**Effects Of Training Services By Microfinance Institutions On Women Empowerment: A Case Of Nakuru CBD, West Sub County, Kenya.**

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**Abstract:** Training services by Microfinance institutions, have recently been redeveloped to mainly promote women empowerment. This study sought to establish the effect of training services on women empowerment in Nakuru CBD, West Sub County , Kenya. Adopting descriptive research design, a simple random sample of 127 respondents were selected from a population of 293. A questionnaire was used as the primary data collection instrument constructed on a five point Likert scale as data was analyzed using Statistical Package for Social Sciences (SPSS) tool and presented inform of frequencies, percentages and Chi Square test of good fit. Inferential statistical analysis was done by use of Pearson’s Correlation Coefficient. Analyzed data was presented inform of statistical tables. Results show that training services are statistically significant and positively affect women empowerment. Further the study recommended that government and microfinance institutions providers upscale training programmes to increase financial literacy levels of rural women borrowers.

**Keywords:** Training services, Microfinance institutions **,**Women Empowerment

# 1. Introduction

## *1.1 Background of the study*

Initially when microfinance institutions services were developed, much focus was given on only the credit services. Nonetheless, since few years back, various initiations have been made to offer training programs to micro finance clients who are mostly women. Effecting training programmes and business development services can be used to enhance empowerment among women. Setting up and advancing business associations so that they can organize workshops, provide support and mentoring programmes, facilitate access to other microfinance services and to markets, undertake advocacy, and provide best practice exchanges. Even so, it is observed that due to the lack of special focus on training services on the side of MFIs and the insufficient willingness to invest resources, this additional type of intervention has not yet been widely used in most developing countries(Mona,2019). In this respect, many scholars have referenced the poor performance of provision of training services, particular in Africa, to financial constraints . Financial constraints refer to the inability of firms to obtain funds for profitable investment projects and growth. (Mwangi et al,2016) .

 The importance of microfinance institutions to providing entrepreneurial training services made the Central Bank of Kenya adopted it as the main source of financing entrepreneurship in Kenya. Despite this, however, finance is still considered as one of the core hindrance to entrepreneurial training services in Kenya. While government and Non-Government Organizations (NGOs) have been engaging a number of training programmes and policies to encourage women empowerment in the country, Kenya is still on the list of the poorest countries in the world with unemployment level rising alarmingly. It is therefore necessary at this junction to undertake an assessment of the extent to which microfinance institutions can provide these training services in return to impact entrepreneurial development and women empowerment(Waithaka, Marangu, & N’gondu, 2015). According to Finn Access Household Survey 2019,only 7% relied on training services provided by MFIs as 39.6 percent majority of Kenyans relied on their own knowledge. The survey also indicated 5.1 percent of females relied on training services provided by MFIs as compared to 8.2 percent male who relied on training services provided by MFIs. Hence, there is still a need by the microfinance institutions to conduct more frequent training services and programs.

## *1.2 Statement of the problem*

Over the past decades microfinance has received much attention as an instrument to mainly promote empowerment of women by tackling financial constraints. However, in Kenya, policies and strategies designed by MFIs to boost financial services and non financial services specifically training programs have been formulated in disregard of reliable information such as cost of conducting training programs, frequency of training programs and outreach of these services and their influence on microfinance clients. Hence, this study sought to establish the effects of training services by microfinance institutions on women empowerment in Nakuru CBD, West Sub County, Kenya.

## *1.3 Objective of the study*

## The study sought to achieve the following specific objective:

1. To establish the effect of training services on women empowerment in Nakuru CBD, West Sub County, Kenya.

# 2. Literature Review

According to the International Finance Corporation (2012), the majority of women entrepreneurs in low-income countries lack training. The entrepreneurial process is a primary source of developing human capital and also plays a significant role in providing education for individuals to improve their abilities, attitudes and skills (Brana, 2010). Ondoro and Omena (2012), agree that microfinance interventions include training extended to the low income people to help them start self-employment projects that generate income. Training has often been associated with MFI as a non-financial service that clients of MFIs enjoy. In many cases, essential business skill training should accompany the provision of microcredit to improve the capacity of the impoverished to use funds (Ondoro and Omena, 2012). Tertiary education and skills training have a positive impact on enterprise performance (Kuzilwa, 2009).The literary shows evidence that majority of MFIs clients do not have specialized skills and may not be able to utilize efficiently MFI factors and thus need training (Karnani,2017). In their study, Ondoro and Omena (2012), found that majority of the participants found the training provided by MFIs as beneficial and the more training provided, the more useful it was to them. Johnston and Murdoch (2012), the study showed that majority of respondents indicated that their ability to independently carry out economic exercises have been developed as the credits widened the limits of business transactions besides the investment training they were given by the microfinance. These findings suggest that training provided by MFIs has a significant influence on entrepreneurship activities. Maru and Chemjor (2013), found that training is an important MFI factor for women entrepreneurs as it provided the experience and skills needed for business. Further, those female entrepreneurs were satisfied with the form of training received from MFI institutions. One of the factors was the relevance of the topic taught and the convenience of the location. The majority of the respondents’ ion the study, however, cited the need for a change in the frequency of training to learn more.

 In reference to Harrison and Mason (2010), there is a need to study the training in entrepreneurship performance and credit in low-income countries due to the relatively low educational levels of women in these countries. In high-income countries, women are better educated than women in low income countries and this justifies the need for education which is related to training (Ibru, 2009).Women face business problems from the initial stages of their enterprises such as lack of marketing techniques, hostile business environments, inadequate project skills, lack of work sites, access to basic infrastructure and inadequate information on the assistance initiatives at stake.(Maru and Chemjor, 2013). According to Finn Access Household Survey 2019,only 7% relied on training services provided by MFIs as 39.6 percent majority of Kenyans relied on their own knowledge. The survey also indicated 5.1 percent of females relied on training services provided by MFIs as compared to 8.2 percent male who relied on training services provided by MFIs. Training is a significant factor among the microfinance interventions as it provides the experience and skills needed for business. This then means that there is a need to understand the peculiar situations of the majority of the women in low-income countries regarding social discriminations, low educational levels and poverty.

# 3. Methodology

Descriptive survey research design was adopted. The target population was limited to a representative in each of the women groups operating income generating projects in Nakuru West Sub-County who have participated in microfinance. There are a total of 293 active registered women groups in Nakuru West Sub-County. Adopting the formula by Nassiuma (2000), a simple random sample of 127 respondents were selected. A questionnaire was used as the primary data collection instrument constructed on a five point Likert scale as data was analyzed using Statistical Package for Social Sciences (SPSS) tool and presented inform of frequencies, percentages and Chi Square test of good fit. Inferential statistical analysis was done by use of Pearson’s Correlation Coefficient.

# 4. Results

## *4.1 Descriptive findings of effects of Training services on women empowerment*

It was deduced from the findings that usefulness of training services to better skills on good relation thus building social networks for market growth, a total majority of 60.7 of the respondents indicated little extent, some extent were 4.5%, great extent were a total of 34.8 % .Regarding usefulness to assist in good practice of preventive health, a sum total of 74.1 % of the respondents agreed to little extent, some extent were 2.2%, great extent were a sum total of 23.6%. Moreover on usefulness to enable one manage efficiencies and cost of operating enterprise, a total of 67.4% of the respondents indicated little extent, some extent were 7.9 %, great extent were a total of 24.7 % . The P values of the responses were < 5% indicating that there was no diverse views and disparities in the responses.(Table 1).

 Following the above results, a pattern is observed where majority of the respondents had negative response on non financial services, that it enabled them build social networks, instilling good preventive health measure and enabling them manage cost of operating enterprises. In conclusion, these findings indicate that the non financial services mainly training should be done more frequently in order to build the capacity of the respondents to improve their livelihood.

 Women empowerment was measured in three categories namely economic empowerment, increased well being and socio political empowerment respectively. In reference to economic women empowerment, Regarding whether more women have established businesses through attending training services and programs, great extent were a total of 49.4 %, some extent were 25.8%, little extent were a sum of 24.8%. In line whether knowledge gained from training services has created work opportunities among other women a sum total of 55.1% of the respondents indicated great extent, some extent were 28.1 % ,little extent were a total of 16.9% . In the statements, to establish businesses through attending training services and creating work opportunities for other women, there was no disparities in responses by respondents , while in the statements increasing women's property possession andexperiencing growth in business and increase profits, respondents showed disparity and diverse opinions in their responses. This is seen in their P values respectively.(Table 2)

 On the findings on increased well being ,Business skills gained from training services has contributed to household income and household savings, great extent were a total of 36.0%, some extent were 25.8 %,little extent were a sum total of 38.2% .In regards to taking challenges and believing in own self majority of 79.8 % of the respondents indicated great extent, some extent were 3.4 % and little extent were 16.9%. Regarding receiving respect, great extent were a total of 91.0 %, some extent were 6.7%, little extent were total of 2.2%. In respect to increase of self esteem among women who attend training services and programs, great extent were a sum of 84.3% and some extent were 15.7%. Lastly, on increase of self confidence among women who take part in training services from MFIs and invest it, a total majority of 76.4% of the respondents indicated great extent, some extent were 22.5% and little extent was 1.1%. Almost all responses had P values of less than 5% indicating cohesion in respondents views.(Table 3)

 In regards to socio political women empowerment, Regarding encouraging other women since participating training services by MFIs, a total majority of 82.1 % indicated great extent, some extent were 9.0% and little extent were a sum total of 9.0%. In reference to interacting with people freely and address gatherings with ease, a majority of 71.9% of the respondents indicated great extent and some extent were 28.1%. Moreover, in regards to gaining greater say when it comes to economic and other decisions, great extent were a total of 79.7% and some extent were 20.2%. Lastly, on women becoming visible leaders , great extent were a total of 83.1% and some extent were 16.9 %. The researcher noted that there was no disparity on respondents views with P values being less than 5%. This indicated consensus in views regarding socio political women empowerment through training services.(Table 4)

 From the above findings regarding effects of training services by MFIs on women empowerment, it can be concluded that, despite their low level of agreement responses on training services , women still feel empowered economically, in their well being ,socially and politically.

## *4.2 Association between Training Services and Women Empowerment*

The ultimate goal of this analysis was to establish relations between the two variables. Correlation coefficients measure the extent of these relations. Each such coefficient must lie between -1 and +1, inclusive. A positive coefficient indicates a positive association whereas a negative coefficient indicates a negative association between the variables. Findings( Table 5) there was a moderate positive correlation between training and women empowerment which was statistically significant (r **=** .542, p **=** .000 < 0.05). Hence the null hypothesis Ho1: Training has no significant effect on women empowerment was rejected.

# 5. Conclusions

The study concluded that training services complements the rest of micro-finance services by MFIs to realize the positive effects on user since these services sharpens personal skills that lead to positive behavioral change that influence successful realization of the general microfinance institutions programs.

# 6. Recommendations and Areas for further study

The study recommended that recommended that government and microfinance institutions providers encourage and upscale training programmes so as to increase financial literacy levels of rural women borrowers and firm owners

## *6.1 Suggestion for further research*

1. The study further suggests that similar studies should be conducted in different localities to authenticate the findings of this study and enable generalization of these findings.

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## Table 1: Responses on the effect of training services on women empowerment

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | Very Great Extent | Great Extent | Some Extent | Little Extent | Very Little Extent |  | P value |
| To better skills on good relation thus building social networks for market growth | 14(15.7) | 17(19.1) | 4(4.5) | 9(10.1) | 45(50.6) | 57.461 | .000 |
| To ensure good practice of preventive health measure for healthy well being | 12(13.5) | 9(10.1) | 2(2.2) | 14(15.7) | 52(58.4) | 86.787 | .000 |
| To enable management efficiencies and cost of operating enterprises | 17(19.1) | 5(5.6) | 7(7.9) | 8(9.0) | 52(58.4) | 86.899 | .000 |

**Table 2: Responses on women economic empowerment through Training services**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | Very Great Extent | Great Extent | Some Extent | Little Extent | Very Little Extent |  | P value |
| To establish businesses through attending training services and programs | 40(44.9) | 4(4.5) | 23(25.8) | 15(16.9) | 7(7.9) | 46.899 | .000 |
|  Knowledge gained from training services has created work opportunities for other women through using MFIs | 38(42.7) | 11(12.4) | 25(28.1) | 7(7.9) | 8(9.0) | 40.382 | .000 |
| To increase women's property possession through business skills acquired from training services | 21(23.6) | 14(15.7) | 17(19.1) | 22(24.7) | 15(16.9) | 2.854 | .583 |
| To experience growth in business and increase profits through gaining entrepreneurial skills from training services | 25(28.1) | 16(18.0) | 20(22.5) | 17(19.1) | 11(12.4) | 6.000 | .199 |

**Table 3: Responses on Increased Well being through training services**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | Very Great Extent | Great Extent | Some Extent | Little Extent | Very Little Extent |  | P value |
|  Applying business skills gained from training services has contributed to household income and household savings | 16(18.0) | 16(18.0) | 23(25.8) | 23(25.8) | 11(12.4) | 6.000 | .199 |
| To take challenges and believe in one self | 50(56.2) | 21(23.6) | 3(3.4) | 15(16.9) | 0 | 53.697 | .000 |
| To receive respect in the neighborhood | 68(76.4) | 13(14.6) | 6(6.7) | 1(1.1) | 1(1.1) | 182.404 | .000 |
| Self esteem has increased among women who have attended training services  | 58(65.2) | 17(19.1) | 14(15.7) | 0 | 0 | 40.742 | .000 |
| Self confidence has increased among women who take part in training services | 47(52.8) | 21(23.6) | 20(22.5) | 1(1.1) | 0 | 48.124 | .000 |

**Table 4: Responses on Socio political women empowerment through Training services**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | Very Great Extent | Great Extent | Some Extent | Little Extent | Very Little Extent |  | P value |
| Encouraging other women since participating in training services and programs. | 66(74.2) | 7(7.9) | 8(9.0) | 1(1.1) | 7(7.9) | 164.876 | .000 |
| Interacting with people freely and address gatherings with ease | 56(62.9) | 8(9.0) | 25(28.1) | 0 | 0 | 39.933 | .000 |
| Gaining greater say when it comes to economic and other decisions | 65(73.0) | 6(6.7) | 18(20.2) | 0 | 0 | 65.551 | .000 |
| Becoming a more visible leader | 60(67.4) | 14(15.7) | 15(16.9) | 0 | 0 | 46.539 | .000 |

**Table 5: Correlations between Training services by MFIs and Women Empowerment**

|  |
| --- |
| **Correlations** |
|  | training | women |
| training | Pearson Correlation | 1 | .542\*\* |
| Sig. (2-tailed) |  | .000 |
| N | 89 | 89 |
| women | Pearson Correlation | .542\*\* | 1 |
| Sig. (2-tailed) | .000 |  |
| N | 89 | 89 |
| \*\*. Correlation is significant at the 0.01 level (2-tailed). |

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