………………………..

Thank you for your responses.