MICROFINANCE SERVICES AND FINANCIAL PERFORMANCE OF WOMEN OWNED ENTERPRISES IN MIGORI TOWNSHIP, KENYA

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ABSTRACT

Although women owned enterprises play an important role in ensuring the growth of an economy, most of these businesses face challenges including limited access to credit facilities and limited skills among women owners. Commercial banks have consistently remained reluctant to advance credit facilities among low income earners who mostly comprise of these women owned enterprises. Majority of the women owned enterprises are still at micro level with limited ability to transact in larger profitable firms because of limited access to financial resources. The study sought to bridge the gap by establishing the effect of Microfinance Services and financial performance of women owned enterprises in Migori Township, Kenya. The study was guided by the following objectives; to establish the effect of loan facilities, saving services, capacity building and market facilitation affect financial performance of women owned enterprises in Migori Township, Kenya. The study will be important to the management of women owned enterprises in Kenya, regulatory bodies including the CBK and future scholars and academicians. The study was anchored on the following theories; Entrepreneurship theory and Social theory. The study used descriptive research design. The population of the study was 1281 women owned enterprises in Migori Township. The study applied stratified random sampling technique. The sample size will therefore be 296 women owners of registered enterprises in Migori Township. The collected data was qualitative and quantitative in nature. To analyze qualitative data, content analysis was employed. For quantitative data, the researcher employed both descriptive and inferential statistics for analysis that covered means, standard deviations and regression analysis. The data was presented using tables, charts, frequencies, percentages, graphs and figures. 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. The study recommends that the women-owned enterprises need to embrace the microfinance services offered by MFIs in the area to propel them to peak performance. The study recommends that the MFIs need to train and mentor the enterprises on financial management and credit use before extending the credit services to improve ability of them to repay and use the resources well.

Keywords: microfinance services, financial performance, women owned enterprises, Migori Township, Kenya.

INTRODUCTION

Women play an important role in the growth of the economy and thus require empowerment by ensuring that they can access credit facilities conveniently for supporting their businesses. The key pillar of success and ultimate financial performance of women owned businesses is their accessibility to credit facilities required for running the day to day affairs (Ul-Hameed, Mohammad & Shahar, 2018). The story of most successful and developed countries can be attributed to small businesses (some are owned by women) which are so innovative in the changing business environment. An assessment of the influence of micro credit on growth of women owned enterprises in Kenya by Mamun (2016) revealed that about 3 million small businesses are supported by Microfinance sector. It was further noted that accessibility to micro credit positively impacts on growth and financial performance of enterprises especially those owned by women.

Microfinance services are particularly useful to low income earners involving women who are financially secluded from accessibility to financial services offered by commercial banks. In fact, Microfinance services are avenues and policy mechanism used by governments to empower women and thus reducing gender based violence. In most of the countries, the financial needs of low income earners have not been fully and effectively attained by commercial banks because of strict baseline demands and requirements (Hameed, Hussin, Azeem, Arif & Basheer, 2017). Additionally, low income earners are perceived to have low credit worthiness by commercial banks arising from limited assets ownership to be pledged as collaterals. To fill these gaps, Microfinance Services have significantly gained attention as these services are aligned to the financing needs of women owned enterprises (Garg & Agarwal, 2017).

Microfinance Services

Microfinance services are financial services including very small loan facilities, transfer of money, micro insurance, micro leasing and savings among the extremely poor members of the society for expansion of their businesses (Mamun, 2016). Microfinance Services are largely functional in developing countries where small businesses have limited accessibility to financial services from commercial banks. Microfinance Services are financial services offered to low income customers including those on a self-employment basis. Hameed et al. (2017) classified Microfinance Services to cover provision of credit and savings, financial intermediation services including group formation and financial literacy to impart owners of the business with skills and knowledge of managing their enterprises.

Microfinance Services are usually offered by microfinance institutions (MFIs). As of December 2017, statistics from the CBK (2017) indicates there were 13 licensed MFIs in Kenya. For the period of 2016 and 2017, there was an increase in customer deposits of these MFIs from Kshs. 2,682,308 million to Kshs. 2,937,971 respectively resulting into a 9.53% increase. For 2017, the total advances to customers by microfinance institutions stood at Kshs. 42,849 million (CBK, 2017). Thus, it can be inferred from the above CBK statistics that Microfinance Services have improved among business owners and thus positively influencing growth.

Microfinance institutions play an important role to enterprises by enhancing accessibility to loan facilities, offering of savings services, enhancing capacity building and market facilitation. The other critical services played by Microfinance on women owned enterprises include allowing low income households and business people to access insurance, leasing and training of business owners hence creating a financially literate economy (Atmadja, Su& Sharma, 2016). The loan facilities offered by Microfinance institutions are customized to the need of low income borrowers with flexible repayment terms and conditions. The interest charged on these credit facilities is relatively lower as compared to the one commercial banks charge. This enhances the growth and expansion of enterprises owned by low income individuals as the borrowed funds are used to support the operations of the businesses (Akotey & Adjasi, 2016).

Microfinance institutions allow individuals to save their wealth which can be borrowed at their convenience. Savings is the basis of investments as people invest a portion of what they have saved. Thus, Microfinance Services play an important role in festering savings which are used for investment purpose among enterprises and low income people. Capacity building is another role played by Microfinance institutions (Al-shami, Razali& Rashid, 2018). This is achieved through organizing for conferences, seminars and meetings with account holders. During these seminars, important information including financial literacy and how to effectively manage their enterprises is passed to members. Thus, capacity building serves to improve on skills and knowledge of the owners of small businesses besides improving on their decision making abilities (Alhassan, Hoedoafia &Braimah, 2016).

Market facilitation is the planning practice that ensures that the services or products offered by enterprises are continual and sustainable. Microfinance institutions partner with some of the enterprises to effectively serve the market hence improving on the revenues generated. Organizations exist because of the markets which comprise of the customer base (Zulfiqar, 2017). A well performing organization has a large customer base and thus market. Thus, by market facilitation, Microfinance institutions directly impacts on the amount of revenues generated by microfinance institutions and thus their financial performance. Market facilitation ensures that enterprise owners are able to retain their relative market shares in their industry of operation (Welsh, 2016).

Financial Performance

Performance occurs when competencies, abilities, skills and experience are combined to accomplish given tasks within a clearly established time horizon (Katoh &Standley, 2013). In the work place, job performance is ranking a person according to the required activities and tasks. To determine performance, either financial or non-financial indicators may be applied. Komppula(2013) ascertains that measurements of performance include profitability, return on assets and return on equity. Moreover, the non-financial measures of performance in an institution comprises of employee competence, client satisfaction and retention of the customer. In several organizations, performance acts as an indicator to show if the management and workers are on the right track or not. (Omari, Ateka, & Nyaboga, 2013).

Ekwueme, Egbunike and Onyali (2013) argue that organizational performance can be measured using four major factors; effectiveness (whether an organization can achieve its objective), efficiency (ability of an organization to use its resources properly), relevance (degree to which the organization's stakeholders perceive the organizations activity as being aligned to their needs and wants) and lastly financial viability (the extent which an organization is viable over a short and long term horizon and also how long the organization has remained profitable). Some of the critical features organizational performance are: income produced, motivated workers, culture of organization and organizational systems and processes.

STATEMENT OF RESEARCH PROBLEM

Although women owned enterprises play an important role in ensuring the growth of an economy, most of these businesses face challenges including limited access to credit facilities and limited skills among women owners. Commercial banks have consistently remained reluctant to advance credit facilities among low income earners who mostly comprise of these women owned enterprises. Majority of the women owned enterprises are still at micro level with limited ability to transact in larger profitable firms because of limited access to financial resources, (Geleta, 2016). Haraday, 2017 argues that goals also influence performance of these enterprises. Men will grow businesses as large as possible as they are guided by the motive of being their own bosses. On the other hand, women start businesses with the aim of integrating work and family and thus end up keeping the size of their enterprises smaller and more manageable. These women are more likely to believe they would not get a business loan even if they applied, in return men owned enterprises tend to perform batter as compared to women owned enterprises. Revenues in companies owned by women are 27% that of companies owned by men. Although the government has made several efforts including formulation of effective policies and regulations and creation of a suitable operating environment, these efforts however have borne insignificant results as far as women owned enterprises is concerned. For instance, in 2016, the CBK passed the interest capping regulation that was meant to lower the cost and affordability of access to credit facilities among commercial banks hence the growth in women owned enterprises (CBK, 2017). This regulation however has yielded little fruits as most of the women owned enterprises are still faced with a challenge of accessibility to credit. According to Lock and Lawton Smith (2016), microfinance services are the only avenues that the government can use as policy mechanisms of ensuring that more women owned enterprises access credit for better performance. A number of researches have been conducted to explore microfinance services and financial performance, although in different contexts. For instance, Alhassan, Hoedoafi and Braimah (2016) looked at how microfinance influences profitability among enterprises owned by women in Ghana. The key finding was that microfinance influences performance of enterprises owned by women. This study however focused on Ghana and not Kenya. While focusing on women owned SMEs in Tamale Metropolis, Alhassan (2016) assessed how microfinance influences their performance and a positive relationship was established. This study was however not conducted in Kenya hence creating a research gap. In Tanzania, Monge (2016) examined microfinance finance and how it influences performance of SMEs. The key finding was that microfinance positively influences performance of the firm. The research however was carried out in Tanzania and not in Kenya. In Kenya, Kanyare and Mungai (2017) looked at determinants of microfinance and how they influence financial performance of Wajir County SMEs. It was established positive link between savings, accessibility to credit and training services and financial performance of SMEs. The research however focused on SMEs in general and not women owned enterprises specifically. Thus, in as much as studies have explored microfinance and financial performance, most of these studies however focused in different contexts in terms of countries. Other studies were done among SMEs in general and not specifically women owned enterprises. Other studies were done in different counties including Wajir. Also, most of these studies were done many years ago therefore the time gap prompting for this research. These create research gaps that this research wanted to fill by looking at the effect of microfinance services and financial performance of women owned enterprises in Migori Township, Kenya.

MAIN OBJECTIVE

The main objective of the study was to investigate the effect of microfinance services on financial performance of women owned enterprises in Migori Township, Kenya.

SPECIFIC OBJECTIVES

1. To establish the effect of credit facilities on financial performance of women owned enterprises in Migori Township, Kenya
2. To determine the effect of savings services on financial performance of women owned enterprises in Migori Township, Kenya
3. To establish the effect of capacity building services on financial performance of women owned enterprises in Migori Township, Kenya
4. To establish the effect of market facilitation on financial performance of women owned enterprises in Migori Township, Kenya

THEORETICAL REVIEW

Entrepreneurship Theory

This research was directed by entrepreneurship theory of (Shane 2005). The theory entails discovery of opportunity, assessment of the opportunity and the choice to exploit the given opportunity. Opportunities are generated by external environment for those entrepreneurs who identified them to commence or enhance their businesses and welfare as well. (Shane, 2005). The capability of Entrepreneurs to find and bang such chances are different to each entrepreneur. Such opportunities also depend on capability of entrepreneur to access information and their attitude to act towards it (Shane, 2005). Fluctuations in business environment like political, economic, legal, financial, and socio-cultural factors also affect opportunity discovery. For instance, business opportunity discovery can be influenced by availability of capital, level of income of the entrepreneur, political stability, laws governing private enterprise and property rights and the wish for improved social status by the entrepreneur. Opportunity exploitation is dependent on the entrepreneurs' skills, education level, credit and social networks (Shane, 2005). The decision to exploit opportunity leads to quest for micro-finance which in turn leads to entrepreneurial activity. Kuzilwa (2005) however says that environment plays a greater role in opportunity exploitation than individual attributes.

Individual attributes affect discovery of entrepreneurial opportunity. It is made of psychological and demographic factors such as motives, attitude to risk, education, and training, career experience, age, and social status (Deakins, 1999). The theory is relevant to the study because access to loans and savings can influence entrepreneur's tapping of business opportunities and also facilitating entrepreneurial activities which thus helps in attaining optimal performance among women owned enterprises.

Social Learning Theory

This theory was formulated by Bandura (1977) to describe how individuals learn given behavior. The theory argues that people learning by strictly observing what other do or how they behave in a social setting. In other words, people use role models as benchmarks to learn by observing what they do or how they behave. This theory is increasingly used as a component of natural resource management and on the promotion of desirable behavioral changers.

This theory was developed on the idea that every organization learn from others in terms of social set up. This is basically done by observing the behavior of others by doing so people develop similar behaviors. Other observation of the behavioral changes people simulates, imitate what other people are doing. This observation is more profitable when they are positive or there is reward to observe the behavior at the end. According to Bandura, imitations may involve the actual reproduction of observed motor activities (Rotter, Chance & Phares, 1972).

This theory has become the most influential theory in micro financial institutions. It is basically rooted in the tradition basic concept of learning theory. This theory has been often called bridge between behaviorist learning theory and cognition learning theory because it incorporates attention, memory and motivation on this concept Burundi identified that reinforcement could not account for all types of learning. From this argument, he added a social element that people can generally learn new ideas and believe on them by watching other people (Krumboltz, Mitchell, & Jones, 1976). According to the element of this theory there are several principles of learning which observation, imitation are and modeling. This theory is applicable to the research because it links capacity building which aims at imparting skills on owners of business.

EMPIRICAL LITERATURE REVIEW

Credit Facilities and Financial Performance

Unlike commercial banks, Microfinances are customized to the financial needs of women enterprise owners. Thus, Microfinance increases the ability of low income women owners of businesses to access loan facilities that can be used for expansion of their enterprises hence financial performance. Despite existence of Microfinance, accessibility to financial services among women owned enterprises still remain poor. This is brought about by collateral requirements that should be pledged before a loan is granted to these individuals. Since most of these low income earners have not adequate assets to pledge as collaterals, they are left out from accessibility to credit facilities (Kimanzi, 2016). Most women owned enterprises get it hard to access financial services from lending institutions as they have limited information of effectively securing the credit facility. At the same time, managers of most commercial banks are so reluctant to offering loans to women as compared to male counterparts. Although credit may be available in the lending institution, there however exist gaps for many women owned enterprises to access the credit facilities (Lebovics, Hermes & Hudon, 2016).

Accessibility to credit is the major constraint limiting performance of women owned enterprises. Financial institutions like commercial banks are reluctant to advance loans to these women owned enterprises because of the costs involved. To meet this gap, Microfinance institutions offer loans to customers at a relatively lower interest rate. Enterprises stand to significantly benefit from accessibility to credit facilities through increased stock and sales revenues. Such enterprises are in position to take up risky projects and the higher the risks, the greater the returns in the event that the projects undertaken become successful. This observation is according to Belás, Vojtovič and Ključnikov (2016) in microenterprises and significant loan risks.

Although there are different models of lending among Microfinance institutions, the two common ones include group lending and individual lending model. In group lending, specific number of individuals unite and come together to secure credit facility from a microfinance institution. Loan facilities are not issued to individuals but rather among people working in groups. The members are liable to repayment in case any member fails to repay the loan amount. Although interest charged may be similar to that of commercial banks, but it is relatively lower than the individual lending. The repayment rate is higher as each member is held liable for debts of every member of the group. The social ties and values held together inform the formation of such groups. There is no requirement for collaterals in group lending. Although group lending is advantageous, some members may however default thus creating pressure for other members of the group to repay the amount defaulted (Nxumalo and Kaseeram, 2017).

With individual lending model, the institution issue microfinance to borrowers at the individual level. This requires the borrower to have a guarantor before the loan facility is granted. This is the most effective lending model for recovery of credit because the guarantor can exert pressure on the client to repay the loan of the institution. This model of lending limits the time it takes to convene group meetings before Microfinance is advanced. However, the guarantee mechanism is only effective when borrower has sufficient assets to be pledged as collateral, if it can be easier to transfer the pledged asset with ease and the asset pledged is not highly liquid (Naidu& Chand, 2017).

Savings Services and Financial Performance

As a microfinance service, saving is important to customers whose assets are relatively small so that they are able to make group and weekly savings which can be mobilized for provision of other credit facilities to other members. Most poor people are more willing to save than borrow which helps in protecting their responsibilities. The amount and pattern of saving usually determine the amount of loans advanced by the lending institutions. Most lending institutions use the amount of savings to determine the amount of loans that individuals qualify. High amount of savings can attract greater amount of loans in the event of borrowing. Savings can also be used as collateral during borrowing of credit facilities. In the event that the borrower fails to meet the amount borrowed (default), a lending institution can freeze the amount saved until the loan advanced is cleared (Kimanzi, 2016).

In economic terms, savings comprise of the portion of income that is not consumed. This has an implication that an increase in savings would mean a reduction in consumption. In a firm, consumption would mean payment of expenditures that do not directly influence profitability of the business. Women owners of enterprises should therefore be careful to strike a balance between consumption of their business and what is left for saving (Mori, 2016).

People make savings for different purposes which are best described as motives for holding cash. These include transaction, speculative or precautionary motive. Thus, people can make savings for to meet the present or future consumption pattern, unforeseen changes including a risk or calamity. The amount of saving accumulated require certain procedures to be withdrawn depending on the terms of deposit. Saving in financial institution can be on fixed, or demand deposit account. Each account has prescribed rules and requirements on when and how withdrawals should be done (Nxumalo &Kaseeram, 2017).

The frequency with which customers deposit money in financial institutions determines the size of the saving which goes a long way to influencing the amount of loans that can be granted. Savings made on a regular basis will increase the available balance and one stands to get a large loan in case of borrowing which can be used for expansion of operations of the business and thus financial performance of the organization. The type of account maintained by a customer informs the frequency with which savings are made. There are certain accounts where once a fixed initial amount of saving is made; there is no addition until a stated period of time (Ul-Hameed, Mohammad & Shahar, 2018).

Capacity Building Services and Financial Performance

Capacity building is arrangement and facilitations done to create more awareness among women enterprise owners for improved skills. Capacity building can be attained through organization of seminars, meetings, events and conferences. Such arrangements include training and impartment of crucial skills required by women owned enterprises. For better performance of enterprises, owners need to be trained on how best to manage finance, manage customer complaints, handle conflicts of employees and make informed decisions that drive the overall performance of an organization (Maina & Mwiti, 2016).

Capacity building is crucial among women entrepreneurs as it directly foresters mentoring and social capital that are crucial drivers of financial performance. Mentoring is ideal as it helps in ensuring the specific problems and challenges faced by women entrepreneurs are effectively solved. At the same time, most women owned enterprises are managed by people with adequate training. Capacity building would come in to strongly bridge this gap in limited training and skills of women owners of enterprises (Mori, 2016).

Capacity building is aimed at building and enhancing the knowledge of women entrepreneurs to assist them to solve complex issues in the environment of their operation. Most women enterprises are still at micro level which is attributed to limited skills among owners to think outside the box and make informed decisions. Most women owned enterprises require sufficient training and skills for managers and other inputs for better financial performance (Baltov, 2016).

To start and operate an enterprise, there are two possibilities either success or failure. Owing to their relatively smaller size, a small issue committed by the management team would adversely cost and affect the operations of the entire enterprise. Inadequate skills to plan, finance and manage these enterprises can significantly lead to their failure. Capacity building is particularly important in allowing women to network with other successful owners of the business. By borrowing examples of most successful business, it would be significant for women owned businesses to succeed (Nxumalo&Kaseeram, 2017).

Networking is a source of social capital among women owned enterprises. Social capital is an important determinant of performance of any institution. A strong social capital ensures that women owned enterprises facing challenges for example cash flow problems can effectively liaise with their friends or support and bail out. Operations of the enterprise will not be swift and smart all through the journey as there are always bad and good times. Social capital is particularly important during bad times when the operations of the business are poor including the issues with liquidity and reduced sales revenues (Heuër, 2017).

Market Facilitation and Financial Performance

No enterprise exists without a market that comprises of the customers to be served. The customer base determines the overall financial performance of an organization. Any organization striving to improve on its financial performance must increase the market share through greater customer satisfaction. Women owned enterprises are formed for specific purpose serving specifically targeted customer segments. Their financial performance depends how well they serve their specific customers in the markets (Terjesen, Bosma & Stam, 2016).

Most of the women owned enterprises operate at a micro level meaning they have limited access to the market. Such firms have limited resources to invest in promotion and advertisement of their products to customers. Promotion of products that would increase the market can be done through print media and other forms which require heavy investment that enterprises owned by women cannot afford. The limited resources among women owned enterprises imply low customer bases which translate into low revenue generation and therefore adversely affecting financial performance (Ratten, 2016).

Offering microfinance to women owned enterprise would therefore help the owners to invest in marketing efforts and thus growing the customer base hence financial performance. By increasing the degree of advertisement of their products, this results into market facilitation which positively influence financial performance of an entity. Market facilitation ensures that more and more customers are attended to and the needs of these customers are effectively met. Market facilitation ensures that a broad range of products and services are available to customers for choosing which increases the level of satisfaction. Increased customer satisfaction would lead to better financial performance of the organization (Inman, 2016).

RESEARCH METHODOLOGY

Research design is the context that guides how the research is done in a logical manner. Through the study design, the researcher is better placed to collect sufficient evidence on the research questions for attainment of study objectives. The study employed a descriptive research design. The study consisted 1281 enterprises owned by women in Migori Township, as provided by county statistics office data. The population was divided into four categories based on the different types of enterprises that exist. The respondents were women owners and/or managers of these enterprises. The study applied stratified random sampling technique. The technique is appropriate as the target population is significantly heterogeneous and specific subgroups will need to be highlighted, to create representative samples from even the smallest in accessible subgroups. The population therefore, having been divided into smaller subgroups based on members shared attributes, a random sample was taken from each stratum in a number that is proportional to the size of the stratum. For this study, from the population of 1281, to get the sample is necessary. Kothari (2004) advocates that a decent sample must be a true representative of the population resulting into a small sampling error. According to Kothari, a representative sample is one which is at least 10% of the population thus the choice 10% equal to 128 was considered as representative. The research used questionnaires to gather primary data. The questionnaires were semi-structured comprising of open and close ended questions. The questionnaires were divided into sections based on the study objectives. Some of the questions were structured using a five -point Likert scale. Data analysis is conducted on the research data to convert it into a functional form from which conclusions and recommendations can be made thereafter. The collected data was qualitative and quantitative in nature. To analyze qualitative data, content analysis was employed. For quantitative data, the researcher employed both descriptive and inferential statistics for analysis that shall cover means, standard deviations and regression analysis. The adopted regression model took the following form:

$$\mathbf{Y_t = \beta_0 + \beta_1 X_{t1} + \beta_2 X_{t2} + \beta_3 X_{t3} + \beta_4 X_{t4} + \varepsilon}$$

Where: Y –Financial Performance; t = financial years 1, 2 & 3; β_0 = is y intercept or y-axis when x is 0; β_1, β_2, β_3, β_4 – regression (beta) weights associated with independent variables; X_1=loan facilities; X_2=savings services; X_3=capacity building services; X_4=market facilitation

RESEARCH RESULTS

The study sought to establish the effect of microfinance services on the financial performance of women-owned enterprises in Migori Township, Kenya. The study sought to establish the effect of credit facilities, savings services, capacity building services and market facilitation on the financial performance of women-owned enterprises in Migori Township. 1281 enterprises were included in the study. The study sample size was 128 owners or managers of the enterprises where 100 of them completed the questionnaires and returned them for analysis. Both descriptive and inferential statistics were used to analyze and present data.

Credit/Loan facilities and financial performance of women-owned enterprises

The study established that to a great extent the microfinance institutions in the area are flexible to issue loans to the enterprises using their cash flow from business, the institutions were able to support the businesses with loans at a lower interest rate compared to banks, loans from the institutions has helped the enterprises increase their stocks, sales revenue and facilitated their growth. The study further established that to a moderate extent the microfinance institutions in the region extended loans to the enterprises based on the business network as collateral, the loans from the institutions have helped them expand their business into new areas and the institutions have customized their loans to fit the enterprise needs. This indicates that to a great extent the microfinance institutions extended credit facilities to the women-owned enterprises in Migori Township at lower interest rates which helped the businesses to increase stock, sales revenue and facilitated their growth. The study further indicated that the credit facilities offered by the MFIs in the area have immensely contributed to the growth of the enterprises by providing seed capital, additional capital for expansion, provide training on use of finances and monitors resource use and growth prospects.

Savings Services and Financial Performance of women-owned enterprises

The study established that to a moderate extent, the MFIs in Migori Township have taught the enterprise owners/managers the importance of savings, the savings services have enabled them distinguish between short term and long term savings and that the saving services have enabled the enterprise owners/managers strike a balance between consumption and business growth. The study further established that to a great extent savings from the MFIs offer the enterprises an opportunity to borrow loans, the pattern of their savings in the MFIs determine the loan advances they can be allowed, their savings in the MFIs have been used as collateral for loans, the frequency of deposits in the MFIs determine the size of loan they can access and savings services offered by the institutions have enabled the respondents set aside some funds for the future of their business. This indicates that to a great and significant extent, the women-owned enterprises in Migori Township have been trained on the saving culture, importance of savings, used the savings to borrow loans and improve their collateral by the MFIs. In general savings services by the MFIs have improved the financial planning and management among the enterprises for future business growth and expansion

Capacity Building Services and Financial Performance of women-owned enterprises

The study established that to a moderate extent, the MFIs in Migori Township hold regular trainings on financial management for the women owned enterprises in groups, they teach them the importance of keep books of account for their enterprises, they teach them on the importance of saving cash with the bank, they teach them on the importance of working together in groups to access credit facilities, importance of customer service, how to handle customer complaints, how to handle employee conflicts, how to make informed decisions that driver the overall performance, financial management and networking with other business people from other regions. The respondents indicated further that to a small but significant extent the microfinance institutions in the area trained the enterprise owners on strategic plan formulation, strategic plan implementation, strategic plan monitoring and strategic plan evaluation. This indicates that to a moderate but significant extent, the women-owned enterprises in Migori Township accrued capacity building services from MFIs in the area which ranged from trainings and mentorship on financial management, strategic management, human resource management, customer service, decision making and networking which contributed greatly to the growth of the enterprises. The capacity building services improved the knowledge and skills among the entrepreneurs and managers in running and managing their enterprises diligently and professionally to propel them to peak performance.

Market facilitation and Financial Performance of Women-owned enterprises

The study established that to a moderate extent the microfinance institutions have enabled the respondents promote their businesses in different forums, marketing services have increased their revenue generation capabilities, the services have enabled them differentiate their product offerings from those of their competitors and serve more customers. To a limited but significant extent, the market facilitation services offered by the MFIs have enabled the respondents advertise their products in different forums, enabled them get more products to markets they were not serving before and those that they are serving. This indicates that to a moderate extent, the women-owned enterprises in Migori Township accessed market facilitation services from MFIs which included promotions, advertisement, product differentiation and market access which have increased revenue generation, widening of customer base and increased place utility to existing and prospective markets. Market facilitation services have acted a bridge between the enterprises and their customers/market. The services have improved knowledge, skills and networks on marketing among the entrepreneurs.

INFERENTIAL STATISTICS

A multiple linear regression model was used to establish the influence of corporate image management strategy on performance of sugar companies in western region of Kenya. The findings of coefficient of correlation and coefficient of determination are as shown in Table 1.

Table 1: Model summary

Model	R	R square	Adjusted r square	Std. Error of the estimate
1	.817[a]	.813	.845	1.12261

a. Predictors: (constant), credit facilities, savings services, capacity building services & market facilitation services

The study shows that coefficient of correlation R of 0.817 an indication of strong of correlation between the variables. Coefficient of adjusted R^2 was 0.845 which translates to 84.5%. This show that changes in dependent variable can be explained by independent variables (credit facilities, savings services, capacity building services & market facilitation services). The residual of 15.5% can be explained by other variables not incorporated in the current study.

An ANOVA was conducted as 95% level of significance. The findings of $F_{Calculated}$ and $F_{Critical}$ are as shown in Table 2.

Table 2: ANOVA

Model	Sum of squares	Df	Mean square	F	Sig.
Regression	911.114	15	60.7409	28.4954	.000[b]
Residual	181.153	85	2.1316		
Total	1092.267	100			

a. Dependent variable: Financial Performance
b. Predictors: (constant), credit facilities, savings services, capacity building services & market facilitation services)

The study established that the study had $F_{Calculated}$ of 28.4954 and $F_{Critical}$ was 6.5573, this show that of $F_{Calculated} > F_{Critical}$ an indication that the overall regression model was significant for the study. The p value was $0.00<0.05$ an indication that at least one independent variable significantly influenced the financial performance of women-owned enterprises in Migori Township.

In order to establish the individual influence of each of the variables of microfinance services on the financial performance of women-owned enterprises in Migori Township, regression coefficient was used. The findings are indicated in Table 3.

Table 3: Regression Coefficient

Model	Unstandardized coefficients		Standardized coefficients		
	B	**Std. Error**	**Beta**	**T**	**Sig.**
(constant)	6.115	1.137		2.265	.000
Credit facilities	.819	.064	.311	3.214	.000
Savings services	.881	.015	.342	3.105	.000
Capacity building services	.716	.094	.513	2.375	.000
Market facilitation	.671	.058	.411	3.012	.00

a. Dependent variable: Financial Performance

$$\mathbf{Y = 6.115 + 0.819X_1 + 0.881X_2 + 0.716X_{+} 0.671X_3}$$

Where: Y = Financial Performance of women-owned enterprises in Migori Township; X_1 = credit facilities as a microfinance service; X_2 = savings services offered by microfinance institutions; X_3 = capacity building services; X_4 = market facilitation services

Table 3 indicates that all variables held constant, financial performance of women-owned enterprises in Migori Township, Kenya would be at 6.115. A unit increase in credit/loan facilities from MFIs while holding other variables constant translates to an increase in financial performance of the enterprises by 0.819. A unit increase in savings services from microfinance institutions while holding other factors constant, financial performance of the enterprises would be at 0.881. A unit increase in capacity building services from the institutions while holding other factors constant, financial performance of women-owned enterprises would be at 0.716 while a unit increment in market facilitation services translates to an increase in financial performance by 0.671. The study established that all the indicators of microfinance services used had a p value of 0.001<0.05 an indication that the variables significantly influenced financial performance of women-owned enterprises in Migori Township, Kenya. This is supported by Maina & Mwiti, (2016) in their study on the effect of microfinance institutions' services on the performance SMEs in Kenya where they indicated that a wide range of services offered by MFI such as credit facilities, savings schemes, trainings and networking had a positive and significant effect on financial performance of the businesses.

CONCLUSION

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.

It was concluded that to a great extent the microfinance institutions extended credit facilities to the women-owned enterprises in Migori Township at lower interest rates which helped the businesses to increase stock, sales revenue and facilitated their growth.

The study further concluded that to a great and significant extent, the women-owned enterprises in Migori Township have been trained on the saving culture, importance of savings, used the savings to borrow loans and improve their collateral by the MFIs.

The study concluded that to a moderate but significant extent, the women-owned enterprises in Migori Township accrued capacity building services from MFIs in the area which ranged from trainings and mentorship on financial management, strategic management, human resource management, customer service, decision making and networking which contributed greatly to the growth of the enterprises

The study concluded further that to a moderate extent, the women-owned enterprises in Migori Township accessed market facilitation services from MFIs which included promotions, advertisement, product differentiation and market access which have increased revenue generation, widening of customer base and increased place utility to existing and prospective markets.

RECOMMENDATIONS

The study recommends that the women-owned enterprises need to embrace the microfinance services offered by MFIs in the area to propel them to peak performance.

The study recommends that the MFIs need to train and mentor the enterprises on financial management and credit use before extending the credit services to improve ability of them to repay and use the resources well.

The study recommends that the enterprises need embrace savings, capacity building and market facilitation services to enable them pool their savings, enhance their skills, abilities, knowledge and network in market management, human resource, financial management and record keeping.

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