Constraints to savings mobilization for growth of selected women-owned MSEs in Kisumu and Kakamega districts in Kenya

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This study examined factors that affect savings mobilization for growth of women-owned MSEs who have received financial assistance from WEDCO for business operations in Kisumu and Kakamega districts. It was based on the socio-economic cognitive entrepreneurial predisposition, aimed at discerning the complexities between the women entrepreneurship potentials and environmental constraints with savings for growth of the MSEs. Savings mobilization is an apparent phenomenon in this study having been a proven alternative to MSEs financing methodology today. Many women-owned MSEs have received financial and other assistance from various donors to start their business, but their inability to reduce reliance on external sources to grow had remained unexplained. The study hypothesized that the main constraints to savings mobilization for growth of women-owned MSEs arose from internal and external factors to the firm, the utilization of derived profits, and the characteristics of the woman entrepreneurs. The target population consisted of women entrepreneurs who had received assistance from the WEDCO project (3,030), in Kisumu and Kakamega districts in western Kenya region. The sample size was determined through a multistage sampling process, which culminated into 300 individual women participants. Questionnaires, interviews and observations were used to collect primary data.

Data analysis was done by use of Pearson coefficient of correlation, chi-square tests of independence, analysis of variance, Pair wise ranking and the measures of central tendencies. The ascertained different measures for women entrepreneurial competencies provided a strong basis for explaining the deviations in the dependent variables. However in all, the major findings of the study were that the number of dependants; education level; cultural and religious attachments; endowed management skills; age and marital status had a significant relationship with the savings propensity amongst the women entrepreneurs. It was also revealed that environmental factors such as level of market competition; number and quality of employees, pricing of supplies; proximity to banking facilities; accessibility to information; economic inflation and physical infrastructures bore significant weight on the women's ability to save for growth of their enterprises. The legal and regulatory framework from both the central government and the local authorities significantly impeded savings ability for women entrepreneurship growth. This study concludes that the aforementioned internal and external factors as well as regulatory framework require to be addressed, business development services should be enhanced, and the women entrepreneurial competencies be improved in a bid to encourage a culture of savings for financing the operations and growth of women-owned enterprises.