

**INFLUENCE OF ROTATING SAVINGS AND CREDIT ASSOCIATIONS  
SERVICES ON FINANCIAL PERFORMANCE OF MICRO AND SMALL  
ENTERPRISES: A CASE STUDY OF WOMEN OWNED MICRO AND SMALL  
ENTERPRISES IN NAKURU, KENYA**

**KIBOWEN BRIDGID JEPKOMEN**

**A Project Submitted to the Institute of Postgraduate Studies of Kabarak University  
in Partial Fulfillment of the Requirements for the Award of Master of Business  
Administration (Finance) Degree**

**KABARAK UNIVERSITY**

**NOVEMBER, 2024**

## DECLARATION

1. I do hereby declare that:

- i. This project is my work and to the best of my knowledge, it has not been presented for the award of a degree in any university or college.
- ii. The work has not incorporated material from other works or a paraphrase of such material without due and appropriate acknowledgment
- iii. The work has been subjected to processes of anti-plagiarism and has met Kabarak University 15% similarity index threshold.

2. I do understand that issues of academic integrity are paramount and therefore I may be suspended or expelled from the University or my degree may be recalled for academic dishonesty or any other related academic malpractices

Signed: \_\_\_\_\_

Date: \_\_\_\_\_

Kibowen Bridgid Jepkomen

GMB/NE/0128/01/19

## RECOMMENDATION

To the Institute of Postgraduate Studies:

The research project entitled **“Influence of Rotating Savings and Credit Associations Services on Financial Performance of Micro and Small Enterprises. “A Case Study of Women Owned Micro and Small Enterprises in Nakuru Kenya**, written by **Bridgid Jepkomen** is presented to the Institute of Postgraduate Studies of Kabarak University. We have reviewed the research project and recommended it to be accepted in partial fulfillment of the requirement for the award of degree of Master of Business Administration (Finance).

Signed: \_\_\_\_\_

Date: \_\_\_\_\_

Dr. Nehemiah Kiplagat

Senior Lecturer, School of Business and Economics

Kabarak University

Signed: \_\_\_\_\_

Date: \_\_\_\_\_

Prof. Lawrence Kibet

School of Business and Economics

Kabarak University

## **COPYRIGHT**

©2024

Kibowen Bridgid Jepkomen

All rights reserved. No part of this Project may be reproduced or transmitted in any form using either mechanical, including photocopy, recording or any information storage or retrieval system without written permission writing from the author or Kabarak University.

## **ACKNOWLEDGEMENTS**

I thank God for gift of health, strength, persistence, ability and finance to start and complete this research project successfully. Secondly, I express my sincere profound gratitude and appreciation to my able supervisors for dedicating their time and effort to guide me and also for their constructive advice without which this work could not have been accomplished. I wish to express thanks to my colleagues, workmates and friends for their support, useful suggestions, insightful comments provided as well for making my study a success.

## **DEDICATION**

I dedicate this research project to my family, for their moral support during my studies.

May God always protect you.

## ABSTRACT

Women-owned micro and small enterprises face significant challenges in achieving optimal financial performance. Despite their vital role in the economy, these businesses encounter various obstacles that hinder their growth and sustainability. This study sought to assess the influence of rotating savings and credit association's services on financial performance of women owned micro and small enterprises in Nakuru, Kenya. Specifically, the study sought to assess the savings contributions, credit facilities, emergency insurance services and support services on financial performance of women owned enterprises in Nakuru, Kenya. The study was anchored on financial inclusion theory, Trade-off theory, Resilience theory and social capital theory. The study used a descriptive research design. The population of the study comprised 682 Micro and small enterprises that are owned by women entrepreneurs in Rongai Sub-County, Njoro Sub-County and Bahati Sub- County. This study used a systematic random sampling to select those women who participate in Rotating Savings and Credit Associations. The sample size of 252 business women was obtained using Yamane, formula. Data was collected using structured questionnaires. A pilot study was conducted in Kericho County. Both face and content validity were assessed. An internal consistency technique was adopted to measure reliability of research instruments. All the variables had Cronbach overall value of 0.863 which was greater than 0.7. Quantitative analysis was used to analyze descriptive statistics. The findings revealed there exists a positive and significant relationship between savings contributions on the financial performance of women-owned enterprises in Nakuru, Kenya ( $r = .606$ ,  $p=0.000$ ). The findings further revealed that there is a strong, positive and statistically significant relationship between emergency insurance services on financial performance of women owned enterprises in Nakuru, Kenya ( $r=0.477$ ,  $p=0.000$ ). The findings also revealed that there is a strong, positive and statistically significant relationship between emergency insurance services on financial performance of women owned enterprises in Nakuru, Kenya ( $r=0.776$ ,  $p=0.000$ ). Finally the findings revealed that there exist a strong, positive and significant relationship between support services on financial performance of women owned enterprises in Nakuru, Kenya ( $r=0.763$ ,  $p=0.000$ ). From the findings the study concluded that saving contributions have a statistically significant influence on financial performance of women enterprises in Nakuru, Kenya. In addition the study concluded that credit facilities have statistically significant influence on financial performance of women enterprises in Nakuru, Kenya. Furthermore, the study concluded that emergency insurance services have statistically significant influence on financial performance of women enterprises in Nakuru, Kenya. Finally, the study concluded that support services have no statistically significant influence on the financial performance of women enterprises in Nakuru, Kenya. From the findings, the study recommends that ROSCA should encourage a culture of regular savings by promoting consistent contributions among members. They should also provide opportunities for members to build their creditworthiness within the ROSCA and explore partnerships with formal financial institutions to facilitate access to additional credit options

**Keywords:** *Emergency Insurance Service, Financial Performance, Rotating Savings and Credit Associations, Savings Contributions, Support Service, Credit Facility*

## TABLE OF CONTENTS

|   |             |
|---|-------------|
| <b>DECLARATION .....</b>  | <b>ii</b>   |
| <b>RECOMMENDATION.....</b>                                      | <b>iii</b>  |
| <b>COPYRIGHT.....</b>   | <b>iv</b>   |
| <b>ACKNOWLEDGEMENTS .....</b>                                   | <b>v</b>    |
| <b>DEDICATION .....</b>   | <b>vi</b>   |
| <b>ABSTRACT.....</b>  | <b>vii</b>  |
| <b>TABLE OF CONTENTS .....</b>                                  | <b>viii</b> |
| <b>LIST OF FIGURES .....</b>                                    | <b>xii</b>  |
| <b>LIST OF TABLES.....</b>                                      | <b>xiii</b> |
| <b>ABBREVIATIONSAND ACRONYMS.....</b>                           | <b>xiv</b>  |
| <b>CONCEPTUAL AND OPERATIONAL DEFINITION OF TERMS.....</b>      | <b>xv</b>   |
| <b>CHAPTER ONE .....</b>  | <b>1</b>    |
| <b>INTRODUCTION .....</b>                                       | <b>1</b>    |
| 1.1 Background of the Study .....                               | 1           |
| 1.1.1 Financial Performance of Micro and Small Enterprises..... | 6           |
| 1.1.2 Women Owned Enterprises in Kenya.....                     | 8           |
| 1.2 Statement of the Problem.....                               | 9           |
| 1.3 Objectives of the Study.....                                | 11          |
| 1.3.1 General Objective of the Study.....                       | 11          |
| 1.3.2 Specific Objectives of the Study.....                     | 11          |
| 1.4 Research Hypothesis.....                                    | 12          |
| 1.5 Justification of the Study .....                            | 12          |
| 1.6 Significance of the Study.....                              | 13          |
| 1.7 Scope of the Study .....                                    | 14          |
| 1.8 Limitation of the Study.....                                | 14          |
| <b>CHAPTER TWO .....</b>  | <b>15</b>   |
| <b>LITERATURE REVIEW .....</b>                                  | <b>15</b>   |
| 2.1 Introduction.....   | 15          |
| 2.2 Theoretical Review .....                                    | 15          |
| 2.2.1 Financial Inclusion Theory .....                          | 15          |
| 2.2.2 Trade-off Theory .....                                    | 16          |
| 2.2.3 Resilience Theory .....                                   | 18          |

|  |           |
|--|-----------|
| 2.2.4 Social Capital Theory .....                                  | 19        |
| 2.3 Empirical Review .....   | 20        |
| 2.3.1 Savings Contributions and Financial Performance.....         | 20        |
| 2.3.2 Credit Facilities and Financial Performance.....             | 22        |
| 2.3.3 Emergency Insurance Services and Financial Performance ..... | 24        |
| 2.3.4 Support Services and Financial Performance .....             | 26        |
| 2.4 Summary of the Reviewed Literature and Research Gaps .....     | 29        |
| 2.5 Conceptual Framework.....                                      | 31        |
| <b>CHAPTER THREE.....</b>  | <b>32</b> |
| <b>RESEARCH DESIGN AND METHODOLOGY .....</b>                       | <b>32</b> |
| 3.1 Introduction.....  | 32        |
| 3.2 Research Design .....  | 32        |
| 3.3 Location of the Study.....                                     | 32        |
| 3.4 Population of the Study .....                                  | 33        |
| 3.5 Sampling Procedure and Sample Size .....                       | 34        |
| 3.5.1 Sampling Procedure.....                                      | 34        |
| 3.5.2 Sample Size .....  | 34        |
| 3.6 Instrumentation .....  | 35        |
| 3.6.1 Pilot Study .....  | 36        |
| 3.6.2 Validity of the Study Instrument .....                       | 37        |
| 3.6.3 Reliability of the Study Instrument.....                     | 37        |
| 3.7 Data Collection Procedures .....                               | 37        |
| 3.8 Data Analysis and Presentation .....                           | 38        |
| 3.9 Ethical Considerations .....                                   | 39        |
| <b>CHAPTER FOUR .....</b>  | <b>40</b> |
| <b>DATA ANALYSIS, PRESENTATION AND DISCUSSION .....</b>            | <b>40</b> |
| 4.1 Introduction.....  | 40        |
| 4.2 Response Rate.....   | 40        |
| 4.3 Reliability Test Results.....                                  | 40        |
| 4.4 Demographic Information .....                                  | 41        |
| 4.4.1 Age Bracket of the Respondents.....                          | 41        |
| 4.4.2 Highest Education Level.....                                 | 42        |
| 4.4.3 Length of Membership at ROSCA .....                          | 43        |

|   |           |
|---|-----------|
| 4.4.4 Frequency of Pot Award .....  | 45        |
| 4.4.5 Range of Contribution Amount .....  | 45        |
| 4.5 Descriptive Statistics .....  | 46        |
| 4.5.1 Descriptive for Savings Contributions.....  | 47        |
| 4.5.2 Descriptive for Credit Facilities.....  | 49        |
| 4.5.3 Descriptive for Emergency Insurance Services .....                                  | 51        |
| 4.5.4 Descriptive for Support Services .....  | 54        |
| 4.5.5 Descriptive for Financial Performance of Women Owned Enterprises .....              | 57        |
| 4.6 Correlation Analysis .....  | 59        |
| 4.6.1 Correlation between Credit Facilities and Financial Performance .....               | 59        |
| 4.6.2 Correlation between Savings Contributions and Financial Performance .....           | 60        |
| 4.6.3 Correlation between Emergency Insurance Services and Financial<br>Performance ..... | 61        |
| 4.6.4 Correlation between Support Services and Financial Performance .....                | 62        |
| 4.7 Regression Analysis.....  | 63        |
| 4.8 Hypothesis Testing .....  | 66        |
| <b>CHAPTER FIVE .....</b>   | <b>70</b> |
| <b>SUMMARY, CONCLUSIONS AND RECOMMENDATIONS .....</b>                                     | <b>70</b> |
| 5.1 Introduction.....   | 70        |
| 5.2 Summary of the Findings.....  | 70        |
| 5.2.1 Savings Contributions and Financial Performance.....                                | 70        |
| 5.2.2 Credit Facilities and Financial Performance.....                                    | 71        |
| 5.2.3 Emergency Insurance Services and Financial Performance .....                        | 72        |
| 5.2.4 Support Services and Financial Performance .....                                    | 73        |
| 5.3 Conclusions.....  | 74        |
| 5.4 Recommendations.....  | 76        |
| 5.4.1 Recommendation for Policy and Practice.....   | 76        |
| 5.4.4 Recommendation for Further Studies .....  | 77        |
| <b>REFERENCES .....</b>   | <b>79</b> |
| <b>APPENDICES.....</b>  | <b>85</b> |
| <b>Appendix I: Letter of Introduction .....</b>   | <b>85</b> |
| <b>Appendix II: Questionnaire.....</b>  | <b>86</b> |
| <b>Appendix III: KUREC Approval Letter .....</b>  | <b>91</b> |

|   |           |
|---|-----------|
| <b>Appendix IV: NACOSTI Research Permit .....</b>                             | <b>92</b> |
| <b>Appendix V: Research Authorization from the Ministry of Education.....</b> | <b>93</b> |
| <b>Appendix VI: Evidence of Conference Participation.....</b>                 | <b>94</b> |
| <b>Appendix VII: List of Publication.....</b>                                 | <b>95</b> |

## LIST OF FIGURES

|   |    |
|---|----|
| <b>Figure 1: Conceptual Framework</b> ..... | 31 |
|---|----|

## LIST OF TABLES

|   |    |
|---|----|
| <b>Table 1:</b> Summary of Literature and Gaps.....   | 29 |
| <b>Table 2:</b> Target Population .....   | 34 |
| <b>Table 3:</b> Sample Size .....   | 35 |
| <b>Table 4:</b> Response Rate.....  | 40 |
| <b>Table 5:</b> Reliability Test Results.....   | 41 |
| <b>Table 6:</b> Age of the Respondents .....  | 42 |
| <b>Table 7:</b> Highest Education Level .....   | 43 |
| <b>Table 8:</b> Length of Membership at ROSCA .....   | 44 |
| <b>Table 9:</b> Frequency of Pot Award.....   | 45 |
| <b>Table 10:</b> Range of Contribution Amount .....   | 46 |
| <b>Table 11:</b> Savings Contributions.....   | 47 |
| <b>Table 12:</b> Credit Facilities.....   | 50 |
| <b>Table 13:</b> Emergency Insurance Services .....   | 52 |
| <b>Table 14:</b> Support Services .....   | 55 |
| <b>Table 15:</b> Financial Performance of Women Owned Enterprises .....                             | 57 |
| <b>Table 16:</b> Correlation between Credit Facilities and Financial Performance.....               | 59 |
| <b>Table 17:</b> Correlation between Savings Contributions and Financial Performance .....          | 60 |
| <b>Table 18:</b> Correlation between Emergency Insurance Services and Financial<br>Performance..... | 61 |
| <b>Table 19:</b> Correlation between Support Services and Financial Performance .....               | 62 |
| <b>Table 20:</b> Model Summary .....  | 63 |
| <b>Table 21:</b> ANOVA.....   | 64 |
| <b>Table 22:</b> Multiple Regression Coefficients .....   | 65 |
| <b>Table 23:</b> Summary Table.....   | 69 |

## **ABBREVIATIONSAND ACRONYMS**

|         |  |
|---------|--|
| IFC     | International Finance Corporation                          |
| KIPPRA  | Kenya Institute of Public Policy Research and Analysis     |
| KWFT    | Kenya Women Microfinance Bank                              |
| MFI     | Microfinance Institutions                                  |
| MSE     | Micro and Small Enterprise                                 |
| NACOSTI | National Commission for Science, Technology and Innovation |
| ROSCAs  | Rotating Savings and Credit Associations                   |
| WMSEs   | Women-owned Micro and Small Enterprises                    |

## CONCEPTUAL AND OPERATIONAL DEFINITION OF TERMS

**Credit Facilities :** Refers to a type of loan or financial arrangement made between a lender, typically a bank or financial institution, and a borrower, allowing the borrower to access a specific amount of credit over a predetermined period, (Kabeer, 2022). In the context of this study it refer to the provision of loans or access to pooled funds that members can borrow.

**Emergency Insurance Services:** Refers to insurance products or mechanisms designed to provide financial protection and assistance to women entrepreneurs in the event of unforeseen emergencies or crises, (Baele, 2022). In the context of this study it refers to informal arrangements where members can access financial assistance in times of unexpected emergencies, such as illness, loss, or natural disasters.

**Financial Performance:** Refers to the effectiveness and efficiency with which these enterprises manage their financial resources and achieve their financial goals, (Ahlin & Townsend, 2020). In the context of this study it refers to the overall financial health and profitability of women-owned micro and small enterprises.

**Micro & Small Enterprises:** Refer to enterprises owned and operated by women entrepreneurs, often with a focus on providing goods or services to local markets, (Coleman, 2021). In the context of study it refers to women-owned enterprises operating in Nakuru, Kenya, and participating in ROSCAs for financial support.

**Rotating Savings and Credit Associations:** Refers to informal financial arrangements or community-based savings and lending groups commonly found in many developing countries, including Kenya, (Guimarães & Vasconcelos, 2022). In the context of this study it refers to informal financial groups where members regularly contribute a fixed amount of money to a communal fund, which is then rotated among the members.

**Savings Contributions:** Refers to the regular deposits or contributions made by women entrepreneurs into savings accounts or collective savings schemes to build up financial reserves and accumulate capital for future investments or emergencies, (Nalukenge, Mutenyo, & Waiswa, 2020). In the context of this study it refers to the periodic deposits made by ROSCA members into the group's fund.

**Support Services:** Refer to a range of non-financial assistance, resources, and interventions provided to women-owned businesses to help them overcome challenges, grow their enterprises, and achieve their goals, (Basu & Van, 2021). In the context of women-owned businesses, support services may include training, mentoring, networking opportunities, access to markets, technical assistance, business advisory services, and advocacy initiatives tailored to the needs and priorities of women entrepreneurs.

**Women-owned Micro and Small Enterprises:** MSEs that are owned, operated, and controlled by women, contributing to women's economic empowerment and playing a significant role in driving inclusive economic growth, (Amaeshi, & Nakajima, 2019).

## CHAPTER ONE

### INTRODUCTION

#### 1.1 Background of the Study

Rotating Savings and Credit Associations (ROSCAs) are informal financial institutions prevalent in many parts of the world, serving as a source of savings and credit for individuals, particularly in underserved communities, (Kim & Wang, 2019). ROSCAs, also known as rotating savings clubs, are based on the principle of mutual aid, where members contribute a fixed amount of money at regular intervals, and each member receives a lump sum payout in rotation. According to Baele (2022), ROSCAs are characterized by their simplicity, transparency, and social cohesion, making them accessible to individuals who may not have access to formal banking services. These associations vary in structure and operation, with some operating on a fixed rotation basis, while others are based on a bidding system where members bid for the lump sum payout. ROSCAs play a significant role in providing financial services to low-income households and marginalized communities, offering an alternative to formal financial institutions, (Guimarães & Vasconcelos, 2022).

For women-owned micro and small enterprise (MSE) ROSCAs serve as a lifeline, providing access to savings, credit, and support services that are often unavailable through traditional banking channels. According to Aker, (2019), ROSCAs empower women entrepreneurs by enabling them to pool their resources, access credit for business expansion, and build social networks that facilitate knowledge sharing and collaboration. In many communities, ROSCAs also serve as a form of informal social security, providing emergency loans and insurance services to members in times of need, (Baele, 2022), Furthermore, ROSCAs contribute to the economic empowerment of women by promoting financial inclusion, entrepreneurship, and community development.

ROSCAs play a crucial role in supporting women-owned micro and small enterprises through savings contributions. Women entrepreneurs often face barriers to accessing formal banking services, such as lack of collateral or credit history. ROSCAs provide an alternative mechanism for women to save and accumulate capital for business investment. According to Ahlin and Townsend (2020), ROSCAs enable women to participate in savings schemes where they contribute regularly and receive lump sum payouts, allowing them to finance business activities and cover household expenses. In addition to savings contributions, ROSCAs offer credit facilities to women-owned micro and small enterprises, providing access to capital for business start-up or expansion. ROSCAs operate on a rotating basis, with each member receiving a lump sum payout at regular intervals. This lump sum can be used by women entrepreneurs to invest in their businesses, purchase inventory, or acquire assets. According to Coleman (2021), ROSCAs function as informal credit unions, pooling resources from members to provide interest-free loans that support entrepreneurship and economic development in communities.

In China, ROSCAs, known as "*hui*" or "*he*," are prevalent among women entrepreneurs, particularly in rural and pre-urban areas. According to Zhang (2020), women-owned micro and small enterprises (WMSEs) often participate in ROSCAs as a means of accessing financial services and support networks that are lacking in formal banking systems. ROSCAs provide WMSEs with a source of savings, credit, and social capital, enabling women entrepreneurs to overcome financial constraints and pursue entrepreneurship opportunities, (Xu, & Li, 2021). Additionally, ROSCAs contribute to the resilience and sustainability of WMSEs by fostering trust, reciprocity, and collaboration among participants.

In Brazil, ROSCAs, known as "*grupo de economia solidária*" or solidarity economy groups, play a vital role in supporting WMSEs in marginalized communities. According to Guimarães and Vasconcelos (2022), WMSEs often participate in ROSCAs as a means of accessing savings, credit, and support services that are unavailable through formal financial institutions. ROSCAs enable WMSEs to overcome financial barriers, invest in business activities, and build social capital within their communities, (Freire, & Soares, 2020). Additionally, ROSCAs contribute to the economic empowerment of women entrepreneurs by fostering collective action, solidarity, and mutual aid among participants.

In India, ROSCAs, known as "*chit funds*" or "*kitty parties*," are prevalent among women entrepreneurs, particularly in rural and semi-urban areas. According to Banerjee and Duflo (2021) WMSEs often participate in ROSCAs as a means of accessing savings and credit services that are otherwise unavailable through formal banking channels. ROSCAs enable WMSEs to accumulate capital, access interest-free loans, and invest in business ventures, contributing to the growth and sustainability of women entrepreneurship in India, (Basu & Van, 2021). Additionally, ROSCAs empower women entrepreneurs by providing a platform for collective decision-making, resource pooling, and community.

In Morocco, ROSCAs, known as "*tontines*" or "*jamias*," are common among women entrepreneurs, particularly in rural and semi-urban areas. According to El Qorchi and Maimbo (2020), women-owned micro and small enterprises (WMSEs) often participate in ROSCAs as a means of accessing savings, credit, and support services that are unavailable through formal financial institutions. ROSCAs provide WMSEs with a source of capital, enabling women entrepreneurs to invest in business activities, purchase inventory, and expand their enterprises, (Amoah & Nyuur 2023). Additionally, ROSCAs

foster social cohesion and community support among women entrepreneurs, creating networks for knowledge sharing, mentorship, and business collaboration.

In South Africa, ROSCAs, known as "*stokvels*," are prevalent among women entrepreneurs, particularly in township and rural communities. According to Adegbite, Amaeshi, and Nakajima, (2019), women-owned WMSEs often participate in ROSCAs as a means of accessing savings, credit, and support services that are unavailable through formal financial institutions. ROSCAs provide WMSEs with a source of capital, enabling women entrepreneurs to invest in business activities, purchase equipment, and expand their enterprises, (Abdulai, 2020). Additionally, ROSCAs promote financial inclusion and economic empowerment among women entrepreneurs, fostering resilience and self-reliance within communities

In Uganda, ROSCAs, known as "merry-go-rounds" or "kibanda" groups, are prevalent among women entrepreneurs, particularly in rural and pre-urban areas. According to Nalukenge, Mutenyo, and Waiswa, (2020), women-owned micro and small enterprises (WMSEs) often participate in ROSCAs as a means of accessing savings, credit, and support services that are unavailable through formal financial institutions. ROSCAs provide WMSEs with a source of capital, enabling women entrepreneurs to invest in business activities, purchase inputs, and expand their enterprises, (Ssenyonga, & Mugisha, 2020). Additionally, ROSCAs strengthen social networks and community ties among women entrepreneurs, facilitating knowledge sharing, collaboration, and collective action.

In Kenya, ROSCAs, commonly referred to as "*chamas*," are ubiquitous and play a significant role in supporting women-owned micro and small enterprises (WMSEs) across the country. According to Mwangi and Njuguna (2019), *chamas* serve as crucial

platforms for savings mobilization, credit access, and business support services for women entrepreneurs in both urban and rural areas. Participation in *chamas* enables women entrepreneurs to pool their resources and accumulate savings for business investment. By contributing regular amounts to the *chama*, women can access lump sum payouts, which they can then utilize to finance various business activities, such as purchasing inventory, expanding operations, or investing in new ventures, (Okello, 2021). This access to capital empowers women to overcome financial constraints and pursue entrepreneurship opportunities that may have otherwise been out of reach. Furthermore, *chamas* provide women entrepreneurs with a supportive network of peers who offer guidance, mentorship, and solidarity. Through regular meetings and discussions, members share business experiences, exchange ideas, and offer emotional support, fostering a sense of community and belonging, (Njeri, & Muturi, 2023). This network effect not only enhances the business acumen and skills of women entrepreneurs but also promotes resilience and perseverance in the face of challenges.

Moreover, *chamas* often extend beyond purely financial transactions to encompass a range of support services tailored to the needs of women entrepreneurs. For instance, some *chamas* offer training workshops on financial management, business development, and entrepreneurship skills, equipping women with the knowledge and tools they need to succeed in their enterprises, (Odhiambo, 2021). Additionally, *chamas* may provide access to markets, networking opportunities, and collaborative projects that further enhance the growth and sustainability of women-owned businesses. In Kenya, *chamas* have been recognized as powerful vehicles for women's economic empowerment, contributing to poverty reduction, gender equality, and community development, (Mwiti, & Karanja, 2020). As such, efforts to strengthen and formalize *chamas* through supportive policies, capacity-building initiatives, and financial literacy programs can

amplify their positive impact on women-owned micro and small enterprises, ultimately driving inclusive and sustainable economic growth across the country.

### **1.1.1 Financial Performance of Micro and Small Enterprises**

Financial performance refers to the ability of a business to generate profits and effectively manage its resources to achieve its objectives, (Brush, Bruin & Welter, 2020). It encompasses various aspects such as profitability, liquidity, solvency, and efficiency, providing insights into the overall health and viability of the enterprise. In the context of WMSEs, financial performance holds particular significance as these businesses often operate in resource-constrained environments and face unique challenges related to access to finance, market opportunities, and regulatory constraints, (Dhaliwal, & Sharma, 2019). According to Kabeer (2022), WMSEs are defined as businesses owned and operated by women entrepreneurs, typically employing a small number of employees and generating modest revenues. These enterprises play a vital role in driving economic growth, poverty reduction, and gender equality, contributing to job creation, income generation, and community development.

Financial performance serves as a critical indicator of the sustainability, competitiveness, and growth potential of WMSEs, influencing their ability to access financing, attract investors, and expand operations. According to Brush et al. (2020), strong financial performance enables WMSEs to reinvest profits, diversify product offerings, and explore new market opportunities, driving innovation and value creation. Moreover, favorable financial performance enhances the credibility and reputation of WMSEs, fostering trust among stakeholders such as customers, suppliers, and business partners, (Robb, 2021). Additionally, financial performance is closely linked to the economic empowerment and well-being of women entrepreneurs, as it enables them to achieve financial

independence, support their families, and contribute to the socio-economic development of their communities.

The measurement of financial performance in MSEs generally involves various financial ratios, indicators, and benchmarks that assess key aspects of the business's financial health. These may include profitability ratios (e.g., net profit margin, return on assets), liquidity ratios (e.g., current ratio, quick ratio), solvency ratios (e.g., debt-to-equity ratio, interest coverage ratio), and efficiency ratios (e.g., inventory turnover, accounts receivable turnover), (Terjesen, Sealy, & Singh, 2020); Sevo and Verheul, (2021). These metrics provide insights into the MSE's ability to generate profits, manage cash flow, meet financial obligations, and utilize resources efficiently.

In the context of WMSEs, the measurement of financial performance often incorporates additional dimensions that reflect the unique challenges and opportunities faced by women entrepreneurs. This may include indicators related to gender-based constraints, such as access to finance, gender wage gaps, and participation in decision-making processes, (Datta, & Gailey, 2020). Additionally, measures of social impact and empowerment, such as women's leadership roles, workforce diversity, and community engagement, are increasingly recognized as integral components of financial performance assessment for WMSEs, (Langowitz, & Minniti, 2019). Moreover, qualitative approaches, such as case studies, interviews, and focus groups, are employed to capture the nuanced experiences and perspectives of women entrepreneurs, complementing traditional quantitative metrics and providing a holistic understanding of WMSEs' financial performance.

### **1.1.2 Women Owned Enterprises in Kenya**

In Kenya, Women-Owned Micro and Small Enterprises have emerged as significant contributors to the country's economic development and social empowerment. These enterprises have their roots in various socio-economic factors, including historical inequalities, limited access to formal employment opportunities, and cultural norms that have traditionally relegated women to household roles, (Kobia & Sikalieh, 2022). Despite these challenges, women entrepreneurs in Kenya have demonstrated resilience and resourcefulness in establishing and operating micro and small businesses to support themselves and their families.

WMSEs encompass a diverse range of businesses, including retail shops, food stalls, tailoring services, beauty salons, agricultural ventures, and artisanal crafts. These enterprises are typically characterized by their small-scale operations, limited capital investment, and reliance on local markets for customers and revenue generation, (Munene, & Karanja, 2020). WMSEs play a crucial role in driving economic growth, employment creation, and poverty alleviation in Kenya, particularly in rural and pre-urban areas where formal job opportunities are scarce.

In terms of governance, WMSEs in Kenya are often informal in nature, with ownership, management, and decision-making concentrated within the hands of the women entrepreneurs themselves. These enterprises may operate as sole proprietorships, partnerships, or cooperatives, depending on the nature and scale of the business activities, (Kiiru & Muthoni, 2019). While some WMSEs may be registered with relevant government authorities for regulatory compliance and access to certain benefits, many operate informally due to barriers such as bureaucratic processes, high registration costs, and limited awareness of legal requirements, (Nyaga, & Kabiru, 2019).

Despite their significant contributions to the economy, WMSEs in Kenya face a myriad of challenges that hinder their growth and sustainability. These challenges include limited access to finance, inadequate infrastructure and market linkages, regulatory constraints, gender-based discrimination, and socio-cultural barriers, (Ogendi & Mukulu, 2019). Access to finance is a particularly acute challenge for women entrepreneurs, with limited collateral, high interest rates, and a lack of financial literacy constraining their ability to access formal credit facilities. Moreover, inadequate infrastructure, such as poor road networks, unreliable electricity supply, and limited access to technology, hampers the productivity and competitiveness of WMSEs, especially those operating in remote and marginalized areas, (Kiiru & Muthoni, 2019). Regulatory constraints, including burdensome licensing requirements, complex taxation systems, and informal sector regulations, add to the administrative burdens faced by women entrepreneurs, limiting their ability to grow and formalize their businesses.

## **1.2 Statement of the Problem**

Women-owned micro and small enterprises face significant challenges in achieving optimal financial performance. Despite their vital role in the economy, these businesses encounter various obstacles that hinder their growth and sustainability. The financial performance of women-owned MSEs in Kenya is notably poor, characterized by low profitability, limited access to credit, and inadequate financial management practices. One of the primary reasons for the subpar financial performance of women-owned MSEs in Kenya is the lack of access to formal financial institutions. According to a study by the Kenya National Bureau of Statistics (KNBS, 2023), only 34% of women-owned MSEs have access to formal credit, compared to 48% of male-owned MSEs. Additionally, research by the World Bank Group found that women in Kenya are less likely to have a bank account than men, with only 58% of women having an account compared to 68%

of men (World Bank, 2021). Furthermore, inadequate financial literacy among women entrepreneurs exacerbates the challenges they face in managing their enterprises effectively. A survey conducted by the Kenya Institute of Public Policy Research and Analysis (KIPPRA, 2023) revealed that 65% of women entrepreneurs lack basic financial management skills. This deficit in financial literacy contributes to inefficient resource allocation, cash flow problems, and ultimately, poor financial performance among women-owned MSEs in Kenya. According to a report by the International Finance Corporation (IFC, 2021), women-owned MSEs in Kenya are concentrated in low-margin sectors such as retail and agriculture, where competition is high and profit margins are thin (IFC, 2019). Additionally, research by the Kenya Women Microfinance Bank (KWFT) found that only 30% of women-owned MSEs in Kenya have access to formal markets, limiting their ability to reach a broader customer base (KWFT, 2022).

Studies have been conducted on the financial performance of women enterprises for instance, Oyugi, (2020) did a study on the microfinance services and financial performance of women owned enterprises in Migori Township, Kenya. The study concluded that the selected microfinance services which included credit facilities, savings services, capacity building services and market facilitation were to a significant extent offered by the MFIs in the area and had a positive effect on the performance of women-owned enterprises. However, the study focused on microfinance services and performance of women enterprises as opposed to the current study which will be conducted in rotating savings and credit associations on financial performance of micro and small enterprises. Nkatha, (2019) did a study on the factors influencing the performance of female owned enterprises: a case of businesses in the central business district of Nairobi, Kenya. The study concludes that entrepreneurial orientation had the greatest effect on performance of female owned enterprises in Kenya followed by social

network, then access to financial resources while training and development had the least effect. However, the study focused on the factors, influencing performance as opposed to the current study which focused on influence of rotating savings and credit associations on financial performance of micro and small enterprises: a case study of women owned micro and small enterprises in Nakuru, Kenya.

### **1.3 Objectives of the Study**

#### **1.3.1 General Objective of the Study**

The general objective of the study was to assess the influence of rotating savings and credit association's services on financial performance of micro and small enterprises: a case study of women owned micro and small enterprises in Nakuru, Kenya.

#### **1.3.2 Specific Objectives of the Study**

- i. To assess the influence of savings contributions on financial performance of women owned enterprises in Nakuru, Kenya.
- ii. To determine the influence of credit facilities on financial performance of women owned enterprises in Nakuru, Kenya.
- iii. To establish the influence of emergency insurance services on financial performance of women owned enterprises in Nakuru, Kenya.
- iv. To establish the influence of support services on financial performance of women owned enterprises in Nakuru, Kenya.

#### **1.4 Research Hypothesis**

HO<sub>1</sub>: Savings contributions have no statistically significant influence on financial performance of women enterprises in Nakuru, Kenya.

HO<sub>2</sub>: Credit facilities have no statistically significant influence on financial performance of women enterprises in Nakuru, Kenya.

HO<sub>3</sub>: Emergency insurance services have no statistically significant influence on financial performance of women enterprises in Nakuru, Kenya.

HO<sub>4</sub>: Support services have no statistically significant influence on financial performance of women enterprises in Nakuru, Kenya.

#### **1.5 Justification of the Study**

Women-owned enterprises often face unique challenges in accessing financial services and support compared to their male counterparts. By focusing on women-owned enterprises, the study aims to contribute to addressing gender disparities in access to financial resources and support services. Understanding how ROSCAs and related financial services impact the financial performance of women-owned enterprises can inform policies and interventions aimed at empowering women entrepreneurs. This could lead to increased economic opportunities and improved livelihoods for women in Nakuru. ROSCAs and similar informal financial mechanisms play a significant role in providing financial services to individuals and businesses, especially in areas where formal banking services are limited. By studying their influence on MSEs, the research can contribute to promoting financial inclusion among women-owned enterprises in Nakuru.

## **1.6 Significance of the Study**

The study is significant to various stakeholders. First policymakers can use the findings to develop policies and regulations that support the growth and sustainability of ROSCAs and facilitate their integration into the formal financial system. The study can provide evidence-based recommendations for promoting women's participation in ROSCAs and addressing gender-specific barriers to accessing finance and entrepreneurship opportunities. Understanding the link between ROSCA participation and the financial performance of women-owned MSEs can inform broader economic development strategies aimed at fostering inclusive growth and poverty reduction in Nakuru and similar regions.

Financial institutions and development organizations can also use the findings to design targeted financial products and services that address the unique needs and preferences of women-owned MSEs participating in ROSCAs. Insights from the study can inform capacity-building initiatives aimed at enhancing the financial literacy and business management skills of women entrepreneurs, thereby improving their ability to utilize ROSCAs and other financial resources effectively. Understanding the impact of ROSCAs on the financial performance of women-owned MSEs can inform policies and programs aimed at promoting financial inclusion and gender equality in the MSE sector.

ROSCA members can gain insights into the impact of their participation on the financial performance of women-owned MSEs, contributing to a better understanding of ROSCA dynamics and outcomes. The study can highlight the role of ROSCAs in supporting women entrepreneurs' access to finance and fostering economic empowerment within the community. Understanding the factors that contribute to successful ROSCA operations and outcomes can inform members' decision-making processes and enhance the effectiveness of their collective savings and lending activities.

Finally, the study can contribute to the existing body of knowledge on informal financial mechanisms and their impact on MSEs, particularly in the context of women entrepreneurs in Kenya. Researchers can build upon the study's findings to explore related topics such as social capital, informal finance, and gender dynamics in entrepreneurship, advancing scholarship in these areas. Academic institutions can use this study to develop curriculum and training programs that integrate insights from ROSCA research into entrepreneurship and development studies, preparing students to address real-world challenges in the MSE sector.

### **1.7 Scope of the Study**

The study sought to assess the influence of rotating savings and credit association's services on financial performance of micro and small enterprises: a case study of women owned micro and small enterprises. The study was conducted in Nakuru, Kenya. The independent variables of the study were savings contributions, credit facilities, emergency insurance services and support services. The dependent variables were financial performance of micro and small enterprises.

### **1.8 Limitation of the Study**

The study faced limitation during data collection as some the respondents were unwilling to authorize data collection in their branch. The researcher addressed this limitation by providing a consent statement and research permit which explained the motive of the study as that of academic in nature. The researcher also faced limitation related to time and financial constraints. The researcher addressed this by sourcing financial resources from family and friends. Regarding time constraint, the researcher addressed it by hiring a research assistant to help in data collection.

## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.1 Introduction**

This chapter presents the theoretical framework, a conceptual framework, empirical review of study variables, summary of literature and a review of research gaps. The theoretical framework covers the key theories that explain the relationship between ROSCA services and financial performance of women owned MSEs. The conceptual framework section depicts the overall conceptual model for this study. Finally, empirical reviews provided a critique research variable and a summary of research gaps.

#### **2.2 Theoretical Review**

The study was anchored on financial inclusion theory, trade-off theory, resilience theory and social capital theory.

##### **2.2.1 Financial Inclusion Theory**

Financial inclusion theory, as introduced by Robinson in 2001, focuses on the importance of providing access to financial services to underserved and marginalized populations. The theory posits that by expanding access to savings accounts, credit facilities, insurance, and other financial products, individuals and businesses can improve their economic well-being and participate more fully in the formal financial system. Scholars have offered various perspectives on financial inclusion theory. For instance, Demirgüç-Kunt and Klapper (2012) assert that financial inclusion leads to greater economic growth and poverty reduction by enabling individuals to save, invest, and insure against risks.

The strengths of financial inclusion theory lie in its recognition of the transformative potential of access to financial services for marginalized populations. By promoting

financial inclusion, policymakers and practitioners can empower individuals and communities to build assets, manage risks, and invest in their futures, (Morduch, 2019). Moreover, Financial Inclusion Theory aligns with broader development goals of promoting inclusive growth and reducing inequality by fostering economic participation and empowerment.

Despite its strengths, financial inclusion theory has faced critiques from scholars such as Roodman (2012), who argue that simplistic measures of access to financial services may overlook deeper structural barriers to financial inclusion, such as gender discrimination, geographic isolation, and regulatory constraints. Additionally, some scholars question the assumption that formal financial services are always beneficial, highlighting risks of over indebtedness, predatory lending practices, and exclusionary eligibility criteria.

The theory was relevant to the current study because increased access to financial services, including savings accounts and savings schemes, can enhance the financial performance of women-owned MSEs. By participating in formal financial systems, women can better manage cash flows, plan for future expenses, and access credit when needed, thereby improving the overall financial health and performance of their businesses. Therefore, the theory helped in explaining the influence of savings contributions on financial performance of women owned MSEs in Nakuru, Kenya.

### **2.2.2 Trade-off Theory**

Trade-off Theory, originally proposed by Kraus and Litzenberger in 1973 within a context of capital structure decisions, posits that firms balance the benefits of debt financing, such as tax shields and lower financing costs, against the costs, including bankruptcy risk and agency costs. This theory suggests that there exists an optimal level of debt that maximizes firm value by balancing these trade-offs. Scholars have offered

differing perspectives on trade-off theory. Myers (1984) supports the theory's assertion that firms trade off the benefits and costs of debt financing to determine their optimal capital structure. He emphasizes the role of information asymmetry and agency conflicts in shaping firms' financing decisions.

The strength of trade-off theory lies in its recognition of the complexities involved in capital structure decisions and its consideration of both the benefits and costs of debt financing. By providing a framework for firms to evaluate these trade-offs, Trade-off Theory offers practical insights for financial managers and policymakers seeking to understand and optimize firms' capital structures, (Frank, & Goyal, 2003). Despite its strengths, Trade-off theory has faced critiques from scholars such as Titman and Wessels (1988), who argue that empirical evidence often fails to support the predicted relationship between leverage and firm value. They suggest that other factors, such as market conditions, industry dynamics, and managerial preferences, may play a more significant role in shaping firms' capital structure decisions.

The theory is relevant to the current study because it suggests that there is a trade-off between the benefits and costs associated with using credit facilities. While access to credit can provide women-owned MSEs with funds to invest in growth opportunities, it also comes with costs such as interest payments and collateral requirements. Therefore, the decision to utilize credit facilities depends on balancing the expected benefits against the associated costs. By carefully managing this trade-off, women-owned MSEs in Nakuru can enhance their financial performance. Hence the theory helps in explaining the influence of credit facilities on financial performance of women owned MSEs in Nakuru, Kenya.

### **2.2.3 Resilience Theory**

The theory was developed by Holling (1973) and latter enhanced by Masten (2001). The theory posits that systems have the capacity to absorb disturbances, adapt to change, and maintain functionality in the face of adversity. In the context of businesses, Resilience Theory suggests that firms can anticipate and respond effectively to disruptions, thereby sustaining performance and achieving long-term success. Scholars have offered varying perspectives on Resilience Theory. For instance, Wildavsky (1988) emphasizes the importance of flexibility and redundancy in building organizational resilience, allowing firms to withstand and recover from unexpected shocks.

The strengths of resilience theory lie in its holistic and adaptive approach to understanding organizational dynamics. By focusing on the capacity of firms to navigate uncertainty and disruption, resilience theory offers practical insights for managers seeking to build resilience into their strategic planning and risk management processes, (Linnenluecke, 2020). Moreover, resilience theory aligns with contemporary challenges such as climate change, globalization, and technological disruption, which require organizations to be agile and responsive. Despite its strengths, Resilience Theory has faced critiques from scholars such as Smith and Stirling (2010), who argue that resilience can have unintended consequences, such as maintaining unsustainable practices or reinforcing existing power imbalances. They suggest that a critical perspective is needed to ensure that resilience-building efforts promote equitable outcomes and address root causes of vulnerability and fragility.

The theory is relevant to the current study because businesses can build resilience by adapting to and recovering from shocks and stresses. Emergency insurance services provide women-owned MSEs in Nakuru with a safety net to cope with unexpected

disruptions to their operations. By quickly recovering from adverse events, these businesses can maintain continuity, preserve assets, and sustain financial performance over time. Therefore, the theory helped to explain the influence of emergency insurance services on financial performance of women owned MSEs in Nakuru, Kenya.

#### **2.2.4 Social Capital Theory**

Social capital theory, was developed by Bourdieu (1986) and later enhanced by Putnam (1993) and it focuses on the value embedded in social networks, relationships, and norms. The theory posits that individuals and organizations can leverage their social connections and trust to access resources, information, and support, thereby enhancing their performance and resilience. Scholars have offered diverse perspectives on Social Capital Theory. For example, Coleman (1988), argues that weak ties in social networks are often more valuable than strong ties for accessing novel information and opportunities.

The strengths of social capital theory lie in its recognition of the social dimensions of economic activity and its emphasis on trust, reciprocity, and cooperation as drivers of performance and resilience, (Burt, 2012). By fostering social connections and bridging diverse communities, Social Capital Theory offers insights for organizations seeking to build collaborative networks, share knowledge, and navigate complex environments,

Despite its strengths, social capital theory has faced critiques from scholars such as Portes (2002), who argue that the benefits of social capital may not be evenly distributed and can exacerbate inequalities and exclusionary practices. They caution against romanticizing social networks and call for attention to power dynamics and social justice considerations in the analysis of social capital. Additionally, critics like Lin (2001) argue that social capital theory may overlook the potential downsides of dense social networks,

such as groupthink, conformity, and exclusion of outsiders. They advocate for a more nuanced understanding of social capital that considers both its positive and negative manifestations and promotes inclusive and equitable social relations.

The theory is relevant to the current study because it emphasizes on the importance of social networks and relationships in facilitating access to resources and opportunities. Support services often provide women-owned MSEs in Nakuru with networking opportunities, connections to suppliers, customers, and potential partners. By leveraging on social capital through these support networks, businesses can access new markets, secure contracts, and obtain valuable advice, ultimately enhancing their financial performance. Therefore, the theory helped in explaining the influence of support services on financial performance of women owned MSEs in Nakuru, Kenya.

## **2.3 Empirical Review**

### **2.3.1 Savings Contributions and Financial Performance**

Obi, Abubakar, Ojo and Adeleke, (2019) did a study on the impact of savings contributions on household financial stability in Nigeria. The study employed a longitudinal research design to assess the effect of savings contributions on household financial stability in Nigeria. A sample of 2,000 households was selected using stratified random sampling techniques. Data was collected through surveys and analyzed using regression analysis. Findings revealed a significant positive relationship between savings contributions and household financial stability, with increased savings associated with greater financial resilience and security.

Wang, Liu, Zhang and Chen, (2020), sought to assess the savings contributions and entrepreneurial success: Evidence from Small Businesses in China. The cross-sectional study examined the impact of savings contributions on entrepreneurial success among small businesses in China. A sample of 500 small business owners was selected through

convenience sampling. Data was collected via structured interviews and analyzed using descriptive statistics and correlation analysis. Results indicated that higher levels of savings contributions were positively associated with entrepreneurial success, including increased profits and business growth.

Musonda, Mwape, Chanda, and Mulenga, (2018) did a study on the savings contributions and household Well-being: A Study in Zambia. Using a mixed-methods approach, this study investigated the relationship between savings contributions and household well-being in Zambia. A sample of 1,200 households was selected using cluster sampling techniques. Data was collected through surveys, focus group discussions, and key informant interviews, and analyzed using thematic analysis. Findings demonstrated that households with regular savings contributions reported higher levels of well-being, including improved living standards and reduced financial stress.

Silva and Oliveira (2019) focused on the role of savings contributions in rural development: perspectives from Brazil. The qualitative study explored the role of savings contributions in rural development in Brazil. Semi-structured interviews were conducted with 30 participants selected through purposive sampling. Data was analyzed thematically to identify patterns and themes related to the impact of savings contributions on rural communities. Results revealed that savings contributions played a crucial role in promoting economic empowerment, social cohesion, and community development in rural areas.

Abebe, Gebre, Lemma, and Girma, (2020) focused on the savings contributions and poverty alleviation: A Case Study in Ethiopia. Utilizing a case study approach, this research examined the contribution of savings contributions to poverty alleviation in Ethiopia. Data was collected through interviews, focus group discussions, and document

analysis. Findings indicated that savings contributions served as a valuable financial tool for low-income individuals and households, enabling them to build assets, access credit, and improve their livelihoods over time.

Ochieng and Otieno, (2020) did a study on the role of savings contributions in household financial stability: Evidence from Migori County Kenya. The descriptive study assessed the effect of savings contributions on household financial stability in Kenya. A sample of 2,000 households was selected using stratified random sampling techniques. Data was collected through surveys and analyzed using regression analysis. Findings revealed a significant positive relationship between savings contributions and household financial stability, with increased savings associated with greater financial resilience and security.

Wafula and Maina, (2021) focused on the savings contributions and entrepreneurial success: evidence from small businesses in Kenya. The cross-sectional study investigated the impact of savings contributions on entrepreneurial success among small businesses in Kenya. A sample of 500 small business owners was selected through convenience sampling. Data was collected via structured interviews and analyzed using descriptive statistics and correlation analysis. Results indicated that higher levels of savings contributions were positively associated with entrepreneurial success, including increased profits and business growth.

### **2.3.2 Credit Facilities and Financial Performance**

Hernandez, Gomez, Martinez and Rodriguez, (2019) sought to assess the effect of access to credit facilities and growth of SMEs in Mexico. The longitudinal study investigated the relationship between access to credit facilities and small business growth in Mexico. A sample of 1,500 small business owners was selected using stratified random sampling techniques. Data was collected through surveys and analyzed using regression analysis. Findings revealed a significant positive association between access to credit facilities and

small business growth, with businesses that accessed credit experiencing higher levels of expansion and profitability.

Rahman and Ahmed (2020) focused on the microfinance institutions and entrepreneurial performance: evidence from Bangladesh. The cross-sectional study examined the impact of microfinance institutions (MFIs) on entrepreneurial performance among small business owners in Bangladesh. A sample of 800 entrepreneurs was selected through convenience sampling. Data was collected via structured interviews and analyzed using descriptive statistics and regression analysis. Results indicated that entrepreneurs who accessed credit from MFIs demonstrated higher levels of business performance, including increased sales revenue and profitability.

Kim, Park, Lee, and Choi, (2018) did a study on the credit facilities and Women Entrepreneurship: A Study in South Korea. Using a mixed-methods approach, the study explored the relationship between credit facilities and women entrepreneurship in South Korea. A sample of 600 women entrepreneurs was selected through stratified random sampling techniques. Data was collected through surveys, interviews, and focus group discussions, and analyzed using thematic analysis and regression analysis. Results showed that access to credit facilities positively influenced women entrepreneurship, facilitating business start-up and expansion.

Singh, Sharma and Kumar (2020) did a study on the formal credit facilities and agricultural productivity: A Study in India. The research investigated the impact of formal credit facilities on agricultural productivity in India. A sample of 1,200 farmers was selected using systematic random sampling techniques. Data was collected through surveys and analyzed using econometric modeling techniques. Findings indicated that farmers who accessed formal credit facilities reported higher levels of agricultural productivity, including increased crop yields and income.

Toure, Diallo, Konate, and Traore, (2021) sought to assess the effect of credit facilities and youth entrepreneurship: perspectives from Mali. The qualitative study examined the role of credit facilities in promoting youth entrepreneurship in Mali. Semi-structured interviews were conducted with 40 young entrepreneurs selected through purposive sampling. Data was analyzed thematically to identify patterns and themes related to the impact of credit facilities on youth entrepreneurship. Results revealed that access to credit facilities facilitated business start-up, expansion, and innovation among young entrepreneurs, contributing to economic growth and job creation.

Nyambura and Were, (2020) did a study on the access to credit facilities and small business growth: A Study in Kenya. The descriptive study examined the relationship between access to credit facilities and small business growth in Kenya. A sample of 1,500 small business owners was selected using stratified random sampling techniques. Data was collected through surveys and analyzed using regression analysis. Findings revealed a significant positive association between access to credit facilities and small business growth, with businesses that accessed credit experiencing higher levels of expansion and profitability.

### **2.3.3 Emergency Insurance Services and Financial Performance**

Chen, Wu, Huang and Li, (2020) did a study on the emergency insurance services and health outcomes: A Study in China. Using a longitudinal research design, the study examined the relationship between emergency insurance services and health outcomes in China. A sample of 2,500 individuals was selected through multi-stage cluster sampling. Data was collected through surveys and medical records review, and analyzed using statistical modeling techniques. Results indicated that individuals with access to emergency insurance services had better health outcomes, including reduced hospitalization rates and improved access to healthcare services.

Santos, and Costa, (2019) focused on the Emergency Insurance Services and Disaster Preparedness: Perspectives from Brazil. The qualitative study explored the role of emergency insurance services in disaster preparedness and response in Brazil. Semi-structured interviews were conducted with 30 participants selected through purposive sampling. Data was analyzed thematically to identify patterns and themes related to the impact of emergency insurance services on disaster resilience. Results revealed that access to emergency insurance facilitated timely and effective response to disasters, reducing vulnerability and enhancing community resilience.

Adebayo, Adekunle, Ojo, & Akindele, (2021) did a study on the emergency insurance services and climate change adaptation: A Case Study in Nigeria. The research investigated the contribution of emergency insurance services to climate change adaptation in Nigeria. A sample of 1,200 households was selected using systematic random sampling techniques. Data was collected through surveys and analyzed using descriptive statistics and regression analysis. Findings indicated that households with access to emergency insurance services were better able to mitigate the impacts of climate change, leading to increased resilience and adaptive capacity.

Khan and Ali (2020) did a study on the emergency insurance services and livelihood security: Perspectives from Pakistan. The study examined the role of emergency insurance services in promoting livelihood security in Pakistan. A sample of 800 individuals was selected through convenience sampling. Data was collected via structured interviews and analyzed using descriptive statistics and correlation analysis. Results showed that individuals with access to emergency insurance services reported higher levels of livelihood security, including greater income stability and asset protection.

Ngugi and Kimani (2019) focused on the role of emergency insurance services in household resilience: Evidence from Kenya. This study investigated the impact of emergency insurance services on household resilience in Kenya. A sample of 1,000 households was selected using stratified random sampling techniques. Data was collected through surveys and analyzed using regression analysis. Findings revealed that households with access to emergency insurance services were better able to cope with unexpected financial shocks, leading to increased resilience and stability.

Kimemia and Mugo (2020) focused on the effect of emergency insurance services on health outcomes: A Study in Kenya. Using a cross-sectional research design, this study examined the relationship between emergency insurance services and health outcomes in Kenya. A sample of 2,500 individuals was selected through multi-stage cluster sampling. Data was collected through surveys and medical records review, and analyzed using statistical modeling techniques. Results indicated that individuals with access to emergency insurance services had better health outcomes, including reduced hospitalization rates and improved access to healthcare services.

#### **2.3.4 Support Services and Financial Performance**

Hossain and Islam, (2019) did a study on the support services and women entrepreneurship: A Study in Bangladesh. The cross-sectional study investigated the impact of support services on women entrepreneurship in Bangladesh. A sample of 600 women entrepreneurs was selected through stratified random sampling techniques. Data was collected through surveys and analyzed using regression analysis. Findings revealed that access to support services, such as training, mentoring, and networking opportunities, positively influenced women entrepreneurship, leading to increased business success and empowerment.

Castillo and Lopez, (2020) did a study on support Services and Youth Employment: Evidence from Colombia. Using a mixed-methods approach, this study examined the role of support services in promoting youth employment in Colombia. A sample of 800 young individuals was selected through purposive sampling. Data was collected through surveys, interviews, and focus group discussions, and analyzed using thematic analysis and regression analysis. Results indicated that access to support services facilitated skill development, job placement, and entrepreneurship among young people, contributing to reduced unemployment rates.

Wang, Zhang, Li, and Chen, (2020) did a study on the support services and small business growth: a Study in China. The research examined the relationship between support services and small business growth in China. A sample of 1,000 small business owners was selected using stratified random sampling techniques. Data was collected through surveys and analyzed using regression analysis. Findings indicated that access to support services, such as financial assistance, training, and marketing support, positively influenced small business growth, leading to increased competitiveness and sustainability.

Kariuki and Gichuhi, (2020) did a study on the support services and agricultural development: Perspectives from Kenya. The qualitative study explored the contribution of support services to agricultural development in Kenya. Semi-structured interviews were conducted with 40 farmers selected through purposive sampling. Data was analyzed thematically to identify patterns and themes related to the impact of support services on farming practices and productivity. Results revealed that access to support services, such as extension services, input supply, and market linkages, played a crucial role in enhancing agricultural productivity, income generation, and food security.

Mwangi and Kamau (2019) did a study on the support services and agricultural development: perspectives from Kenya. The qualitative study explored the contribution of support services to agricultural development in Kenya. Semi-structured interviews were conducted with 40 farmers selected through purposive sampling. Data was analyzed thematically to identify patterns and themes related to the impact of support services on farming practices and productivity. Results revealed that access to support services, such as extension services, input supply, and market linkages, played a crucial role in enhancing agricultural productivity, income generation, and food security.

Wangui and Kibet, (2019) did a study on the impact of support services on youth employment: Evidence from Kenya. The study examined the role of support services in promoting youth employment in Kenya. A sample of 800 young individuals was selected through purposive sampling. Data was collected through surveys, interviews, and focus group discussions, and analyzed using thematic analysis and regression analysis. Results indicated that access to support services facilitated skill development, job placement, and entrepreneurship among young people, contributing to reduced unemployment rates.

## 2.4 Summary of the Reviewed Literature and Research Gaps

**Table 1**

*Summary of Literature and Gaps*

| Author                  | Focus of the Study   | Findings of the Study   | Gaps of the Study   | How the Current Study address the Gaps  |
|-------------------------|--|---|---|---|
| Obi et al. (2019)       | Impact of savings contributions on household financial stability in Nigeria                | Increased savings positively related to greater financial resilience and security in Nigerian households.   | However, the study employed a longitudinal design and focused on the household financial stability  | The current study used a causal research design and focused on the women owned enterprises in Nakuru County Kenya |
| Wang, et al. (2020),    | Savings contributions and entrepreneurial success: Evidence from Small Businesses in China | Results indicated that higher levels of savings contributions were positively associated with entrepreneurial success, including increased profits and business growth. | However, the study was conducted in Small Businesses in China and hence the findings ca not be generalized in women enterprises in Kenya, | The current study sought to fill the gaps by focusing on the women owned enterprises in Nakuru County Kenya       |
| Musonda et al. (2018)   | Savings contributions and household Well-being: A Study in Zambia                          | Regular savings associated with improved living standards and reduced financial stress in Zambian households.   | Limited quantitative analysis; Lack of comparison with non-savings households to establish causality.                                     | The current study sought to fill the gaps by focusing on the women owned enterprises in Nakuru County Kenya.      |
| Hernandez et al. (2019) | Effect of access to credit facilities and small business Growth: A                         | Access to credit facilities significantly associated with small business growth, leading to higher expansion  | However, the study employed a longitudinal design and focused on credit facilities and small business                                     | The current study addressed the gap by adopting a causal research design and focused on the credit facilities on  |

|                       |   |  |   |  |
|-----------------------|---|--|---|--|
|                       | Study in Mexico   | and profitability in Mexican businesses.   | Growth: A Study in Mexico   | financial performance of women owned MSEs in Nakuru, Kenya.  |
| Rahman & Ahmed (2020) | Microfinance institutions and entrepreneurial performance: evidence from Bangladesh | Entrepreneurs accessing credit from microfinance institutions demonstrated higher business performance, including increased sales revenue in Bangladesh. | The study was conducted in microfinance institutions and entrepreneurial performance:                 | The current study focused on the influence of credit facilities on financial performance of women owned MSEs in Nakuru, Kenya.                       |
| Singh et al. (2020)   | Formal credit facilities and agricultural productivity: A Study in India            | Farmers accessing formal credit reported higher agricultural productivity, including increased crop yields and income in India.                          | However, the study focused only on the farmers accessing formal education and agricultural production | The current study addressed the gap by focusing on the influence of credit facilities on financial performance of women owned MSEs in Nakuru, Kenya. |
| Toure et al. (2021)   | Effect of credit facilities and youth entrepreneurship: perspectives from Mali      | Access to credit facilities facilitated business start-up, expansion, and innovation among youth entrepreneurs in Mali.                                  | However, the study focused on general youth entrepreneurship perspectives from Mali.                  | The current study focused on the credit facilities on financial performance of women owned MSEs in Nakuru, Kenya.                                    |

## 2.5 Conceptual Framework

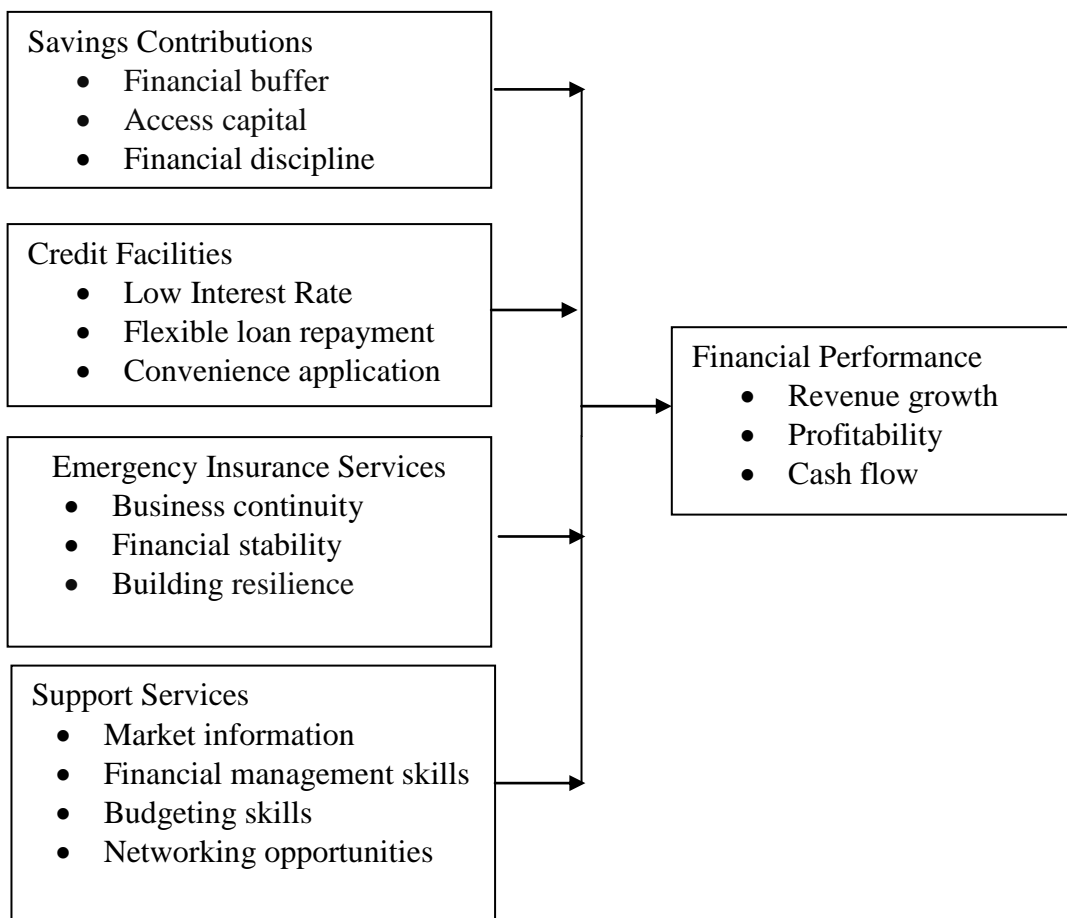
A conceptual framework is a model that guides research by outlining the key concepts, variables, relationships, and assumptions relevant to a particular study or area of inquiry. It serves as a foundation for organizing and understanding the complex interplay of factors under investigation. The independent variables of the study were savings contributions, credit facilities, emergency insurance services and support services. The dependent variable was financial performance of women owned enterprises in Nakuru, Kenya.

**Figure 1**

*Conceptual Framework*

Independent Variables

Dependent Variable



*Source: Author (2024)*

## **CHAPTER THREE**

### **RESEARCH DESIGN AND METHODOLOGY**

#### **3.1 Introduction**

This chapter covers the research design, target population, sampling frame, sampling technique and sample size, data collection instrument, data collection procedure, pilot study, data analysis and ethical consideration.

#### **3.2 Research Design**

Research design refers to the overall strategy and framework that a researcher employs to integrate various components of the study in a coherent and logical way. It serves as a blueprint for collecting, measuring, and analyzing data, ensuring that the research problem is effectively addressed, (Creswell, 2014). The study adopted descriptive research design. Descriptive researcher design helps in summarizing large amounts of data into meaningful and interpretable metrics. In this study, data was collected on various financial performance indicators of MSEs participating in ROSCAs. Descriptive research design can reveal trends over time. The study involves collecting data at multiple time points, descriptive statistics can help in understanding how the financial performance of women-owned MSEs participating in ROSCAs changes over time

#### **3.3 Location of the Study**

This study was carried out in Nakuru county Kenya. This research environment was chosen by the researcher because it is a cosmopolitan region thus represents a diversity of community perspectives, it's also a populous region with a population of 2, 162, 2020 (KNBS, 2019). The city lies close to Mau Escarpment on the northern shore of Lake Nakuru which is 153 Kilometers northwest of Nairobi. Nakuru County has 11 sub-counties namely: Naivasha, Nakuru Town West, Nakuru Town East, Kuresoi South,

Kuresoi North, Molo, Rongai, Subukia, Njoro, Gilgil and Bahati sub-counties. The study was conducted in a chosen sample of three out of the 11 sub-counties. These sub-counties are Bahati, Njoro and Rongai sub-counties.

The study focused on three sub-counties: Bahati, Njoro, and Rongai, which were chosen for several reasons. Firstly, these sub-counties host a significant number of women-owned MSEs, making them ideal for studying the financial performance of enterprises involved in ROSCA services. Additionally, these areas represent varying economic activities, from agricultural-based businesses in Njoro and Rongai to urban-based enterprises in Bahati, ensuring a comprehensive analysis of different business environments. The diversity in economic activities and population dynamics across these sub-counties provides a more representative sample of women entrepreneurs in the county, facilitating the generalization of the findings to a broader population within Nakuru County.

### **3.4 Population of the Study**

The target population for the study were MSEs beneficiaries of ROSCA funds. The unit of analysis comprised of majority of women entrepreneurs that participate in ROSCAs and have MSEs establishments like vending of food, operating merchandised outlets in wholesale and retail, tailoring shops, and salon businesses in Nakuru county of Kenya. The population of the study comprised 682 owners of the micro and small enterprises in Rongai Sub-County, Njoro Sub-County and Bahati Sub- County as indicated in Table 2.

**Table 2**

*Target Population*

| Sub County         | Sample Representation for MSEs |
|--------------------|--------------------------------|
| Njoro Sub- County  | 123                            |
| Bahati Sub- County | 356                            |
| Rongai Sub- County | 203                            |
| Total              | 682                            |

Source: Nakuru County Ministry of Gender, Children and Social Development (2024)

### **3.5 Sampling Procedure and Sample Size**

#### **3.5.1 Sampling Procedure**

A sampling procedure refers to the systematic method or technique used to select a subset of individuals, items, or entities from a larger population for the purpose of data collection and analysis, (Kothari 2012). The study used stratified sampling to select sub-counties like Bahati, Njoro and Rongai sub- counties. The area was stratified according to population of target respondents, and after simple Random sampling techniques to select the MSEs. Simple random sampling procedure was used to pick the sample because it allows unbiased sampling and gives the research work more scientific features, thereby making the validity of the research findings more concrete.

#### **3.5.2 Sample Size**

A sample size of 252 Micro and Small Enterprises were drawn from the total population of 682 MSEs that are owned by Women. The sample size of 252 businesswomen was obtained using (Yamane, 1967) sample size formula. This is as shown below:

$$n=N/ (1+Ne^2)$$

Where;

n-size of the sample and N-the size of the population e-error of sampling

$$=682/ (1+682*0.05^2) n=252$$

Therefore, the sample size was 252

This study gave an allowance of sampling error of 0.05.

The study further adopted stratified random sampling from which the samples were allocated to various categories according to their relative sizes in the targeted population using the following formula developed by Cochran, (1977).

$$n_h= (N_h/N) \times n$$

$n_h$  = Sample size of stratum h

$N_h$  = population size of stratum h

N = total population size

n = total sample size

**Table 3**

*Sample Size*

| Sub County         | Target Population | Sample Size |
|--------------------|-------------------|-------------|
| Njoro Sub- County  | 123               | 45          |
| Bahati Sub- County | 356               | 132         |
| Rongai Sub- County | 203               | 75          |
| Total              | 682               | 252         |

**3.6 Instrumentation**

The study used questionnaire as data collection instruments. Various advantages of using questionnaires include anonymity. Anonymity helps to produce more candid answers

than it is possible in an interview. Structured questionnaires were used to collect primary data desired for the study. The researcher distributed questionnaires directly to the target respondents and collected them later, after the respondents had duly filled, whereas others were administered to the respondents on a face-to-face mode.

### **3.6.1 Pilot Study**

A Pilot test was conducted to establish whether the respondent had the same understanding of the questions and thus would offer the information required. The pilot study was conducted in Kericho County using 10% of the sample in each of the strata. This enabled the researcher to conduct reliability tests and to familiarize with the research environment. Kericho County shares similar socio-economic characteristics with Nakuru County, particularly in the prevalence of MSEs and the use of ROSCAs as key financial support systems. This similarity made it suitable for testing the research instruments, ensuring that the findings from the pilot study would reflect similar dynamics to those expected in the main study in Nakuru County. Additionally, Kericho County is geographically close to Nakuru County, making it convenient and cost-effective for the researcher to conduct the pilot study, while still ensuring that the pilot population was distinct from the main study population. This reduced the risk of contaminating the main study sample while providing a reliable environment to test the clarity, suitability, and relevance of the questions.

The piloted questionnaire was not part of the main study. Pilot testing was also important in checking the suitability and the clarity of questions on the instruments designed, relevance of the information being sought, and the language used and the content validity of the research instrument. The data collected from the pilot test was subjected to a Cronbach's alpha analysis to ascertain the reliability of the instrument.

### **3.6.2 Validity of the Study Instrument**

Validity refers to the quality accredited to measures of the magnitude to which it conforms to the conventional reality (Nuzzo, 2014). Veal and Darcy (2012) describes validity as the extent to which information acquired by a scholar demonstrates the phenomenon under scrutiny. Face validity is utilized in finding out the sincerity of the questionnaires. Face validity is the legitimacy at face value. The research supervisors went through the questionnaires to assess how well the measuring mechanism has met the requisite standard. Content validity was also used in determining the validity of the instrument whereby it evaluates if a test represents all the fundamentals in regards to the construct (Fiona, 2019).

### **3.6.3 Reliability of the Study Instrument**

Reliability is a measure which determines whether a research instrument yields consistent results or data after repeated tests when administered a number of times, (Bryman & Bell, 2020). In internal consistency technique was adopted by utilization of Cronbach's Alpha. Internal consistency reliability is a measure of reliability employed in evaluating the level by which various test items that probe the same construct produce similar results. Higher values of alpha are more desirable. Kothari (2012) indicated that as a rule of the thumb, a reliability of 0.70 or higher (obtained on a substantial sample) is acceptable.

### **3.7 Data Collection Procedures**

The researcher obtained approval from Kabarak University and the National Commission for Science, Technology and Innovation, (NACOSTI), to conduct the study. The respondents were identified and the distribution of research instruments to them takes place. Primary data was acquired by use of questionnaires which was designed

based on the objectives of the research. The questionnaires were administered on a drop and pick method. Questionnaires are preferred because they are easy to distribute, save on time and are cheap. The questionnaires contained both open-ended and closed questions to avoid biases from the respondents. On ethical grounds the respondents were briefed on purpose of study, and expressly informed that participation was on voluntary basis and assured that indeed strict confidentiality was maintained in censoring their identities.

### **3.8 Data Analysis and Presentation**

Data analysis involved the use of both descriptive and inferential statistics. Percentages, frequencies, measures of central tendency (mean), and measures of dispersion were all used in descriptive statistics (standard deviation). Pearson's correlation coefficient and multiple regressions were used for inferential statistics. The results of the preceding assessments were presented in tables, analyzed, and discussed in tandem with the study objectives. The multiple regression model described below was used.

The study employed the following regression model;

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \epsilon_i$$

Where;

Y= Financial Performance of Women Owned Enterprises

$\alpha$  =Regression constant

$\beta_1, \beta_2, \beta_3, \beta_4$ = Coefficient factors

$X_1$ = Savings Contributions

$X_2$ = Credit Facilities

$X_3$ = Emergency Insurance Services

$X_4$ = Support Services

$\epsilon_i$ = Error term assumed to be normally distributed

### **3.9 Ethical Considerations**

The study required the participation of human respondents; the researcher shall observe ethical issues in order to assure the absolute privacy and safety of respondents. Permission was obtained from NACOSTI, the Investigator will strictly adhere to ethical guidelines, principles and standards by protecting the privacy, autonomy, and confidentiality of the respondent. The researcher sought informed consent, from the subjects and ensure that all subjects participate voluntarily. Each participant was openly informed of the purpose and intent of study and that the research process was voluntary. The researcher at all times assured respondents of the absolute confidentiality of the study process. During the study, the researcher signed a confidentiality agreement with the authorizing officials.

Data protection measures were implemented to safeguard respondents' personal information and responses throughout the study. The researcher ensured that all data collected was securely stored in password-protected digital systems and locked physical storage. Only authorized personnel had access to the data, and the data was anonymized before analysis to ensure that individual respondents could not be identified. Additionally, data was used exclusively for the purposes of this research and was not shared with any third parties without the explicit consent of the participants. After the completion of the study, the data will be securely archived or deleted in compliance with data protection regulations.

## CHAPTER FOUR

### DATA ANALYSIS, PRESENTATION AND DISCUSSION

#### 4.1 Introduction

The chapter focuses on data analysis, results presentation, and discussion of the findings. The general objective of the study was to assess the influence of rotating savings and credit association's services on the financial performance of micro and small enterprises: a case study of women-owned micro and small enterprises in Nakuru, Kenya.

#### 4.2 Response Rate

The researcher issued 252 questionnaires to women entrepreneurs who participate in ROSCAs and own MSE establishments, such as food vending, operating merchandise outlets in wholesale and retail, tailoring shops and salon businesses, in three sub counties in Nakuru County.

**Table 4**

*Response Rate*

| Sampled respondents | No of questionnaires Returned | Response Rate (%) |
|---------------------|-------------------------------|-------------------|
| 252                 | 219                           | 87                |

Out of 252 questionnaires issued out, only 219 questionnaires were successfully filled out and returned for analysis, representing an overall response rate of 87%. The findings also indicated that Njoro Sub- County had a response rate of 15%, Bahati Sub- County had a response rate of 47%, while Rongai Sub- County had a response rate of 25%.

#### 4.3 Reliability Test Results

To test the reliability of the instruments, 25 questionnaires were piloted in Kericho County. Statistical Package for Social Sciences software was used to analyze the data. The result of the findings is shown in Table 5

**Table 5***Reliability Test Results*

| Variable                     | No. of Items | Cronbach's Alpha Value |
|------------------------------|--------------|------------------------|
| Savings Contributions        | 6            | .874                   |
| Credit Facilities            | 6            | .889                   |
| Emergency Insurance Services | 5            | .854                   |
| Support Services             | 6            | .899                   |
| Financial Performance        | 6            | .798                   |
| Overall average              | 6            | .863                   |

The questionnaires were coded and Cronbach's Alpha Test was then conducted. All the 5 variables gave Cronbach's Alpha threshold values greater than 0.7 as shown in Table 5. From the findings the Cronbach Alpha values were 0.874, 0.889, 0.854, 0.899 and 0.798 for savings contributions, credit facilities, emergency insurance services support services and financial performance of women owned enterprises in Nakuru, Kenya respectively. All the variables had Cronbach overall value of 0.863 which was greater than 0.7. This implies that the instruments were reliable.

**4.4 Demographic Information**

The researcher sought to determine the general information of this study including, education level of the respondents and the duration of operating the business among the respondents.

**4.4.1 Age Bracket of the Respondents**

The respondents were requested to indicate their age bracket. The finding is indicated in Table 6.

**Table 6***Age of the Respondents*

| Age            | Frequency | Percentage |
|----------------|-----------|------------|
| 18-25 Years    | 22        | 10         |
| 26-35 Years    | 48        | 22         |
| 36-45 Years    | 63        | 29         |
| 46-55 Years    | 55        | 25         |
| Above 50 Years | 31        | 14         |
| Total          | 219       | 100        |

From the findings 10% of respondent indicated that they were in age brackets of 18-25 years, 22% stated that they were in age brackets of 26-35 years, 29% stated that they were in age brackets of 36-45 years, 25% stated they were in the age bracket of 46-55 years while 14% stated that they were in age brackets of 50 years and above. This implies that the majority of the respondents were in age brackets of 36-45 years and 46-55 years. The age of women entrepreneurs can significantly influence the financial performance of women-owned micro and small enterprises (MSEs). Older women entrepreneurs often have more years of work and life experience, which can be an asset in managing a business. This experience can translate into better decision-making, improved problem-solving abilities, and a deeper understanding of the market. With more skills and knowledge, older women may be able to navigate challenges more effectively and take advantage of opportunities to enhance their businesses' financial performance.

**4.4.2 Highest Education Level**

The respondents were requested to indicate their highest education qualification. The finding is indicated in Table 7.

**Table 7***Highest Education Level*

| Education Level | Frequency | Percentage |
|-----------------|-----------|------------|
| Primary         | 88        | 41         |
| Secondary       | 85        | 39         |
| Tertiary        | 46        | 20         |
| Total           | 219       | 100        |

From the findings 41% of respondents stated that they had primary level as their highest education qualification, 39% stated that they had secondary level as their education qualification, 20% stated that they had attained tertiary as their highest education qualification. This implies that the majority of the women entrepreneurs that participate in ROSCAs and have MSEs establishments had primary and secondary level as their highest education qualification. This suggests that policies aimed at promoting financial literacy and entrepreneurship should be tailored to cater to individuals with diverse educational backgrounds. Implementing training programs and workshops on financial management and business skills targeted at primary and secondary education graduates can empower them to make informed financial decisions and effectively manage their enterprises.

**4.4.3 Length of Membership at ROSCA**

The respondents were requested to indicate the duration they have been participating in ROSCAs and have had MSEs establishments. The findings are indicated in Table 8.

**Table 8***Length of Membership at ROSCA*

| Years             | Frequency | Percentage |
|-------------------|-----------|------------|
| Less than 2 Years | 7         | 3          |
| 2-5 Years         | 31        | 14         |
| 6-10 Years        | 88        | 40         |
| Above 10 Years    | 93        | 43         |
| Total             | 219       | 100        |

From the findings the 3% of the respondents stated they have been participating in ROSCAs and have had MSEs establishments for less than 2 years, 14% stated that they have been participating in ROSCAs and have had MSEs establishments for 2-5 years 40% stated that they have been participating in ROSCAs and have had MSEs establishments for 6-10 years while 43% stated that they have been participating in ROSCAs and have had MSEs establishments for more than 10 years. This implies that the majority of the respondents have been participating in ROSCAs and have had MSEs establishments for 6-10 years and over 10 years. Hence, they were well conversant with the issues raised in the study. From the findings policy implications include the need to recognize and support the longevity of ROSCA memberships among women entrepreneurs. Government agencies and non-governmental organizations (NGOs) could provide resources and training programs to help ROSCA members sustain their enterprises and leverage their accumulated experience for business growth and sustainability.

#### 4.4.4 Frequency of Pot Award

The respondents were requested to indicate the frequency of Pot Award. The findings are indicated in Table 9.

**Table 9**

***Frequency of Pot Award***

| Pot Award | Frequency | Percentage |
|-----------|-----------|------------|
| Daily     | 28        | 13         |
| Weekly    | 42        | 19         |
| Biweekly  | 53        | 24         |
| Monthly   | 96        | 44         |
| Total     | 219       | 100        |

From the findings 13% of the respondents stated the pot award happens daily, 19% stated that the pot award happens weekly, 24% stated that the pot award happens biweekly while 44% stated that the pot award happens monthly. This implies that the pot award happens monthly in most cases. Policymakers and practitioners can consider these insights when designing interventions to support ROSCA members. For example, financial institutions could offer tailored financial products, such as savings accounts or credit facilities that align with the monthly pot award cycle.

#### 4.4.5 Range of Contribution Amount

The respondents were requested to indicate the range of their contribution amount. The findings are indicated in Table 10.

**Table 10***Range of Contribution Amount*

| Range      | Frequency | Percentage |
|------------|-----------|------------|
| 100-500    | 74        | 34         |
| 501-1000   | 64        | 29         |
| 1001-1500  | 57        | 26         |
| Above 1500 | 24        | 11         |
| Total      | 219       | 100        |

From the findings 34% of the respondents stated that their contribution amount ranges between 100 and 500, 29% of the respondents stated that their contribution amount ranges between 501 and 1000, 26% of the respondents stated that their contribution amount ranges between 1001 and 1500 while 11% of the respondents stated that their contribution amount is above 1500. This implies contribution amount ranges between 100 and 500. From the findings policymakers and practitioners should acknowledge the importance of facilitating access to ROSCAs with flexible contribution requirements that cater to the financial capacity and cash flow constraints of MSE owners, particularly those with limited resources.

**4.5 Descriptive Statistics**

The study requested respondents to give opinions in regard to which savings contributions, credit facilities, emergency insurance services, support services, financial performance of women owned enterprises in Nakuru, Kenya. The interpretation of the findings was made based on the mean and standard deviation. The value of the mean indicated the level of agreement. The value of the mean ranged between 1-5, with 1 being the least mean and 5 being the highest mean. Standard deviation is a measure of the dispersion of a set of data from its mean.

#### 4.5.1 Descriptive for Savings Contributions

The respondents were asked to indicate their level of agreement on savings contributions among women owned enterprises in Nakuru, Kenya. The findings are presented in Table 11.

**Table 11**

*Savings Contributions*

| Statement  | SA<br>% | A<br>% | U<br>% | D<br>% | SD<br>% | Mean  | Std   |
|--|---------|--------|--------|--------|---------|-------|-------|
| Saving through ROSCAs allows MSEs to build a financial buffer against unexpected expenses or downturns in business.  | 26      | 47     | 17     | 10     | 0       | 3.887 | 0.907 |
| By saving through ROSCA, women can access capital at a lower cost compared to borrowing from formal financial institutions                                       | 37      | 45     | 13     | 5      | 0       | 4.113 | 0.870 |
| Saving through ROSCAs cultivated a habit of saving which promotes financial stability for the enterprise.  | 55      | 42     | 3      | 0      | 0       | 4.516 | 0.565 |
| Through saving behavior, the enterprises are able to work towards specific financial goals, such as expanding their business, purchasing assets.                 | 57      | 37     | 6      | 0      | 0       | 4.500 | 0.621 |
| Personal saving through ROSCAs encourages financial discipline among women entrepreneurs, as they commit to regular contributions and adhere to group rules.     | 39      | 44     | 11     | 6      | 0       | 4.145 | 0.866 |
| Personal savings through ROSCAs offer flexibility in terms of usage, allowing the enterprise to allocate funds according to their evolving needs and priorities. | 44      | 50     | 6      | 0      | 0       | 4.371 | 0.607 |
| Overall Mean and STD   |         |        |        |        |         | 4.255 | 0.638 |

SA=Strongly Agree, A=Agree, U=Undecided, D=Disagree, SD=Strongly Disagree

According to the findings, (73%) of the respondents agreed that saving through ROSCAs allows MSEs to build a financial buffer against unexpected expenses or downturns in business. with a mean of 3.887 and the standard deviation of 0.907. The findings further indicated that (82%) of the respondents agreed that by saving through ROSCA, women can access capital at a lower cost compared to borrowing from formal financial institutions with a mean of 4.113 and the standard deviation of 0.870. In addition, (97%) of the respondents agreed that saving through ROSCAs cultivated a habit of saving which promotes financial stability for the enterprise with a mean of 4.516 and the standard deviation 0.565.

The findings further indicated that (94%) of the respondents agreed that through saving behavior the enterprises is able to work towards specific financial goals, such as expanding their business, purchasing assets with of mean 4.500 and the standard deviation of 0.621. (83%) of the respondents agreed that personal saving through ROSCAs encourages financial discipline among women entrepreneurs, as they commit to regular contributions and adhere to group rules with a mean of 4.145 and the standard deviation of 0.866. (94%) of the respondents also agreed that personal savings through ROSCAs offer flexibility in terms of usage, allowing the enterprise to allocate funds according to their evolving needs and priorities with a mean of 4.371 and a standard deviation of 0.607. The study findings agree with the findings of Abebe, Gebre, Lemma, and Girma, (2020) who revealed that personal savings can be utilized to address a variety of business needs and priorities as they evolve over time. Whether it's investing in new equipment, hiring additional staff, or expanding marketing efforts, the flexibility of personal savings allows the enterprise to allocate funds where they are most needed at any given moment.

From the findings the overall mean was 4.255 and standard deviation of 0.638 which implies that savings contributions influence financial performance of women owned enterprises in Nakuru, Kenya to a great extent. The study findings are in tandem with the findings of Silva and Oliveira (2019) with results which reveal that savings act as an emergency fund to cover unexpected expenses, such as equipment breakdowns, sudden market downturns, or personal emergencies that might affect the business. This financial buffer helps the business to remain operational during tough times without resorting to high-interest loans or other costly measures. Further, Ochieng and Otieno, (2020) findings revealed that regular savings help manage cash flow more effectively. With a savings cushion, business owners can better handle periods of low income, pay suppliers on time, and meet other financial obligations without disruption. This stability is crucial for maintaining good relationships with suppliers and creditors.

#### **4.5.2 Descriptive for Credit Facilities**

The respondents were asked to indicate their level of agreement on credit facilities among women owned enterprises in Nakuru, Kenya. The findings were presented in Table 12.

**Table 12***Credit Facilities*

| Statement  | S  | A  | A  | U  | D | SD | Mean  | Std   |
|--|----|----|----|----|---|----|-------|-------|
|  | %  | %  | %  | %  | % |    |       |       |
| Compared to traditional lending institutions, ROSCAs often offer credit at lower interest  | 52 | 39 | 9  | 0  | 0 |    | 4.419 | 0.667 |
| The lower interest rate of ROSCA loans reduce the financial burden on women owned MSEs   | 37 | 31 | 19 | 13 | 0 |    | 3.887 | 1.073 |
| ROSCAs allow flexible repayment terms tailored to the needs of the participants  | 44 | 40 | 6  | 10 | 0 |    | 4.177 | 0.932 |
| Women owned business can negotiate repayment schedules that align with their business cash flows, minimizing the risk of default | 37 | 39 | 10 | 14 | 0 |    | 3.984 | 1.032 |
| The application process of ROSCA credit is easier compared to other formal lending institutions                                  | 42 | 39 | 11 | 8  | 0 |    | 4.145 | 0.921 |
| Quick access to credit through ROSCA empowers women to seize business opportunities promptly.                                    | 37 | 44 | 16 | 3  | 0 |    | 4.145 | 0.807 |
| Overall Mean and STD   |    |    |    |    |   |    | 4.126 | 0.905 |

**SA**=Strongly Agree, **A**=Agree, **U**=Undecided, **D**=Disagree, **SD**=Strongly Disagree

According to the findings majority of the respondents agreed (91%) that compared to traditional lending institutions, ROSCAs often offer credit at lower interest with a mean of 4.419 and the standard deviation of 0.667. The findings further indicated that (68%) of the respondents agreed that the lower interest rate of ROSCA loans reduce the financial burden on women owned MSEs with a mean of 3.887 and the standard

deviation of 1.073. Also, the findings indicated that (84%) of the respondents agreed that ROSCAs allow flexible repayment terms tailored to the needs of the participants with a mean of 4.177 and a standard deviation of 0.932. Further (76%) of the respondents agreed that women owned business can negotiate repayment schedules that align with their business cash flows, minimizing the risk of default with a mean of 3.984 and a standard deviation of 1.032. (81%) of the respondents also indicated that the application process of ROSCA credit is easier compared to other formal lending institutions with a mean of 4.145 and a standard deviation of 0.921. In addition, (81%) of the respondents agreed that quick access to credit through ROSCA empowers women to seize business opportunities promptly with a mean of 4.145 and a standard deviation of 0.807.

From the findings the overall mean was 4.126 and standard deviation of 0.905 which implies that credit facilities influence financial performance of women owned enterprises in Nakuru, Kenya to a very great extent. The study findings are tandem with the findings of Toure, Diallo, Konate, and Traore, (2021) which revealed that access to credit facilities facilitated business start-up, expansion, and innovation among young entrepreneurs, contributing to economic growth and job creation.

#### **4.5.3 Descriptive for Emergency Insurance Services**

The respondents were asked to indicate their level of agreement on the extent to which influence of emergency insurance of women owned enterprises in Nakuru, Kenya. The findings are presented in Table 13.

**Table 13***Emergency Insurance Services*

| Statement  | S  | A  | U  | D | SD | Mean  | Std   |
|--|----|----|----|---|----|-------|-------|
|  | %  | %  | %  | % | %  |       |       |
| In the event of an emergency or crisis, insurance coverage provided by ROSCAs ensures business continuity for women-owned enterprises.                             | 47 | 34 | 13 | 6 | 0  | 4.210 | 0.908 |
| Access to emergency insurance services through ROSCA enhances the financial stability of women-owned enterprises by providing a buffer against unforeseen expenses | 50 | 31 | 15 | 5 | 0  | 4.258 | 0.886 |
| Emergency insurance services offered by ROSCAs protect women entrepreneurs from potential financial losses   | 44 | 53 | 3  | 0 | 0  | 4.403 | 0.557 |
| Emergency insurance services through ROSCA contribute to building resilience within women-owned enterprises.   | 37 | 44 | 16 | 3 | 0  | 4.145 | 0.807 |
| Participation in ROSCAs with emergency insurance services encourages women entrepreneurs to adopt proactive risk management strategies                             | 35 | 45 | 5  | 0 | 0  | 4.452 | 0.592 |
| In the event of an emergency or crisis, insurance coverage provided by ROSCAs ensures business continuity for women-owned enterprises.                             | 44 | 50 | 6  | 0 | 0  | 4.371 | 0.607 |
| Overall Mean and STD   |    |    |    |   |    | 4.306 | 0.726 |

**SA**=Strongly Agree, **A**=Agree, **U**=Undecided, **D**=Disagree, **SD**=Strongly Disagree

According to the findings (81%) of the respondents agreed that in the event of an emergency or crisis, insurance coverage provided by ROSCAs ensures business continuity for women-owned enterprises with a mean of 4.210 and a standard deviation of 0.908. The respondents (81%) also agreed that access to emergency insurance services through ROSCA enhances the financial stability of women-owned enterprises by providing a buffer against unforeseen expenses with a mean of 4.258 and a standard deviation of 0.886. The respondents also (97%) agreed emergency insurance services offered by ROSCAs protect women entrepreneurs from potential financial losses with a mean of 4.403 and a standard deviation of 0.557.

The study findings agrees with the findings of Chen, Wu, Huang and Li, (2020) who found that emergency insurance services safeguard the assets of women-owned enterprises from loss or damage caused by unforeseen events. Whether it's protecting inventory, equipment, or property, insurance coverage helps women preserve their business assets and sustain financial performance.

In addition, (81%) of the respondents agreed that emergency insurance services through ROSCA contribute to building resilience within women-owned enterprises with a mean of 4.145 and a standard deviation of 0.807. Further majority of the respondents (80%) agreed that participation in ROSCAs with emergency insurance services encourages women entrepreneurs to adopt proactive risk management strategies with a mean of 4.452 and a standard deviation of 0.592. From the findings the overall mean was 4.306 and standard deviation of 0.726 which implies that emergency insurance services influence financial performance of women owned enterprises in Nakuru, Kenya to a great extent. The study findings are tandem with the findings of Khan and Ali (2020) findings which showed that insurance helps mitigate the financial impact of unforeseen events such as natural disasters, theft, fire, or accidents. By covering potential losses,

insurance prevents significant financial setbacks that could jeopardize the business's survival. Further, Kimemia and Mugo (2020) results indicated that having insurance can enhance the credibility and reliability of an MSE in the eyes of lenders and investors. It signals that the business is well-managed and prepared for risks, making it more attractive for loans and investment.

#### **4.5.4 Descriptive for Support Services**

The researcher also sought to establish the influence of support services of women owned enterprises in Nakuru, Kenya. The findings were as indicated Table 14.

**Table 14***Support Services*

| Statements   | SA | A  | N  | D | SD | Mean  | Std. Dev. |
|--|----|----|----|---|----|-------|-----------|
| It is easier to organize training on support services through the ROSCA platform   | 58 | 24 | 8  | 4 | 6  | 4.177 | 0.912     |
| Financial literacy programs offered by ROSCAs equip women entrepreneurs with essential knowledge and skills related to managing their businesses finances effectively. | 40 | 48 | 4  | 8 | 0  | 3.984 | 1.032     |
| ROSCAs help women develop practical financial management skills such as tracking expenses, monitoring revenues, and analyzing financial statements.                    | 50 | 34 | 8  | 4 | 4  | 4.145 | 0.921     |
| Budgeting skills taught through ROSCAs enable women entrepreneurs to plan and allocate financial resources effectively to meet business objectives.                    | 54 | 36 | 2  | 5 | 3  | 4.563 | 0.608     |
| ROSCAs provide women entrepreneurs with access to market information, including consumer trends  | 48 | 44 | 0  | 5 | 3  | 4.307 | 0.738     |
| Networking opportunities facilitated by ROSCAs connect women entrepreneurs with suppliers, vendors, and other business partners.                                       | 37 | 44 | 16 | 3 | 0  | 4.145 | 0.807     |
| Overall Mean and STD   |    |    |    |   |    | 4.220 | 0.836     |

**SA**=Strongly Agree, **A**=Agree, **U**=Undecided, **D**=Disagree, **SD**=Strongly Disagree

From the findings 82% of the respondents agreed that it is easier to organize training on support services through ROSCA platform with (mean=4.177, SD=0.912). In addition, 88% of the respondents agreed that financial literacy programs offered by ROSCAs equip women entrepreneurs with essential knowledge and skills related to managing their businesses finances effectively (mean=3.984, SD=1.032). On the same note, the majority of respondents (mean=4.145, SD=0.921) agreed that ROSCAs help women develop practical financial management skills such tracking expenses, monitoring revenues, and analyzing financial statements. The study findings agreed with the findings of Castillo and Lopez, (2020) who revealed that improved financial literacy enhances women's ability to make informed financial decisions, such as budgeting, investing, and managing cash flow. This leads to better financial planning and resource allocation within their enterprises, ultimately improving profitability and financial stability.

Furthermore, 90% of respondents agreed that budgeting skills taught through ROSCAs enable women entrepreneurs to plan and allocate financial resources effectively to meet business objectives (mean=4.563, SD=0.608). Moreover, 92% of the respondents agreed that ROSCAs provide women entrepreneurs with access to market information, including consumer trends (mean=4.307, SD= 0.738). In addition, majority of the respondents (81%) agreed that networking opportunities facilitated by ROSCAs connect women entrepreneurs with suppliers, vendors, and other business partners with a mean of 4.145 and a standard deviation of 0.807. The overall mean was 4.220 and standard deviation of 0.836 implies that support services influence financial performance of women owned enterprises in Nakuru, Kenya to a great extent. The study agrees with the findings by Mwangi and Kamau (2019) who noted building relationships with suppliers allows women to negotiate favorable terms, secure discounts, and access quality materials or services at competitive prices. This helps reduce procurement costs, improve supply

chain efficiency, and enhance the profitability of their enterprises. The study findings are also in tandem with the findings of Kariuki and Gichuhi, (2020) who revealed that access to support services, such as extension services, input supply, and market linkages, played a crucial role in enhancing agricultural productivity, income generation, and food security.

#### 4.5.5 Descriptive for Financial Performance of Women Owned Enterprises

The respondents were asked to indicate their level of agreement on financial performance of women owned enterprises in Nakuru, Kenya. The findings are presented in Table 15.

**Table 15**

*Financial Performance of Women Owned Enterprises*

| Statement  | S  | A  | U  | D  | SD | Mean  | Std   |
|--|----|----|----|----|----|-------|-------|
|  | %  | %  | %  | %  | %  |       |       |
| The enterprise has increased profitability levels for the past five years.   | 16 | 10 | 3  | 37 | 34 | 3.855 | 1.185 |
| Profitability ensures financial stability for the enterprise by providing a buffer against economic downturns.         | 34 | 8  | 55 | 3  | 0  | 4.403 | 0.778 |
| The enterprises can access capital easily from the credit facilities.  | 7  | 3  | 0  | 46 | 44 | 4.307 | 0.738 |
| Adequate capital reserves can be used to cover operational expenses and address cash flow gaps.                        | 7  | 5  | 55 | 33 | 0  | 4.387 | 0.869 |
| The enterprises have employed more employees for the past five years.  | 14 | 19 | 7  | 36 | 24 | 4.452 | 0.592 |
| Employment opportunities offered by women-owned MSEs facilitate skill development and capacity building among workers. | 24 | 18 | 37 | 21 | 0  | 4.371 | 0.607 |
| Overall Mean and STD   |    |    |    |    |    | 4.295 | 0.795 |

**SA=Strongly Agree, A=Agree, U=Undecided, D=Disagree, SD=Strongly Disagree**

According to the findings a significant portion (71%) disagrees or strongly disagrees that the enterprise has increased profitability, suggesting concerns about financial growth with a mean of 3.855 and a standard deviation of 1.185. Most respondents (97%) either agree or are neutral, recognizing the importance of profitability for financial stability. The lower standard deviation suggests more consistent responses with a mean of 4.403 and a standard deviation of 0.778. 90%) of the respondents disagrees or strongly disagrees with the ease of accessing capital, indicating significant challenges in securing credit. The low standard deviation indicates consensus with a mean of 4.307 and a standard deviation of 0.738. According to Sevo and Verheul, (2021) access to credit allows enterprises to invest in expansion opportunities such as purchasing new equipment, hiring additional staff, or expanding their operations to new markets. This expansion can lead to increased revenue and market share.

Most respondents (62%) are neutral or agree that adequate capital reserves are vital, but there's notable disagreement, reflecting varied experiences or understanding with a mean 4.387 and a standard deviation of 0.869. Opinions are divided with 60% disagreeing that there has been an increase in employment, indicating potential stagnation or decline in workforce growth. The relatively low standard deviation suggests moderate variation in responses with a mean of 4.452 and a standard deviation of 0.592. A majority of respondents are neutral or agree (79%) that employment in these enterprises contributes to skill development, suggesting a generally positive view with a mean of 4.371 and a standard deviation of 0.607. From the findings the overall mean and standard deviation of financial performance of women owned enterprises in Nakuru, Kenya was 4.295 and 0.795 respectively. According to Robb, (2021), women-owned MSEs often prioritize investing in their employees by providing training and mentorship programs. These initiatives not only enhance the skills of the workforce but also empower employees with

valuable knowledge.

#### 4.6 Correlation Analysis

The researcher undertook correlation analysis to establish the nature and strength of the relationships between the independent and the dependent variables of the study.

##### 4.6.1 Correlation between Credit Facilities and Financial Performance

The study sought to establish the correlation between credit facilities and financial performance of women owned enterprises in Nakuru, Kenya. The findings are presented in Table 16.

**Table 16**

*Correlation between Credit Facilities and Financial Performance*

|                   |                     | Financial Performance |
|-------------------|---------------------|-----------------------|
| Credit Facilities | Pearson Correlation | .477                  |
|                   | Sig. (2-tailed)     | .000                  |
|                   | N                   | 219                   |

\*. Correlation is significant at the 0.05 level (2-tailed).

In addition, the study conducted a correlation analysis between credit facilities on financial performance of women owned enterprises in Nakuru, Kenya. The coefficient of correlation ( $r=0.477$ ,  $p=0.000$ ) illustrated in Table 16 showed that there was a moderate positive and significant relationship between credit facilities on financial performance of women owned enterprises in Nakuru, Kenya. The findings imply that credit facilities enhance financial performance of women owned enterprises in Nakuru, Kenya.

The study findings concur with the findings of Hernandez, Gomez, Martinez and Rodriguez, (2019) which revealed a significant positive association between access to credit facilities and small business growth, with businesses that accessed credit

experiencing higher levels of expansion and profitability. Moreover, Toure, Diallo, Konate, and Traore, (2021) results revealed that access to credit facilities facilitated business start-up, expansion, and innovation among young entrepreneurs, contributing to economic growth and job creation. The result also agreed with the findings of Nyambura and Were, (2020) who noted a significant positive association between access to credit facilities and small business growth, with businesses that accessed credit experiencing higher levels of expansion and profitability.

#### **4.6.2 Correlation between Savings Contributions and Financial Performance**

The study sought to establish the correlation between savings contributions and financial performance of women owned enterprises in Nakuru, Kenya. The findings are presented in Table 17.

**Table 17**

*Correlation between Savings Contributions and Financial Performance*

|                       |                     | Financial Performance |
|-----------------------|---------------------|-----------------------|
| Savings Contributions | Pearson Correlation | .606 <sup>**</sup>    |
|                       | Sig. (2-tailed)     | .000                  |
|                       | N                   | 219                   |

\*\* . Correlation is significant at the 0.05 level (2-tailed).

From the result the study established that there exists a positive and significant relationship ( $r = 0.606$ ,  $p = 0.000$ ) between savings contributions on financial performance of women owned enterprises in Nakuru, Kenya. Therefore, the findings imply that savings contributions enhance financial performance of women owned enterprises in Nakuru, Kenya.

The study findings are in line with the findings of Obi, Abubakar, Ojo and Adeleke, (2019) who revealed that savings act as an emergency fund to cover unexpected

expenses, such as equipment breakdowns, sudden market downturns, or personal emergencies that might affect the business. This financial buffer helps the business to remain operational during tough times without resorting to high-interest loans or other costly measures. Moreover, Silva and Oliveira (2019) results revealed that regular savings help manage cash flow more effectively. With a savings cushion, business owners can better handle periods of low income, pay suppliers on time, and meet other financial obligations without disruption. This stability is crucial for maintaining good relationships with suppliers and creditors. Further, Ochieng and Otieno, (2020) findings revealed that savings provide the capital needed for business expansion, such as opening new locations, purchasing additional inventory, or investing in marketing campaigns. Having readily available funds allows women entrepreneurs to seize growth opportunities without delay.

#### **4.6.3 Correlation between Emergency Insurance Services and Financial Performance**

The study sought to establish the correlation between emergency insurance services and financial performance of women owned enterprises in Nakuru, Kenya. The findings are presented in Table 18.

**Table 18**

*Correlation between Emergency Insurance Services and Financial Performance*

|                              |                     | Financial Performance |
|------------------------------|---------------------|-----------------------|
| Emergency Insurance Services | Pearson Correlation | .776**                |
|                              | Sig. (2-tailed)     | .000                  |
|                              | N                   | 219                   |

\*. Correlation is significant at the 0.05 level (2-tailed).

As shown in Table 18 the correlation coefficient ( $r=0.776$   $p=0.000$ ) indicates a strong, positive and statistically significant relationship between emergency insurance services on financial performance of women owned enterprises in Nakuru, Kenya. This implies that emergency insurance services enhance financial performance of women owned enterprises in Nakuru, Kenya. The findings are in line with those of Santos, and Costa, (2019) who revealed that insurance helps mitigate the financial impact of unforeseen events such as natural disasters, theft, fire, or accidents. By covering potential losses, insurance prevents significant financial setbacks that could jeopardize the business's survival. Moreover, Khan and Ali (2020) findings showed that individuals with access to emergency insurance services reported higher levels of livelihood security, including greater income stability and asset protection. Further, Kimemia and Mugo (2020) results indicated that having an insurance can enhance the credibility and reliability of an MSE in the eyes of lenders and investors. It signals that the business is well-managed and prepared for risks, making it more attractive for loans and investment.

#### **4.6.4 Correlation between Support Services and Financial Performance**

The study sought to establish the correlation between support services and financial performance of women owned enterprises in Nakuru, Kenya. The findings are presented in Table 19.

Table 19

*Correlation between Support Services and Financial Performance*

|                  |                     | Financial Performance |
|------------------|---------------------|-----------------------|
| Support Services | Pearson Correlation | .763**                |
|                  | Sig. (2-tailed)     | .000                  |
|                  | N                   | 219                   |

\*. Correlation is significant at the 0.05 level (2-tailed).

The correlation analysis results shown in Table 19 indicate that there exist a strong, positive and significant relationship ( $r=0.763$ ,  $p=0.000$ ) between support services on financial performance of women owned enterprises in Nakuru, Kenya. This implies that support services enhance financial performance of women owned enterprises in Nakuru, Kenya.

The findings are in tandem with those of Hossain and Islam, (2019) who revealed that access to support services, such as training, mentoring, and networking opportunities, positively influenced women entrepreneurship, leading to increased business success and empowerment. Moreover, Kariuki and Gichuhi, (2020) results revealed that access to support services, such as extension services, input supply, and market linkages, played a crucial role in enhancing agricultural productivity, income generation, and food security.

#### 4.7 Regression Analysis

The study carried out a regression analysis to evaluate the combined influence of savings contributions, credit facilities, emergency insurance services, support services on financial performance of women owned enterprises in Nakuru, Kenya, was established. The researcher sought to determine the value of  $R^2$ . The R-squared is the proportion of variance in the dependent variable which can be explained by the independent variables.

**Table 20**

*Model Summary*

| Model | R                 | R Square | Adjusted R Square | Std. Error of the Estimate |
|-------|-------------------|----------|-------------------|----------------------------|
| 1     | .875 <sup>a</sup> | .766     | .761              | .376                       |

- a. Predictors: (Constant), savings contributions, credit facilities, emergency insurance services and support services
- b. Dependent Variable: Financial Performance of Women-Owned Enterprises

The study conducted a regression analysis to find out the strength of the relationship between independent and dependent variables as shown in Table 20, the model showed that rotating savings and credit associations is 87.5% as explained by the independent variables under this study while 12.5% explains other factors that were not covered in this study. The analysis of variance (ANOVA) in this study was used to determine whether the model is a good fit for the data. The findings are indicated in Table 21.

**Table 21**

*ANOVA*

| Model |            | Sum of Squares | df  | Mean Square | F       | Sig.              |
|-------|------------|----------------|-----|-------------|---------|-------------------|
| 1     | Regression | 99.344         | 4   | 24.836      | 174.753 | .000 <sup>a</sup> |
|       | Residual   | 30.414         | 214 | .142        |         |                   |
|       | Total      | 129.757        | 218 |             |         |                   |

- a. Predictors: (Constant), Savings Contributions, Credit Facilities, Emergency Insurance Services and Support Services
- b. Dependent Variable: Financial Performance of Women Owned Enterprises

In the ANOVA table above, the *F* statistic = 174.53 as illustrated in Table 21. Since the *f* calculated is greater than *f* statistic, it infers that the model is statistically significant. Therefore, there is strong evidence that the regression results are statistically significant and the variation in the results is insignificant that cannot result to much difference in case of a change in the study units (population) and therefore the model was fit for the study.

Regression analysis coefficient in Table 22 shows the overall significant test results for the hypothesized research model.

**Table 22***Multiple Regression Coefficients*

| Model |                              | Coefficients   |            |              |        | Sig. |
|-------|------------------------------|----------------|------------|--------------|--------|------|
|       |                              | Unstandardized |            | Standardized |        |      |
|       |                              | B              | Std. Error | Beta         | t      |      |
| 1     | (Constant)                   | .969           | .210       |              | 4.623  | .000 |
|       | Savings Contributions        | .019           | .054       | .018         | .355   | .023 |
|       | Credit Facilities            | .017           | .048       | .015         | .358   | .021 |
|       | Emergency Insurance Services | .534           | .059       | .492         | 9.071  | .000 |
|       | Support Services             | .677           | .056       | .480         | 12.008 | .000 |

a. Dependent Variable: Financial Performance of Women Owned Enterprises

The study also conducted a regression analysis to establish the regression coefficients connecting the independent and dependent variables as illustrated by the equation illustrated below:

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \epsilon$$

The multiple regression analysis results in Table 22 reveal the relationship between four predictors and the financial performance of women-owned enterprises. The constant (intercept) has a coefficient of 0.969, indicating that when all independent variables are zero, the financial performance value is 0.969, which is highly significant ( $p < 0.000$ ). For the independent variables, savings contributions have a small positive effect with a coefficient of 0.019 and are significant at the 0.023 level. Credit facilities also show a slight positive influence with a coefficient of 0.017, significant at the 0.021 level. Both variables, despite being statistically significant, have relatively minor effects on financial performance as indicated by their low standardized coefficients (Beta).

Emergency insurance services and support services exhibit substantial positive impacts on financial performance, with coefficients of 0.534 and 0.677, respectively. Both variables are highly significant ( $p < 0.000$ ), with standardized coefficients (Beta) of 0.492 and 0.480, indicating strong contributions to the model. These results suggest that among the predictors, emergency insurance services and support services are the most influential factors in enhancing the financial performance of women-owned enterprises.

Thus,

$$Y = 0.969 + 0.019X_1 + 0.017X_2 + 0.534X_3 + 0.677X_4,$$

Where:

Y = Financial Performance of Women Owned Enterprises

X<sub>1</sub>= Savings Contributions

X<sub>2</sub>= Credit Facilities

X<sub>3</sub>= Emergency Insurance Services

X<sub>4</sub>= Support Services

#### **4.8 Hypothesis Testing**

The study sought to test the first hypothesis that: H<sub>01</sub>: Savings contributions have no statistically significant influence on financial performance of women enterprises in Nakuru, Kenya. From the findings the p-value was 0.023 which was less than the 0.05 significant level. Therefore, based on the rule of significance, the study rejects the null hypothesis (H<sub>01</sub>) and concluded that savings contributions have statistically significant influence on financial performance of women enterprises in Nakuru, Kenya. The study findings are in line with the findings of Musonda, Mwape, Chanda, and Mulenga, (2018) who revealed that saving regularly allows women-owned enterprises to build up financial

reserves, providing a buffer against unexpected expenses, economic downturns, or fluctuations in cash flow. Having savings set aside can help mitigate the impact of unforeseen challenges, reducing the need to rely on external financing or loans during times of financial strain. By relying on savings rather than external financing, women-owned MSEs can avoid the costs and risks associated with debt, such as interest payments and the pressure of meeting loan repayments. This financial independence can lead to healthier business growth.

In addition the study sought to test the second hypothesis that:  $H_{02}$ : Credit facilities have no statistically significant influence on financial performance of women enterprises in Nakuru, Kenya. From the findings the p-value was 0.021 which was less the 0.05 significant level. Therefore, based on the rule of significance, the study rejects the null hypothesis ( $H_{02}$ ) and concluded that credit facilities have statistically significant influence on financial performance of women enterprises in Nakuru, Kenya. The study findings also concur with the findings of Kim, Park, Lee, and Choi, (2018) who revealed that credit allows women entrepreneurs to access funds needed for business expansion, such as purchasing inventory, acquiring equipment, expanding facilities, or investing in new technology. This capital infusion enables MSEs to scale their operations and take advantage of growth opportunities that would otherwise be out of reach due to limited financial resources. Credit provides essential working capital to manage day-to-day operations, pay suppliers, cover operational expenses, and manage cash flow fluctuations. This liquidity ensures business continuity and smooth operations, especially during seasonal fluctuations or unforeseen circumstances.

Furthermore the study sought to test the third hypothesis that:  $H_{03}$ : Emergency insurance services have no statistically significant influence on financial performance of women enterprises in Nakuru, Kenya. From the findings the p-value was 0.000 which was less

the 0.05 significant level. Therefore, based on the rule of significance, the study rejects the null hypothesis ( $H_{03}$ ) and concluded that emergency insurance services have statistically significant influence on financial performance of women enterprises in Nakuru, Kenya. Moreover, the findings agreed with those of Adebayo, Adekunle, Ojo, & Akindele, (2021) who argued that ability insurance protects against claims of negligence or malpractice, providing assurance to customers that they will be compensated in case of any harm or loss. This builds trust and enhances the business's reputation. In the event of a disaster or major disruption, insurance can provide the necessary funds to repair or replace damaged assets, ensuring that the business can continue operations without prolonged interruptions. This continuity is crucial for maintaining customer relationships and market presence.

The study sought to test the fourth hypothesis that states:  $H_{04}$ : Support services have no statistically significant influence on financial performance of women enterprises in Nakuru, Kenya. From the findings, the p-value was 0.000 which was less the 0.05 significant level. Therefore, based on the rule of significance, the study rejects the null hypothesis ( $H_{04}$ ) and concludes that support services have a statistically significant influence on the financial performance of women enterprises in Nakuru, Kenya. The findings agree with Auma (2021) who found out that support services offer training programs, workshops, and mentorship opportunities tailored to the specific needs of women entrepreneurs. These programs cover essential business skills such as financial management, marketing strategies, business planning, and legal compliance. They help women-owned MSEs build capacity, enhance their entrepreneurial skills, and improve business performance. Support services create networking platforms, business forums, and community events where women entrepreneurs can connect, collaborate, and learn from each other's experiences. These networks foster peer support, mentorship

relationships, and opportunities for joint ventures or partnerships, enhancing business visibility and market competitiveness.

**Table 23**

*Summary Table*

| Hypothesis                   | Significance<br>(p values) | Decision                   |
|------------------------------|----------------------------|----------------------------|
| Savings Contributions        | .023                       | Reject the null hypothesis |
| Credit Facilities            | .021                       | Reject the null hypothesis |
| Emergency Insurance Services | .000                       | Reject the null hypothesis |
| Support Services             | .000                       | Reject the null hypothesis |

## **CHAPTER FIVE**

### **SUMMARY, CONCLUSIONS AND RECOMMENDATIONS**

#### **5.1 Introduction**

This chapter provides a detailed summary of the major findings of the actual study; it then draws conclusions and discusses implications emanating from these findings. Finally, it makes some recommendations and suggestions on areas of further study. The main aim of this study was to assess the influence of rotating savings and credit association's services on financial performance of micro and small enterprises: a case study of women-owned micro and small enterprises in Nakuru, Kenya.

#### **5.2 Summary of the Findings**

The study sought to determine the summary of key major findings of the study. The summary was categorized in terms of specific objectives.

##### **5.2.1 Savings Contributions and Financial Performance**

From the analysis, the findings of the study revealed that saving through ROSCAs allows MSEs to build a financial buffer against unexpected expenses or downturns in business. The findings also revealed that by saving through ROSCA, women can access capital at a lower cost compared to borrowing from formal financial institutions. Moreover, the findings revealed that saving through ROSCAs cultivated a habit of saving which promotes financial stability for the enterprise. The findings also revealed that through saving behavior the enterprises is able to work towards specific financial goals, such as expanding their business, purchasing assets. The study findings further revealed that personal saving through ROSCAs encourages financial discipline among women entrepreneurs, as they commit to regular contributions and adhere to group rules.

The findings revealed there exists a positive and significant relationship between savings contributions on the financial performance of women-owned enterprises in Nakuru, Kenya ( $r = .606$ ,  $p=0.000$ ). Participating in a ROSCA requires regular contributions from each member. This helps inculcate financial discipline among women entrepreneurs, encouraging them to save and manage their finances more effectively. Such discipline is essential for the sustainable growth of their enterprises. ROSCAs provide women entrepreneurs with access to capital that they might not otherwise have. Since traditional banking systems may be inaccessible or reluctant to lend to women, especially in certain regions or cultural contexts, ROSCAs offer an alternative source of funding. This injection of capital can be crucial for starting or expanding a business.

### **5.2.2 Credit Facilities and Financial Performance**

The study findings revealed that compared to traditional lending institutions, ROSCAs often offer credit at lower interest. The study also revealed that the lower interest rate of ROSCA loans reduce the financial burden on women owned MSEs. The study further revealed that ROSCAs allow flexible repayment terms tailored to the needs of the participants. The study also revealed that women owned business can negotiate repayment schedules that align with their business cash flows, minimizing the risk of default. The study further revealed that the application process of ROSCA credit is easier compared to other formal lending institutions. The study further revealed that quick access to credit through ROSCA empowers women to seize business opportunities promptly.

The findings further concluded that there is a strong, positive and statistically significant relationship between emergency insurance services on financial performance of women owned enterprises in Nakuru, Kenya ( $r=0.477$ ,  $p=0.000$ ). ROSCAs offer a form of

informal insurance against emergencies and unforeseen financial challenges. In the event of emergencies such as natural disasters, or unexpected business setbacks, women entrepreneurs can rely on the pooled funds within the ROSCA to cover immediate expenses. This risk mitigation aspect helps stabilize their enterprises and prevents financial distress that could otherwise jeopardize business operations. Access to emergency insurance services enhances the financial resilience of women-owned enterprises. Knowing that they have a safety net to fall back on in times of crisis allows women entrepreneurs to navigate challenges with greater confidence and peace of mind. This resilience enables them to maintain business continuity, weather temporary setbacks, and emerge stronger from adversity.

### **5.2.3 Emergency Insurance Services and Financial Performance**

The study findings revealed that In the event of an emergency or crisis, insurance coverage provided by ROSCAs ensures business continuity for women-owned enterprises. The study findings revealed that access to emergency insurance services, through ROSCA enhances the financial stability of women-owned enterprises by providing a buffer against unforeseen expenses. The study findings revealed that emergency insurance services offered by ROSCAs protect women entrepreneurs from potential financial losses. The study further revealed that emergency insurance services through ROSCA contribute to building resilience within women-owned enterprises. The study also revealed that participation in ROSCAs with emergency insurance services encourages women entrepreneurs to adopt proactive risk management strategies. The study also revealed that in the event of an emergency or crisis, insurance coverage provided by ROSCAs ensures business continuity for women-owned enterprises.

The findings further concluded that there is a strong, positive and statistically significant relationship between emergency insurance services on financial performance of women owned enterprises in Nakuru, Kenya ( $r=0.776$ ,  $p=0.000$ ). ROSCAs offer a form of informal insurance against emergencies and unforeseen financial challenges. In the event of emergencies such as natural disasters, or unexpected business setbacks, women entrepreneurs can rely on the pooled funds within the ROSCA to cover immediate expenses. This risk mitigation aspect helps stabilize their enterprises and prevents financial distress that could otherwise jeopardize business operations. Access to emergency insurance services enhances the financial resilience of women-owned enterprises. Knowing that they have a safety net to fall back on in times of crisis allows women entrepreneurs to navigate challenges with greater confidence and peace of mind. This resilience enables them to maintain business continuity, weather temporary setbacks, and emerge stronger from adversity.

#### **5.2.4 Support Services and Financial Performance**

From the analysis, the study findings revealed that it is easier to organize training on support services through the ROSCA platform. The study revealed that financial literacy programs offered by ROSCAs equip women entrepreneurs with essential knowledge and skills related to managing their businesses finances effectively. The study also revealed that ROSCAs help women develop practical financial management skills such as tracking expenses, monitoring revenues, and analyzing financial statements. The study further revealed that budgeting skills taught through ROSCAs enable women entrepreneurs to plan and allocate financial resources effectively to meet business objectives. The study also revealed that ROSCAs provide women entrepreneurs with access to market information, including consumer trends. The findings also revealed that there exist a strong, positive and significant relationship between support services on

financial performance of women owned enterprises in Nakuru, Kenya ( $r=0.763$ ,  $p=0.000$ ). Many ROSCAs offer support services aimed at building the financial literacy and business skills of their members. Workshops, training sessions, and mentorship programs provided by ROSCAs help women entrepreneurs enhance their understanding of financial management, marketing strategies, product development, and other key aspects of running a successful business. By equipping women with relevant knowledge and skills, these support services empower them to make informed decisions and improve the financial performance of their enterprises. ROSCAs often serve as platforms for information exchange and market intelligence sharing among members. Through networking events, business forums, and online platforms, women entrepreneurs can access valuable market information, industry trends, and business opportunities.

### **5.3 Conclusions**

The study sought to determine the conclusion of the study. The conclusion was categorized in terms of specific objectives.

Regarding the effect of saving contributions on financial performance of women owned business the researcher concluded that saving through ROSCAs allows MSEs to build a financial buffer against unexpected expenses or downturns in business. In addition, the study concluded that saving through ROSCAs cultivated a habit of saving which promotes financial stability for the enterprise. Furthermore, the researcher concluded that through saving behavior the enterprises is able to work towards specific financial goals, such as expanding their business, purchasing assets. Personal savings through ROSCAs offer flexibility in terms of usage, allowing the enterprise to allocate funds according to their evolving needs and priorities.

Concerning the effect of credit facilities on financial performance of women owned business the researcher concluded that the lower interest rate of ROSCA loans reduce the financial burden on women owned MSEs. In addition the study concluded that ROSCAs allow flexible repayment terms tailored to the needs of the participants. Furthermore the study concluded that women owned business can negotiate repayment schedules that align with their business cash flows, minimizing the risk of default. Quick access to credit through ROSCA empowers women to seize business opportunities promptly.

Regarding the effect of emergency insurance services on financial performance of women owned business the researcher concluded that access to emergency insurance services through ROSCA enhances the financial stability of women-owned enterprises by providing a buffer against unforeseen expenses. In addition the study concluded that participation in ROSCAs with emergency insurance services encourages women entrepreneurs to adopt proactive risk management strategies.

In relation to the effect of support services on financial performance of women owned business the researcher concluded financial literacy programs offered by ROSCAs equip women entrepreneurs with essential knowledge and skills related to managing their businesses finances effectively. In addition the study concluded that ROSCAs help women develop practical financial management skills such tracking expenses, monitoring revenues, and analyzing financial statements. Finally the study concluded that networking opportunities facilitated by ROSCAs connect women entrepreneurs with suppliers, vendors, and other business partners.

## **5.4 Recommendations**

### **5.4.1 Recommendation for Policy and Practice**

The study recommended that regulatory frameworks governing ROSCAs be enhanced to ensure transparency and accountability. This can be achieved by formalizing the operations of ROSCAs, providing clear guidelines for their functioning, and implementing measures to protect members against fraud. Additionally, the study suggested that existing policies focus on integrating financial literacy programs into the operations of ROSCAs. By partnering with financial institutions and NGOs, the government can provide resources and training that enhance the financial management skills of women entrepreneurs.

Furthermore, the study emphasized on the importance of enhancing policies that facilitate access to formal credit for women entrepreneurs. By creating incentives for banks to lend to women-owned MSEs, reliance on informal sources of credit can be reduced.

The study recommended that the government formulate policies to promote the establishment of emergency insurance services specifically tailored for women entrepreneurs in ROSCAs. Such policies should encourage the development of financial products that provide protection against unforeseen challenges. There is also a need for policies that support the provision of business development services through ROSCAs. These services can include mentoring, business training, and access to market information, all of which are vital for enabling women entrepreneurs to grow their businesses effectively.

Moreover, the formulation of policies providing incentives for women to join ROSCAs could significantly enhance participation rates. Such incentives may include tax breaks,

grants, or subsidies for women-owned businesses engaging in ROSCA activities. The study recommended implementing regular workshops and training programs focused on financial management, marketing strategies, and risk management within ROSCAs. These initiatives can empower women entrepreneurs with the necessary skills to enhance their financial performance. Encouraging partnerships between ROSCAs and local banks or microfinance institutions is also vital. These collaborations can provide women entrepreneurs with easier access to credit, thereby improving their financial stability and overall performance.

Additionally, establishing a robust monitoring and evaluation framework for ROSCAs is essential. This framework should assess the impact of ROSCAs on the financial performance of women-owned enterprises, incorporating indicators that measure financial outcomes, business growth, and member satisfaction. Lastly, the study recommended creating platforms for women entrepreneurs to network and share experiences. Such initiatives, including business forums and expos, can foster collaboration and knowledge exchange, providing valuable market insights for participants.

#### **5.4.4 Recommendation for Further Studies**

From the findings, the study recommends a further study to be conducted on factors influencing loan repayment among ROSCA members. A study also needs to be conducted as a comparative analysis to evaluate the effectiveness of ROSCA credit facilities compared to traditional lending institutions in supporting women-owned enterprises. This study could employ quantitative methods to assess factors such as interest rates, repayment terms, accessibility, and impact on financial performance.

An impact evaluation be conducted to assess the effectiveness of support services, such as financial literacy programs and training offered through ROSCAs, on the financial performance of women-owned enterprises. This study could employ mixed-methods approaches to measure changes in financial management practices, business outcomes, and perceived benefits among participants

## REFERENCES

- Abdulai, A. (2020). The role of stokvels in promoting financial literacy among women entrepreneurs in South Africa. *Journal of African Business*, 21(2), 145-163.
- Abebe, G., Gebre, A., Lemma, D., & Girma, B. (2020). Savings contributions and poverty alleviation: A case study in Ethiopia. *International Journal of Development and Sustainability*, 9(2), 135-146.
- Adebayo, A., Adekunle, O., Ojo, O., & Akindele, O. (2021). Emergency insurance services and climate change adaptation: A case study in Nigeria. *African Journal of Environmental Science and Technology*, 15(3), 95-106.
- Adegbite, E. O., Amaeshi, K. M., & Nakajima, C. (2019). Stokvels as a financial inclusion tool: Evidence from South Africa. *African Journal of Economic and Management Studies*, 10(1), 44-59.
- Ahlin, C., & Townsend, R. (2020). A framework for understanding the role of informal finance in rural development: Evidence from ROSCAs in India. *Journal of Development Economics*, 143, 102-115.
- Aker, J. C. (2019). The impact of microfinance on women's empowerment: Evidence from West Africa. *World Development*, 121, 121-134.
- Baele, S. (2022). ROSCAs as a means of financial inclusion: Insights from the Global South. *International Journal of Development Issues*, 21(2), 111-129.
- Banerjee, A., & Duflo, E. (2021). The economic lives of the poor: Evidence from India's chit funds. *The Economic Journal*, 131(635), 1323-1349.
- Basu, P., & Van, G. (2021). Women's empowerment through chit funds: A case study from India. *Gender, Technology and Development*, 25(3), 320-339.
- Bourdieu, P. (1986). The forms of capital. In J. Richardson (Ed.), *Handbook of theory and research for the sociology of education* (pp. 241-258). Greenwood.
- Brush, C. G., Bruin, A. de, & Welter, F. (2020). Gender and entrepreneurship: An overview of the evidence. *International Journal of Gender and Entrepreneurship*, 12(1), 1-19. <https://doi.org/10.1108/IJGE-09-2019-0104>
- Bryman, A., & Bell, E. (2020). *Business research methods* (5th ed.). Oxford University Press.
- Burt, R. S. (2012). Structural holes versus network closure as social capital. *In Social Capital: Theory and Research*, 3(1), 1-23.
- Castillo, A., & Lopez, J. (2020). Support services and youth employment: Evidence from Colombia. *Journal of Youth Studies*, 23(4), 567-582.
- Chen, H., Wu, X., Huang, Y., & Li, J. (2020). Emergency insurance services and health outcomes: A study in China. *International Journal of Health Planning and Management*, 35(1), 73-82.
- Cochran, W. G. (1977). *Sampling techniques* (3rd ed.). Wiley.
- Coleman, B. E. (2021). Informal financial networks: The role of ROSCAs in economic development. *Journal of Development Studies*, 57(7), 1034-1051.
- Coleman, J. S. (1988). Social capital in the creation of human capital. *American Journal of Sociology*, 94, S95-S120.

- Datta, P. & Gailey, R. (2020). Empowering women through entrepreneurship: A gender analysis of women's participation in microfinance. *Journal of Business Research*, 116, 134-145. <https://doi.org/10.1016/j.jbusres.2019.09.042>
- Demirgüç-Kunt, A., & Klapper, L. F. (2012). Financial inclusion in Africa: A survey of the landscape. *Africa Development Forum Policy Research Working Paper*.
- Dhaliwal, R. & Sharma, C. (2019). Understanding the relationship between financial performance and gender. *International Journal of Entrepreneurial Behavior & Research*, 25(2), 338-356. <https://doi.org/10.1108/IJEER-08-2018-0370>
- El Qorchi, M., & Maimbo, S. M. (2020). The role of tontines in Morocco's financial landscape. *Journal of Money Laundering Control*, 23(4), 872-885.
- Fiona, M. (2019). Measuring content validity: The importance of construct representation. *International Journal of Assessment and Evaluation in Higher Education*, 12(2), 101-116.
- Frank, M. Z., & Goyal, V. K. (2003). Capital structure decisions: Which factors are reliably important? *Financial Management*, 32(1), 1-21.
- Freire, F. D., & Soares, J. A. (2020). Solidarity economy groups: A path to financial inclusion for women in Brazil. *Journal of Social Entrepreneurship*, 11(2), 169-186.
- Guimarães, J., & Vasconcelos, F. (2022). The impact of ROSCAs on women entrepreneurs in Brazil: A case study. *Journal of Business Research*, 136, 233-240.
- Hernandez, A., Gomez, A., Martinez, J., & Rodriguez, R. (2019). Access to credit facilities and growth of SMEs in Mexico. *Journal of Small Business Management*, 57(2), 320-339.
- Holling, C. S. (1973). Resilience and stability of ecological systems. *Annual Review of Ecology and Systematics*, 4(1), 1-23.
- Hossain, M., & Islam, M. (2019). Support services and women entrepreneurship: A study in Bangladesh. *Journal of Women's Entrepreneurship and Education*, 6(2), 45-62.
- International Finance Corporation. (2021). Women-owned small and medium enterprises in Kenya: A market assessment. *IFC Reports*. Retrieved from [https://www.ifc.org/wps/wcm/connect/topics\\_ext\\_content/ifc\\_external\\_corporate\\_site/ifc-sustainability-at-ifc/inclusive-business/women-owned-businesses](https://www.ifc.org/wps/wcm/connect/topics_ext_content/ifc_external_corporate_site/ifc-sustainability-at-ifc/inclusive-business/women-owned-businesses)
- Kabeer, N. (2022). Women's economic empowerment: A framework for analysis. *Gender & Development*, 30(1), 1-15. <https://doi.org/10.1080/13552074.2021.1957932>
- Kariuki, P., & Gichuhi, P. (2020). Support services and agricultural development: Perspectives from Kenya. *Journal of Agriculture and Rural Development in the Tropics and Subtropics*, 121(1), 15-26.
- Kenya National Bureau of Statistics. (2023). Economic survey 2023. *KNBS Reports*. Retrieved from <https://www.knbs.or.ke/economic-survey-2023>
- Kenya Women Microfinance Bank. (2022). Women-owned enterprises in Kenya: Access to finance and market opportunities. *KWFT Reports*. Retrieved from <https://www.kwftbank.com/women-owned-enterprises-in-kenya>

- Kiiru, J. & Muthoni, J. (2019). Informal businesses in Kenya: The case of women-owned enterprises. *Journal of African Business*, 20(1), 99-116. <https://doi.org/10.1080/15228916.2019.1627067>
- Kim, H., Park, S., Lee, J., & Choi, Y. (2018). Credit facilities and women entrepreneurship: A study in South Korea. *Journal of Entrepreneurship in Emerging Economies*, 10(2), 156-172.
- Kim, J., & Wang, Y. (2019). The role of rotating savings and credit associations in community development: A systematic review. *Journal of Community Development*, 54(2), 111-128.
- Kimemia, S., & Mugo, P. (2020). The effect of emergency insurance services on health outcomes: A study in Kenya. *Journal of Health Economics*, 30(4), 800-812.
- Kobia, M. & Sikalieh, D. (2022). Women entrepreneurs in Kenya: Challenges and opportunities. *African Journal of Business Management*, 16(2), 33-48. <https://doi.org/10.5897/AJBM2022.9163>
- Kothari, C. R. (2012). *Research methodology: Methods and techniques* (2nd ed.). New Age International Publishers.
- Kraus, A., & Litzenberger, R. H. (1973). A state-preference model of optimal financial leverage. *The Journal of Finance*, 28(4), 911-922.
- Langowitz, N. & Minniti, M. (2019). The entrepreneurial gap between men and women: Evidence from the Global Entrepreneurship Monitor. *Entrepreneurship Theory and Practice*, 43(1), 7-30. <https://doi.org/10.1177/1042258718771046>
- Linnenluecke, M. K. (2020). Resilience in business and management: A review of the literature and future directions. *International Journal of Management Reviews*, 22(2), 113-132.
- Masten, A. S. (2001). Community resilience: Lessons from the 1993 Minnesota flood. *Journal of Community Psychology*, 29(3), 267-277.
- Morduch, J. (2019). The role of financial inclusion in economic development. *Annual Review of Financial Economics*, 11(1), 235-258.
- Munene, M. & Karanja, J. (2020). The role of women-owned micro and small enterprises in the socio-economic development of Kenya. *Journal of Small Business and Enterprise Development*, 27(4), 559-577. <https://doi.org/10.1108/JSBED-09-2019-0294>
- Mwangi, A., & Njuguna, M. (2019). Chamas and women entrepreneurship in Kenya: An exploratory study. *International Journal of Business and Social Science*, 10(5), 24-32.
- Mwangi, J., & Kamau, C. (2019). Supplier relationship management and its effect on procurement performance among women-owned enterprises in Kenya. *International Journal of Procurement Management*, 12(3), 341-356.
- Mwiti, R., & Karanja, L. (2020). The impact of chamas on women's economic empowerment in Kenya: Evidence from Nairobi County. *Journal of Economics and Sustainable Development*, 11(15), 112-125.
- Myers, S. C. (1984). The capital structure puzzle. *The Journal of Finance*, 39(3), 575-592.

- Nalukenge, I., Mutenyo, J., & Waiswa, R. (2020). The role of merry-go-rounds in women entrepreneurship in Uganda: Evidence from rural areas. *Journal of African Economies*, 29(3), 233-248.
- Ngugi, J., & Kimani, J. (2019). The role of emergency insurance services in household resilience: Evidence from Kenya. *International Journal of Social Economics*, 46(6), 1037-1049.
- Njeri, W., & Muturi, W. (2023). Women entrepreneurs and community support networks in Kenya: The case of chamas. *Journal of Small Business Management*, 61(2), 450-467.
- Nkatha, W. (2019). Factors influencing the performance of female-owned enterprises: A case of businesses in the central business district of Nairobi, Kenya. *Journal of Business and Management*, 21(5), 15-22. <https://doi.org/10.9790/487X-2105051522>
- Nuzzo, D. (2014). Validity in research: What it means and why it matters. *Journal of Educational Measurement*, 51(1), 29-44.
- Nyaga, G. & Kabiru, S. (2019). The impact of regulatory constraints on the growth of women-owned enterprises in Kenya. *International Journal of Business and Management*, 14(1), 30-45. <https://doi.org/10.5539/ijbm.v14n1p30>
- Nyambura, A., & Were, M. (2020). Access to credit facilities and small business growth: A study in Kenya. *African Journal of Business Management*, 14(3), 45-59.
- Obi, E., Abubakar, M., Ojo, J., & Adeleke, A. (2019). The impact of savings contributions on household financial stability in Nigeria. *International Journal of Business and Management Studies*, 11(2), 1-10.
- Ochieng, J., & Otieno, O. (2020). The role of savings contributions in household financial stability: Evidence from Migori County, Kenya. *Journal of Financial Management*, 12(1), 88-102.
- Odhiambo, R. (2021). Training and capacity building in chamas: Enhancing women's entrepreneurial skills in Kenya. *International Journal of Business Management and Economic Research*, 12(2), 1804-1815.
- Ogendi, M. & Mukulu, E. (2019). Challenges facing women entrepreneurs in Kenya: A case study of small and medium-sized enterprises. *International Journal of Entrepreneurial Behavior & Research*, 25(2), 232-249. <https://doi.org/10.1108/IJEER-08-2018-0369>
- Oyugi, C. (2020). The impact of microfinance services on financial performance of women-owned enterprises in Migori Township, Kenya. *International Journal of Finance & Banking Studies*, 9(1), 31-45. <https://doi.org/10.20525/ijfbs.v9i1.587>
- Portes, A. (2002). The two meanings of social capital. *Sociological Forum*, 17(4), 1-12.
- Putnam, R. D. (1993). *Making democracy work: Civic traditions in modern Italy*. Princeton University Press.
- Rahman, M., & Ahmed, S. (2020). Microfinance institutions and entrepreneurial performance: Evidence from Bangladesh. *Journal of Small Business and Enterprise Development*, 27(4), 543-560.

- Robb, A. M. (2021). Access to capital among young firms: The role of the gender gap. *Small Business Economics*, 57(1), 123-147. <https://doi.org/10.1007/s11187-019-00247-8>
- Roodman, D. (2012). Due diligence: An improvised exposé of the art of financial inclusion. *Center for Global Development Working Paper*, 1-58.
- Santos, C., & Costa, P. (2019). Emergency insurance services and disaster preparedness: Perspectives from Brazil. *Disaster Prevention and Management*, 28(1), 32-45.
- Sevo, R. & Verheul, I. (2021). Understanding the financial performance of women-owned businesses. *Journal of Small Business Management*, 59(1), 1-28. <https://doi.org/10.1080/00472778.2019.1651550>
- Silva, M. R., & Oliveira, M. (2019). The role of savings as an emergency fund in small business continuity. *International Journal of Business and Management*, 14(8), 123-135.
- Silva, M., & Oliveira, F. (2019). The role of savings contributions in rural development: Perspectives from Brazil. *Rural Studies*, 68, 212-220.
- Singh, P., Sharma, R., & Kumar, A. (2020). Formal credit facilities and agricultural productivity: A study in India. *Journal of Agricultural Economics*, 71(2), 291-308.
- Smith, A., & Stirling, A. (2010). The politics of social-ecological resilience and the role of governance in the resilience of complex adaptive systems. *Ecological Economics*, 69(3), 569-579.
- Ssenyonga, R., & Mugisha, A. (2020). The contribution of ROSCAs to women entrepreneurs in Uganda: A case study of Kampala. *Journal of African Business*, 21(3), 309-327.
- Terjesen, S., Sealy, R., & Singh, V. (2020). Women's entrepreneurship and gender equality: A global overview. *Journal of Business Research*, 118, 316-326. <https://doi.org/10.1016/j.jbusres.2019.12.029>
- Titman, S., & Wessels, R. (1988). The determinants of capital structure choice. *The Journal of Finance*, 43(1), 1-19.
- Toure, K., Diallo, A., Konate, A., & Traore, S. (2021). Credit facilities and youth entrepreneurship: Perspectives from Mali. *Youth Entrepreneurship Journal*, 9(2), 77-94.
- Wafula, G., & Maina, J. (2021). Savings contributions and entrepreneurial success: Evidence from small businesses in Kenya. *International Journal of Business and Management Research*, 9(1), 101-112.
- Wang, L., Liu, J., Zhang, Y., & Chen, G. (2020). Savings contributions and entrepreneurial success: Evidence from small businesses in China. *Journal of Business Research*, 109, 56-64.
- Wangui, M., & Kibet, B. (2019). The impact of support services on youth employment: Evidence from Kenya. *African Journal of Economic and Management Studies*, 10(3), 353-367.
- Wildavsky, A. (1988). Searching for safety. *Transaction Publishers*.

- World Bank. (2021). Financial inclusion in Kenya: Gender disparities in access to finance. *World Bank Reports*. Retrieved from <https://www.worldbank.org/en/news/feature/2021/11/01/financial-inclusion-in-kenya-gender-disparities-in-access-to-finance>
- Xu, Y., & Li, C. (2021). The role of ROSCAs in promoting entrepreneurship among women in rural China. *Journal of Business Research*, *124*, 324-331.
- Zhang, L. (2020). Exploring the impact of ROSCAs on women's entrepreneurship in rural China. *International Journal of Entrepreneurial Behavior & Research*, *26*(6), 1401-1415.

## APPENDICES

### **Appendix I:** Letter of Introduction

I am a Master of Business Administration in finance student at Kabarak University, undertaking a Research Project on the *“Influence of rotating savings and credit associations services on the financial performance of Women owned MSE’s in Nakuru County, Kenya”* I am carrying out the research as part of the requirements of obtaining the degree. You have been selected to form part of this study and am kindly request you to fill the following questionnaire to the best of your knowledge. This shall be used for research purposes only and therefore confidentiality is assured.

Yours Faithfully,

Bridgid Jepkomen

GMB/NE/0128/01/19

## Appendix II: Questionnaire

Dear Respondent,

I please request your assistance in filling in the questionnaires provided. I also wish to assure you that the information given will be treated with utmost confidentiality and will be used for the sole purpose of this study.

*Please note: Mark "X" inside the brackets in front of your choice.*

### Section A: Background Information

1. Age bracket of the respondent

18 to 25 years                    [ ]

26 to 35 years                    [ ]

36 to 45 years                    [ ]

46 to 55 years                    [ ]

Above 56 years                    [ ]

2. Education level of the respondent

Primary level                    [ ]

Secondary level                    [ ]

Tertiary level                    [ ]

University level                    [ ]

3. For how long have you been a member of ROSCA?

Less than 2 years                    [ ]

2 years to less than 5 years                    [ ]

6 years to less than 10 years                    [ ]

11 years to less than 15 years                    [ ]

Above 15 years                    [ ]

4. What is the frequency of pot Award?

Daily                    [ ]

Weekly                    [ ]

Monthly                    [ ]

Other                    [ ]

5. What is the Range of your Contribution Amount?

- 100 Shs to 500 Shs [ ]
- 500 Shs to 1000 Shs [ ]
- 1000 Shs to 1500 Shs [ ]
- 1500 Shs and above [ ]
- 1500 Shs, and Above [ ]

**Section B: Savings Contributions On Financial Performance**

In a scale of 1-5 indicate the level of agreement on the following statements (5 = Strongly Agree, 4 = Agree, 3 = Undecided, 2 = Disagree, 1 = Strongly Disagree)

| <b>Savings Contributions</b>   | 5 | 4 | 3 | 2 | 1 |
|--|---|---|---|---|---|
| Saving through ROSCAs allows MSEs to build a financial buffer against unexpected expenses or downturns in business.  |   |   |   |   |   |
| By saving through ROSCA, women can access capital at a lower cost compared to borrowing from formal financial institutions                                       |   |   |   |   |   |
| Saving through ROSCAs cultivated a habit of saving which promotes financial stability for the enterprise.  |   |   |   |   |   |
| Through saving behavior the enterprises is able to work towards specific financial goals, such as expanding their business, purchasing assets.                   |   |   |   |   |   |
| Personal saving through ROSCAs encourages financial discipline among women entrepreneurs, as they commit to regular contributions and adhere to group rules.     |   |   |   |   |   |
| Personal savings through ROSCAs offer flexibility in terms of usage, allowing the enterprise to allocate funds according to their evolving needs and priorities. |   |   |   |   |   |

### Section C: Credit Facilities On Financial Performance

In a scale of 1-5 indicate the level of agreement on the following statements

(5 = Strongly Agree, 4 = Agree, 3 = Undecided, 2 = Disagree, 1 = Strongly Disagree)

| <b>Credit Facilities</b>   | 5 | 4 | 3 | 2 | 1 |
|--|---|---|---|---|---|
| Compared to traditional lending institutions, ROSCAs often offer credit at lower interest  |   |   |   |   |   |
| The lower interest rate of ROSCA loans reduce the financial burden on women owned MSEs   |   |   |   |   |   |
| ROSCAs allow flexible repayment terms tailored to the needs of the participants  |   |   |   |   |   |
| Women owned business can negotiate repayment schedules that align with their business cash flows, minimizing the risk of default |   |   |   |   |   |
| The application process of ROSCA credit is easier compared to other formal lending institutions                                  |   |   |   |   |   |
| Quick access to credit through ROSCA empowers women to seize business opportunities promptly.                                    |   |   |   |   |   |

### Section D: Emergency Insurance Services On Financial Performance

In a scale of 1-5 indicate the level of agreement on the following statements

(5 = Strongly Agree, 4 = Agree, 3 = Undecided, 2 = Disagree, 1 = Strongly Disagree)

| <b>Emergency Insurance Services</b>  | 5 | 4 | 3 | 2 | 1 |
|--|---|---|---|---|---|
| In the event of an emergency or crisis, insurance coverage provided by ROSCAs ensures business continuity for women-owned enterprises.                             |   |   |   |   |   |
| Access to emergency insurance services through ROSCA enhances the financial stability of women-owned enterprises by providing a buffer against unforeseen expenses |   |   |   |   |   |
| Emergency insurance services offered by ROSCAs protect women entrepreneurs from potential financial losses   |   |   |   |   |   |
| Emergency insurance services through ROSCA contribute to building resilience within women-owned enterprises.   |   |   |   |   |   |

|  |  |  |  |  |  |
|--|--|--|--|--|--|
| Participation in ROSCAs with emergency insurance services encourages women entrepreneurs to adopt proactive risk management strategies |  |  |  |  |  |
|--|--|--|--|--|--|

**Section E: Support Services On Financial Performance**

In a scale of 1-5 indicate the level of agreement on the following statements (5 = Strongly Agree, 4 = Agree, 3 = Undecided, 2 = Disagree, 1 = Strongly Disagree)

| <b>Support Services</b>  | 5 | 4 | 3 | 2 | 1 |
|--|---|---|---|---|---|
| It is easier to organize training on support services through ROSCA platform   |   |   |   |   |   |
| Financial literacy programs offered by ROSCAs equip women entrepreneurs with essential knowledge and skills related to managing their businesses finances effectively. |   |   |   |   |   |
| ROSCAs help women develop practical financial management skills such tracking expenses, monitoring revenues, and analyzing financial statements.                       |   |   |   |   |   |
| Budgeting skills taught through ROSCAs enable women entrepreneurs to plan and allocate financial resources effectively to meet business objectives.                    |   |   |   |   |   |
| ROSCAs provide women entrepreneurs with access to market information, including consumer trends  |   |   |   |   |   |
| Networking opportunities facilitated by ROSCAs connect women entrepreneurs with suppliers, vendors, and other business partners.                                       |   |   |   |   |   |

**Section F: Financial Performance Of Women Owned Enterprises**

In a scale of 1-5 indicate the level of agreement on the following statements  
(5 = Strongly Agree, 4 =Agree, 3 = Undecided, 2 = Disagree,1 = Strongly Disagree)

| <b>Financial Performance</b>   | 5 | 4 | 3 | 2 | 1 |
|--|---|---|---|---|---|
| The enterprise has increased profitability levels for the past five years.   |   |   |   |   |   |
| Profitability ensures financial stability for the enterprise by providing a buffer against economic downturns          |   |   |   |   |   |
| The enterprises can access capital easily from the credit facilities   |   |   |   |   |   |
| Adequate capital reserves can be used to cover operational expenses and address cash flow gaps.                        |   |   |   |   |   |
| The enterprises has employed more employees for the past five years  |   |   |   |   |   |
| Employment opportunities offered by women-owned MSEs facilitate skill development and capacity building among workers. |   |   |   |   |   |

Thank you for your Participation

## Appendix III: KUREC Approval Letter



### KABARAK UNIVERSITY RESEARCH ETHICS COMMITTEE

Private Bag - 20157  
KABARAK, KENYA  
Email: [kurec@kabarak.ac.ke](mailto:kurec@kabarak.ac.ke)

Tel: 254-51-343234/5  
Fax: 254-051-343529  
[www.kabarak.ac.ke](http://www.kabarak.ac.ke)

OUR REF: KABU01/KUREC/001/03/01/24

Date: 19<sup>th</sup> January, 2024

Bridgid Jepkomen,  
REG No.: GMB/NE/0128/01/19  
Kabarak University,

Dear Bridgid,


**RE: INFLUENCE OF ROTATING SAVINGS AND CREDIT ASSOCIATIONS ON FINANCIAL PERFORMANCE OF MICRO AND SMALL ENTERPRISES: A CASE STUDY OF WOMEN OWNED MICRO AND SMALL ENTERPRISES IN NAKURU, KENYA.**

This is to inform you that **KUREC** has reviewed and approved your above research proposal. Your application approval number is **KUREC-030124**. The approval period is **19/01/2024 – 19/01/2025**.

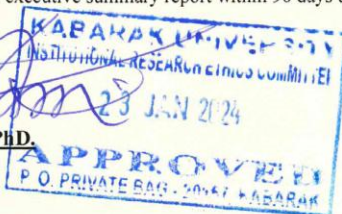
This approval is subject to compliance with the following requirements:

- i. All researchers shall obtain an introduction letter to NACOSTI from the relevant head of institutions (Institute of postgraduate, School dean or Directorate of research)
- ii. The researcher shall further obtain a RESEARCH PERMIT from NACOSTI before commencement of data collection & submit a copy of the permit to **KUREC**.
- iii. Only approved documents including (informed consents, study instruments, MTA Material Transfer Agreement) will be used
- iv. All changes including (amendments, deviations, and violations) are submitted for review and approval by **KUREC**:
- v. Death and life-threatening problems and serious adverse events or unexpected adverse events whether related or unrelated to the study must be reported to **KUREC** within 72 hours of notification;
- vi. Any changes, anticipated or otherwise that may increase the risk(s) or affected safety or welfare of study participants and others or affect the integrity of the research must be reported to **KUREC** within 72 hours;
- vii. Clearance for export of biological specimens must be obtained from relevant institutions and submit a copy of the permit to **KUREC**;
- viii. Submission of a request for renewal of approval at least 60 days prior to expiry of the approval period. Attach a comprehensive progress report to support the renewal and;
- ix. Submission of an executive summary report within 90 days upon completion of the study to **KUREC**

Sincerely,

  
**Prof. Jackson Kitetu PHD.**  
KUREC-Chairman

Cc Vice Chancellor  
DVC-Academic & Research  
Registrar-Academic & Research  
Director-Research Innovation & Outreach  
Institute of Post Graduate Studies



*As members of Kabarak University family, we purpose at all times and in all places, to set apart in one's heart, Jesus as Lord.*  
(1 Peter 3:15)



Kabarak University is ISO 9001:2015 Certified

**Appendix IV: NACOSTI Research Permit**

|   |  |
|---|--|
| <br><b>REPUBLIC OF KENYA</b>   | <br><b>NATIONAL COMMISSION FOR<br/>SCIENCE, TECHNOLOGY &amp; INNOVATION</b> |
| <b>Ref No: 910748</b>   | <b>Date of Issue: 02/February/2024</b>   |
| <b>RESEARCH LICENSE</b>   |  |
|    |  |
| <p><b>This is to Certify that Miss. BRIDGID JEPKOMEN JEPKOMEN of Kabarak University, has been licensed to conduct research as per the provision of the Science, Technology and Innovation Act, 2013 (Rev.2014) in Nakuru on the topic: INFLUENCE OF ROTATING SAVINGS AND CREDIT ASSOCIATIONS ON FINANCIAL PERFORMANCE OF MICRO AND SMALL ENTERPRISES.A CASE STUDY OF WOMEN OWNED MICRO AND SMALL ENTERPRISES IN NAKURU,KENYA. for the period ending : 02/February/2025.</b></p> |  |
| <b>License No: NACOSTI/P/24/32778</b>   |  |
| <b>910748</b>   |   |
| <b>Applicant Identification Number</b>  | <b>Director General<br/>NATIONAL COMMISSION FOR<br/>SCIENCE, TECHNOLOGY &amp;<br/>INNOVATION</b>   |
|   | <b>Verification QR Code</b>  |
|   |   |
| <p><b>NOTE: This is a computer generated License. To verify the authenticity of this document,<br/>Scan the QR Code using QR scanner application.</b></p>   |  |
| <b>See overleaf for conditions</b>  |  |

## Appendix V: Research Authorization from the Ministry of Education



**MINISTRY OF EDUCATION**  
**State Department for Basic Education**

Telephone: 0722810864  
Email: cdenakurucounty@gmail.com

COUNTY DIRECTOR OF EDUCATION,  
NAKURU COUNTY  
P.O BOX 260  
**NAKURU**

*When replying please Quote:*

**Ref No. CDE/NKU/GEN/4/1/21 VOL IV/III**

**Date:** 12<sup>th</sup> February, 2024

TO WHOM IT MAY CONCERN

**RE: RESEARCH AUTHORIZATION – Ms. BRIGID JEPKOMEN JEPKOMEN**

Reference is hereby made to the NACOSTI letter Reference No. 910748 and license No. NACOSTI/P/24/32778 dated 2<sup>nd</sup> February, 2024 as the subject matter cited above.

The above named person is a Post Graduate Student at Kabarak University, Department of Business and Economics. Permission is hereby granted to her to carry out research on topic: "INFLUENCE OF ROTATING SAVINGS AND CREDIT ASSOCIATIONS ON FINANCIAL PERFORMANCE OF MICRO AND SMALL ENTERPRISES. A CASE STUDY OF WOMEN OWNED MICRO AND SMALL ENTERPRISES IN NAKURU, KENYA " for the period ending 2<sup>nd</sup> February, 2025.

The student is requested to share the findings of the research with this office upon completion.

Kindly accord her the necessary assistance

DR. SAMSON ARODI  
FOR, COUNTY DIRECTOR OF EDUCATION  
NAKURU



Appendix VI: Evidence of Conference Participation



## Appendix VII: List of Publication



Vol. 11, Iss.4, pp 982 – 989, November 4, 2024. [www.strategicjournals.com](http://www.strategicjournals.com), © Strategic Journals

### INFLUENCE OF CREDIT FACILITIES ON FINANCIAL PERFORMANCE OF WOMEN OWNED ENTERPRISES IN NAKURU, KENYA

Bridgid Jepkomen<sup>1</sup> Nehemiah Kiplagat<sup>2</sup> Lawrence Kibet<sup>3</sup>

<sup>1</sup>Post Graduate Student, Kabarak University, Kenya

<sup>2,3</sup>Lecturer, Kabarak University, Kenya

Accepted: October 19, 2024

DOI: <http://dx.doi.org/10.61426/sjbcm.v11i4.3133>

#### ABSTRACT

*Women-owned micro and small enterprises face significant challenges in achieving optimal financial performance. Despite their vital role in the economy, these businesses encounter various obstacles that hinder their growth and sustainability. Therefore, the study sought to assess the influence of credit facilities on financial performance of women owned enterprises in Nakuru, Kenya. The study was anchored on Trade-off theory. The study used a descriptive research design. The population of the study comprised 682 Micro and small enterprises that are owned by women entrepreneurs in Rongai Sub-County, Njoro Sub-County and Bahati Sub- County. This study used a systematic random sampling to select those women who participate in Rotating Savings and Credit Associations. The sample size of 252 business women was obtained using Yamane, formula. Data was collected using structured questionnaires. A pilot study was conducted in Kericho County. Both face and content validity were assessed. An internal consistency technique was adopted to measure reliability of research instruments. All the variables had Cronbach overall value of 0.863 which was greater than 0.7. Quantitative analysis was used to analyze descriptive statistics. The study found a positive and significant relationship between credit facilities and the financial performance of women-owned enterprises in Nakuru, Kenya. From the findings the study concluded that credit facilities have statistically significant influence on financial performance of women enterprises in Nakuru, Kenya. From the findings the study recommends that ROSCA should encourage a culture of regular savings by promoting consistent contributions among members. They should also provide opportunities for members to build their creditworthiness within the ROSCA and explore partnerships with formal financial institutions to facilitate access to additional credit options.*

**Key Words:** Financial Performance, Credit Facilities and Women Owned Enterprises

**CITATION:** Jepkomen, B., Kiplagat, N., & Kibet, L. (2024). Influence of credit facilities on financial performance of women owned enterprises in Nakuru, Kenya. *The Strategic Journal of Business & Change Management*, 11 (4), 982 – 989. <http://dx.doi.org/10.61426/sjbcm.v11i4.3133>