



## **Understanding Lifelong Learning in Successful Women Managed Small and Medium Enterprises in Kakamega County: The Case of Kenya Women Microfinance Bank**

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### **Abstract**

*This qualitative study was a follow up to a 2022 study on the impact of lifelong learning (LLL) on women managed, small and medium enterprises in the context of KWFT biashara loan. The study sought to: create a deeper understanding of the LLL experiences of successful women managers of KWFT biashara loan SMEs; find out the influence of LLL on successful women managed KWFT SMEs, from the perspective of the women managers, with an aim of making recommendations for policy and practice for LLL in the KWFT financial literacy training. This study utilized a multi-site case study approach that purposively selected three successful SMEs from a pool of six SMEs that were observed in the 2022 study in Kakamega County of Kenya, under this Women Economic Empowerment Project funded by the Bill and Melinda Gates Foundation and housed at Kenyatta University WEE-Hub. Data was collected by use of semi-structured interviews and observation. Among other findings, this study reveals varied experiences and opinions concerning LLL in the context of KWFT biashara loan, including the group model of training and lending that was praised in one case and described as having some weaknesses that required attention in two cases. Notably, all women managers of the successful KWFT biashara loan SMEs understood the basics of business and financial management, which they partly attributed to LLL in the context of KWFT financial literacy training. They also had strong support from their spouses, diversified their businesses and had visible assets that were acquired from the proceeds of the SMEs, among other findings. This study demonstrates how KWFT could strengthen the group model of training and improve on the training curriculum, among other recommendations.*

**Key Words:** Women Economic Empowerment, Kenya Women Microfinance Bank, Small and Medium Enterprises, Lifelong Learning, *Biashara* Loan, Kenya Women Microfinance Bank.

## Introduction and Background

Women Economic Empowerment (WEE) is a key factor in the development of all economies worldwide. Accordingly, WEE remains a topic of great concern in the 21<sup>st</sup> century given that women still experience economic injustice the world over. While women in developed economies may be doing better than their counterparts in the developing world, there is no society whose women are completely free from economic and social injustice. In Canada for example, a woman earns only 75 cents for every dollar earned by a man on average (Oxfam Canada, 2021). This situation is further complicated by the fact that women still disproportionately bear the burden of reproductive work, which is often taken for granted, and not paid in many cases, yet essential for the well-being of society (Mandela, 2023; March, Smyth & Mukhapadyay, 1999; Oxfarm Canada, 2021). The weight of reproductive work leaves many women with little time to engage meaningfully or at same footing with men in productive work that is paid for and respected in the society.

Kenya, like any other developing country, has significant disparities between men and women in the economic space. Accordingly, women are more vulnerable to poverty than men at both household and economic level, given that the women are affected more by gender-based violence and often have lesser education than men (USAID, 2020). A key factor worth noting is that women form a significant portion of the Kenyan population whose sex ratio stood at 98.77 males per 100 females in 2021 (Statistics Times, 2012). This is a clear indicator that economic development cannot happen when slightly over 50 percent of the population is held back. In fact, while the majority of Kenyan women mainly work in the Agricultural sector, the women have little power over Agricultural resources because men hold over 90% of the title deeds of the land on which women are farming (FIDA KENYA, Undated).

Kenya Women Microfinance Bank (KWFT) is one of the organizations that have been on the forefront in championing WEE in Kenya, through helping women to access affordable savings and credit products. Consequently, women who benefit from KWFT products are expected to gain power to run small and medium enterprises (SMEs), acquire assets and better their lives and those of their families, among other benefits. Notably, KWFT was established in 2008, first, as a microfinance institution known as Kenya Women Trust Fund, and eventually began taking customer deposits in 2010, hence changed its name to Kenya Women Microfinance Bank that became regulated by the Central Bank of Kenya. The founders of KWFT constituted a team of professional women that were passionate about providing a solution to the financial and non- financial needs of women in Kenya. Currently, KWFT has well over 245 branches operating in 45 out of the 47 counties in Kenya, with a commendable presence in remote rural and peri-urban locations. The bank boasts of a client base of over 800,000 women, who could have otherwise had limited options of accessing credit to develop themselves in many aspects of their lives including running and expanding SMEs (50MAWS, 2023). The KWFT services include a variety of both savings and credit options for women (Kenyaplex, 2014).

This research was interested in a KWFT credit product referred to as *biashara* loan, which means business loan. It supports women managed SMEs and the lifelong learning (LLL) that comes with the continuous financial literacy training offered to women who benefit from the product. According to 50MAWS (2014), this free of charge financial literacy training offered by KWFT equips women

with knowledge and skills in business, including book keeping/record keeping and how to save. The training is supposed to be conducted for a period of 8 weeks before the loan uptake and thereafter, women beneficiaries of the credit product hold regular meetings in their respective groups. In these meetings, the women are normally joined by KWFT officials who answer their questions about past trainings, emphasize important points and ensure continuity of learning through provision of new but relevant information that is context specific for particular women groups.

Evidence from the first qualitative study of 2022 in this Women Economic Empowerment project, which focused on the impact of LLL on women managed SMES demonstrated that KWFT also occasionally organizes for training seminars in central places, usually urban centers. Such training seminars offer continuous financial literacy training to women who are selected across the groups and who are expected to cascade the knowledge and skills gained from the seminar to other members of their groups. However, data from the three cases in this study indicate that such training seminars might have been more regular and vibrant in the earlier years of KWFT operation than they are today. The KWFT seminars and their cascading encouraged vibrant conversations around good business and financial skills, habits and practice, hence promoted lifelong learning. Further, this study conceptualize KWFT training as contributing to lifelong learning because it is meant to be continuous in-line with new changes in the society in general and in the business world in particular, and incorporate new products that KWFT introduces. For instance, new changes in the use of technology may be included into the training when and where necessary to keep the business women informed on new ways of managing their SMEs in the context of KWFT *biashara* loan. Women who attend the KWFT seminars were also found to share the information gained from the trainings with their family members, including spouses and children, who were interested in or supported them in their businesses, hence, useful aspects of LLL.

The KWFT product that this study was interested in, which is *biashara* loan, mainly utilized a group lending strategy where women were placed in groups based on their geographical locations, and they elected their own officials, including chairperson, treasurer and secretary. KWFT then assigned an officer to each group, who visited them occasionally, to enlighten them about the various bank products and new developments in the world of business. In such groups, women often guaranteed loans for one another without necessarily having to provide extra collateral to KWFT. It was the responsibility of the group members in general, and guarantors in particular, to ensure that loans were paid and that the borrowers did not default.

Research demonstrates that learning and working in groups yields better returns as compared to individual training. In fact, groups promote peer-to-peer learning as encouraged by financial literacy training in KWFT's *biashara* loan. Furthermore, new information that may only be available to a few people in the world of business, is easily shared within groups, especially when the learning environment is free and relaxed (50MAWS, 2023; Mandela & Mwangi, 2023). It became necessary for this study to establish what the KWFT *biashara* loan beneficiaries whose SMEs seemed to do well, as observed in the first qualitative study, had to say about their lifelong learning experiences in regard to group training and seminar models used by KWFT, the knowledge and skills they gained in the process and how it contributed to their success. Following the first qualitative study on LLL and KWFT women managed SMEs that demonstrated that some women were doing far much

better in their businesses than others despite belonging to the same regions, a knowledge gap on what made some women managed SMEs stand out and why, became apparent. Accordingly, this second qualitative study, which took a multi-site case study approach, was done to fill this gap. The study followed *biashara* loan beneficiaries whose SMEs seemed to flourish, based on the first qualitative study, to seek a deeper understanding of why and how that happened in the context of LLL and KWFT financial literacy training. Three women SME managers and their businesses were purposively selected from three different locations of Kakamega County, hereby referred to as location 1, 2 and 3 for the ethical purposes of confidentiality and anonymity.

It is worth noting that the first qualitative study mainly focused on understanding the impact of lifelong learning on profitability, decision making, access to resources, control of resources and income of women managing SMEs from KWFT *biashara* loan. This second qualitative study, whose purpose was to gain a deeper understanding of LLL and success of women managed SMEs that accessed *biashara* loan was a follow up to the first qualitative study. Accordingly, this study set new objectives that helped generate a deeper understanding of why some women were succeeding in their SMEs more than others in the context of LLL as highlighted in the section below.

### **Objectives of the Study**

This study was guided by the following objectives:

1. To find out the LLL experiences of successful women managers of KWFT *biashara* loan SMEs.
2. To establish the influence of LLL on successful women managed KWFT SMEs.
3. To determine reasons for the success of the selected KWFT *biashara* loan SMEs, from the perspective of the women managers.
4. To generate recommendations for policy and practice for LLL in the KWFT financial literacy training for *biashara* loan.

## **RESEARCH METHODS AND PROCEDURES**

This study took a qualitative orientation that utilized multi-site case study innovative approach to gain an in-depth understanding of LLL in successful women managed SMEs that accessed KWFT *biashara* loan. The study set out to record experiences of LLL by sampled women managers of SMEs, the influence of LLL on the businesses in question, and reasons why the SMEs succeeded from the perspective of the women managers. The study looked at the questions highlighted above with an aim of making recommendations for policy and practice for LLL in the context of KWFT *biashara* loan.

In multi-site research, the same research procedures are performed at multiple sites (University of Washington, 2023). The three different geographical locations of Kakamega County, referred to as location 1, 2 and 3 in this study, where specific case studies of SMEs under women managers were sampled from, represented the multiple sites in this study. Besides, the same research methods and procedures that were used in this study shall be replicated in more geographical locations of

Kakamega, Machakos, Vihiga and Kilifi counties where the first qualitative study on LLL and KWFT *biashara* loan SMEs was done. This study aimed at collecting in-depth qualitative data that was recorded both manually and electronically by use of audio and video recorders. The electronic data was later transcribed into text to capture verbatim voices that were used to strengthen data presentation and discussion.

### **Sampling and Sample Size**

Each of the three cases in this qualitative study were sampled purposively from a pool of cases (six) that were observed in the first qualitative study done in Kakamega County in 2022. The sampled cases were those that had been perceived as doing better in comparison to the ones that were not sampled for this study. Some of the success indicators used in selection of cases included high customer flow as recorded in observation data, high uptake and repayment of KWFT loan, growth in borrowing power, presence of casual workers in the business and evidence of assets acquired from the proceeds of the business. The assets included land, rental and residential houses, cartwheel and vehicles, among other things.

Efforts were made to include varied age groups of successful business managers; with one young woman below 35, one middle aged woman in her mid-40s, and an old lady in her 70s. The level of education also varied across the three cases, including two primary school dropouts (Standard Five and Standard Seven) and a college graduate with training in business administration. The type of SMEs was also varied, including a wholesale and retail shop which also ran a Coca-Cola depot, rental housing, and timber/ firewood business with a welding unit

### **Data Collection Instruments/Tools**

This qualitative multi-site case study utilized the following data collection tools/instruments:

- (i) Semi-structured interviews

This study mainly utilized semi structured interviews to obtain its data. This tool enabled the researchers to collect information regarding the experiences of LLL by women managers of KWFT *biashara* loan SMEs perceived to be successful. The tool also collected information on how LLL influenced successful SMEs, reasons why the selected SMEs were successful and recommendations for KWFT financial literacy training in the context of LLL. While the interviews were mainly guided by the objectives of the study, some level of flexibility was allowed for probing to fill gaps in the information given while allowing the participants to set their own agenda where necessary. Probing is often useful in gaining clarification that helps researchers to understand the story holistically (Mind Tools Content Team, 2023). The interviews were recorded both manually and electronically through voice and video recorders. These interviews served as a follow up to the FGDs and non-participant observations that were done in the first qualitative study of 2022, with an aim of gaining deeper insight in the success of the selected cases. It was believed that the use of interviews would encourage women to feel free and safe to give more information than they did in FGDs in the earlier study.

- (ii) Non-participant observation

This study utilized non-participant observation in a qualitative way to gather more information that was necessary for complementing the interview data. Some members of the research team took 'a fly on the wall approach' as described by Revisé Sociology (2022), in this study. Accordingly, the researchers blended into the background and observed the activities around sampled SMEs without

interfering so as to capture 'things' as they happened in their natural settings. They looked at how the customers came in, received service and left, what the casual workers did, how the business operators interacted with the customers and the assets around the premise, among other things. The observation data was recorded manually in a narrative form and by way of taking photographs and videos with permission from the women business managers and their spouses where necessary. Thorne (2000) mentions photographs and videos as some of the useful forms of qualitative data whose significance cannot be ignored. During the observation sessions in this study, informal conversations were done with the spouses of the participants, who all happened to be at the business sites during data collection, for clarification purposes. The non-participant observation was semi-structured, that is, it was partly guided by the research objectives but also flexible enough to accommodate relevant happenings and information that had not been expected so as to adequately tell the success story of the KWFT biashara loan SMEs in the context of LLL.

### **Data Collection Procedures**

The researchers arrived in the field, at each site, as early as 7.30 in the morning so as to observe all the activities of the day for a particular SME that had been sampled as a case for this study. They established rapport with the people they met at the business premises, and with the participant's approval, trained some on video taking and allowed them to participate in taking videos during data collection. These people were mainly casual workers in the SMEs that were being studied. They clearly enjoyed supporting the researchers in data collection and were readily willing to participate in the informal conversations about the SMEs being studied. This kind of relationship concretized the concept of researching 'with' as opposed to researching 'on' people and communities as advocated for by Mandela and Likoye (2022). In this connection, research participants and people around them were respected, interacted with in a friendly manner and generally treated as human subjects with useful roles to play in the research process rather than mere objects to be manipulated by the researchers.

### **Ethical Considerations**

Informed consent was obtained from every research participant before any data was collected. Appointments of convenient dates and times were booked and strictly adhered to due to the busy nature of the participants. Sufficient communication was made with participants about all activities of the study. The participants were asked for permission to record the discussions and other information both manually and electronically. No one was forced to disclose any information they were not willing to give especially in regard to their earnings. The researchers maintained a non-judgmental and respectful communication with participants throughout the data collection process. They allowed participants to take short breaks in between the conversations so as to attend to their customers where necessary. A high level of privacy and confidentiality of data was assured and ensured, except where the participant voluntarily allowed a person they trusted, such as their casual worker, to take some videos of the discussions.

Pseudonyms were used to refer to each of the three locations sampled as location 1, location 2 and location 3 to protect the identity of the SMEs and the women managers. The participants were also referred to by pseudonyms as Jane, Roseline and Alice, in the final report.

## **Benefits and Risks to Participants**

There was no direct benefit of the study to the participants since incentives or any other form of compensation was not given to them. Similarly, there was no known risk of this study to participants.

## **Data Analysis and Report Writing**

Given the qualitative nature of this study, data analysis was an on-going process. Thorne (2000), emphasizes the need for qualitative researchers to actively engage in analytic processes that are demanding yet necessary throughout the entire research process. Firstly, the verbatim notes that were taken during data collection in this study were cleaned every evening, gaps identified and follow-up telephone conversations made with the research participants where necessary for clarification and collection of missing information. Transcription of the electronically recorded information into text data was done every evening by the researchers who had participated in the actual data collection. In this connection, not just the spoken word was captured but also how it was said and any other non-verbal communication such as facial expressions, body language and gestures that had been observed during data collection. According to Keiling (2023), non-verbal communication provides useful information concerning a situation and feelings of a person, hence should not be ignored if researchers are to promote accuracy in analysis and interpretation of data. In fact, the need for accuracy is the reason why the researchers who had participated in actual data collection are the same ones who took up the role of transcription.

Secondly, there was thorough reading of the interview transcripts and reflection on the same by the researchers. This made the researchers important instruments in this qualitative study. They carefully sieved through massive data, cleaned it up and coded relevant details using themes developed from the objectives of this study. Verbatim voices that stood out as worth quoting in the final report were identified and highlighted, and later on used to support and strengthen presentation and discussion of findings. Thereafter, the qualitative data was presented narratively in-line with the various thematic areas, discussed, and supported with verbatim quotations and the existing literature. Where necessary, cross case analysis and comparisons were made to establish trends, commonalities and differences across the three cases.

## **Logistical and Methodological Challenges**

The following are some of the challenges that were experienced in this study during data collection:

- In one of the businesses studied, the customers were too many for the spouse who had come in to offer support to the participant to handle. Consequently, it was impossible to continuously video record the whole conversation given that numerous breaks became inevitable to allow the participant to attend to customers. The video session only captured brief summaries of the longer versions of conversations.
- In another case, the research participant was elderly and unwell, hence could not walk the researchers around her business premises. Instead, one of her sons, an engineer by profession, volunteered to take the researchers round and answer any questions that arose.
- There was some political uncertainty in Kakamega County, and Kenya at large, as a result of demonstrations called by opposition political parties. The researchers had to access the business premises quite early every morning before any disruptions could begin on the

roads and market places and stay at the business premise until they were sure of calmness.

## **PRESENTATION AND DISCUSSION OF FINDINGS**

This section presents and discusses findings of this study based on four thematic areas that were derived from the objectives of the study. That is, experiences of LLL by successful KWFT SME women managers, the influence of LLL on successful women managed KWFT SMEs, reasons for success of the SMEs in question and recommendation for policy and practice in KWFT LLL and women managed SMEs in the context of biashara loan.

### **Experiences of LLL by successful KWFT SME women managers**

The three women business managers representing the three case studies done in this research had a lot to say about their experiences with the KWFT financial literacy training in the context of LLL and their businesses as discussed below:

Firstly, every case that was studied had unique opinions and experiences concerning LLL and the group model of KWFT financial literacy training. One of the three women managers, referred to as Jane in this study, who invested in rental units was positive about the group model of training. She observed that women in her group learnt a lot from one another regarding uplifting the living standards of their families in general and useful business and financial knowledge and skills in particular. Notably, Jane, who was in her 70s, had been the chairperson of her KWFT group for over a decade, despite being a primary school dropout. She reported having kept many women in her group together for many years due to what she termed as her good group management and organizational skills. Clearly, she had gained a good understanding of business and financial management, having been among the pioneer women to benefit from KWFT training and credit services in Kakamega County. Jane reported that her husband was supportive and sometimes came in handy to assist her in advising group members about respecting the group rules, including prompt loan payment and utilization of loan facilities for the intended purpose whenever they seemed to do otherwise. She argued thus:

I have been the chairperson of my group for many years and KWFT likes my work. In fact, the bank has been encouraging me to stay on for purposes of encouraging younger women to develop themselves and their families. We have managed to retain most of our group members over the years. Although a few members have dropped out of the group over time, others have been joining us and we are still a strong team. I have seen how women learn a lot of things from one another concerning business and finances in our group. The younger women sometimes try to bring *ukora* (dishonesty) in the group but we talk to them and they listen. On some occasions my husband comes in and encourages them to do the right thing (Jane, location 1, July, 2023).

Roseline, who was in her mid-40s with post-secondary training in business management, operated a retail and wholesale shop with a Coca-Cola depot. Her SME formed the second case for this study. Notably, Roseline had different opinions and experiences from those of Jane, concerning the group model of training and loaning used by KWFT. To her, groups took a lot of time that could have been otherwise used to work in the businesses to generate more income. At one point, she had been



advised by KWFT to join a group in her neighbourhood but realized that the group may 'not add value', hence declined and decided to deal with the bank as an individual. According to Roseline:

You may find that women have gone to a group meeting and spent many hours, sometimes half a day, just talking and taking tea. Depending on how the group leaders manage the program, some of the things the women spend time discussing may actually not be directly related to business. I discovered that I was going to lose a lot of time that I could have used productively and asked KWFT to allow me to work with them as an individual and not a member of any group. Whenever there is any new information to be shared, a KWFT officer just comes here at my shop and talks to me about it directly. I also borrow as an individual after the bank did their own assessment of my business (Roseline, location 2, July 2023).

Alice, a young woman in her mid-thirties who had dropped out of primary school at Standard Five and was in her second marriage, ran a business that formed the third case in this study. Like Roseline, Alice had reservations concerning the group model of training and lending. Reportedly, Alice had suffered payment of defaulted loans that she had guaranteed group members on two occasions before she decided to leave the group. She therefore worked with KWFT as an individual, receiving any new information, such as, new products and use of mobile phones in transacting, directly from KWFT officers who visited her business premise occasionally. Asked why she seemed knowledgeable and skilled in financial and business matters despite not belonging to a KWFT group, Alice had this to say:

I keep pursuing knowledge and skills in business and financial matters from other sources even after leaving the KWFT group. One useful thing I gained from KWFT is the awareness that it is good to seek knowledge all the time as long as you are in business or still living in this world because new information comes all the time. I even attended one seminar organized by 'Jitahidi Wamama' (Swahili for get determined women), another group in which I belong. They were amazed at how I know so much about business and handling money and yet I am a primary school dropout (Alice, location 3, July 2023).

This study avers that there is something about group learning, team work and LLL that cannot be realized when people learn individually in isolation. Accordingly, women who leave KWFT groups are bound to lose in one way or another in the context of learning. Mandela and Mwangi (2023) argue that when people learn in groups, they end up discovering extra knowledge and skills that none of the group members had before they came together. In fact, the benefits of working in groups and team spirit far outweigh the disadvantages. If well utilized, groups would promote motivation and increased achievement among its members. Additionally, the group members would, in the process of interacting with one another, acquire communication skills that are necessary for success in different areas of life, including dealing with customers and suppliers in the business space (Johnson, Johnson & Stanne, 2000; Oakley, Felder, Brent & Elhaji, 2004).

Secondly, participants representing the three cases in this study talked about their experiences with the content of the KWFT financial literacy training in the context of LLL. In all cases, participants had a good understanding of the basics of establishing and running SMEs, book keeping and

decision making. One thing that seemed to have been mastered by all, concerned the idea that a loan was not to be taken to begin a business without a proper business plan but rather, to expand a well-planned on-going business. They argued that a business could fail to pick up after investing borrowed funds in it without a proper plan and result in loan repayment challenges. The three cases studied also freely shared what they had been taught concerning savings and credit services offered by KWFT and how they accessed and utilized them.

Notably, all the participants in this study had scanty information concerning utilization of information, communication and technology (ICT) in the management of their SMEs. This finding was different from what was observed in the first qualitative study, where many women business managers seemed to master a number of ways through which ICT, including how social media could be used in business. In this study, participants mainly focused on how mobile phones could be used to access credit and make payments or savings without having to travel to the bank. The limited knowledge on the use of ICT in business revealed a gap worth addressing by KWFT financial literacy training for *biashara* loan. The finding demonstrates that even though many women business managers were already comfortable with ICT integration, there were still some women that needed to be assisted to get to the same level with others as demonstrated by the cases in this study. The use of ICT is increasingly becoming the backbone of many business ventures globally, hence cannot be ignored. The women managed SMEs supported by the KWFT *biashara* loan stand a chance to do far much better by increasing ICT utilization. Through ICT, such businesses can gather and store information efficiently, and easily analyze data that would inform decision making. Effective use of ICT would also promote communication with suppliers, customers, lenders and partners, regardless of the geographical barriers (StudySmarter, 2023).

Thirdly, information from the three cases in this study demonstrates that there were KWFT officers attached to each group, who occasionally visited for training purposes. They shared information about savings and credit products, answered any questions that arose from group members and facilitated collection of loan repayment. Reportedly, some of the officers tended to concentrate more on the loan repayment aspect as compared to LLL because they had targets to meet. While the first qualitative study of 2022 had revealed some negative opinion on the strategies that were used by certain KWFT officers to collect loan re-payments, the three successful cases in this study had no problem with KWFT loan repayment procedures. Each case argued that they made their repayment in good time and had not experienced any challenge whatsoever with KWFT officers. The only challenge pointed out in all the three cases concerned what was perceived as 'high' interest rates on *biashara* loan and other KWFT credit products that participants felt should possibly be revised downwards.

Fourthly, Jane, the elderly lady who was the chairperson of her group, shared experiences concerning training where a few women were selected from the group to attend seminars and cascade the training to other group members after the seminars. She argued that such training seminars, which were more frequent and vibrant around 10 years ago, are seemingly becoming less frequent with time. Reportedly, the training seminars were popular among women business managers who benefitted from KWFT *biashara* loan. While Jane had attended several such seminars when she was younger, she was already delegating the role to the more energetic younger group members as she grew older.

Jane claimed that the seminars were increasingly being localized and group members did not have to travel to Nairobi to attend one. She argued thus:

The last training seminar was held in June this year at Kakamega High School. When I was younger, I used to actively attend such seminars, at least once a year, especially whenever they were held at Shieywe Hotel and St. Joseph. The trainers used to talk to us about business and personal development, and taking our children to school, among other important topics (Jane, location 1, July 2023).

Research, exemplified by Career Advice (2021), demonstrates that the kind of training strategy described above, where a few women are equipped with knowledge and skills, and tasked to share the same with the rest of the team members has huge benefits. For instance, it promotes flexibility when used alongside a variety of other training strategies and group members can choose what strategy fits them best at a particular point in time. Additionally, the seminar strategy can contribute to leadership training or mentorship, a great deal, and promote a culture of LLL as group members get into the habit of sharing useful information they come across.

### **Influence of LLL on Successful Women Managed SMEs Accessing KWFT Biashara Loan**

Participants in the three cases represented in this study had a lot to say concerning the influence of LLL on their successful SMEs. Accordingly, the participants argued that such influence, which to them was mainly positive, could be judged in relation to the nature of daily activities in their business, employment of casual workers to support them in the SMEs, their habits of borrowing and repayment of the KWFT *biashara* loan and the borrowing power, the assets they acquired as a result of their businesses and the general quality of life they lived with their families. Some of their views on the factors highlighted above in relation to how LLL influenced their SMEs and lives are recorded in the sub-sections below and supported by observation data.

#### *Nature of Activities at Business Premises*

At Jane's premises, there were several rental units, some of which were old and others newly constructed using recent *biashara* loan products as explained in her interview with the researchers. Observation data shows that many of the rental units were already occupied by tenants and Jane had been collecting rent every month for a good number of years. Some tenants could be seen cleaning their houses and others washing clothes during data collection for this study. According to Jane, it was easy for her to find tenants for her rental units given that there were schools around the place and many teachers were in need of accommodation. Additionally, a lot of people who worked in Kakamega town, which was only a few kilometers away from Jane's premises, also rented her units and paid on monthly basis. Jane's rental units were well painted and fitted with water tanks. She explained that the water tanks were also acquired using another KWFT credit facility. Notably, rental units were not the only business venture for Jane, she had a chicken rearing project with plenty of birds and eggs for selling and use by her family. The chicken project was also supported by financial resources from the KWFT *biashara* loan. A few neighbors stopped over at Jane's premises to buy eggs and birds during the data collection process and she had to take some breaks from her discussions with the researchers to talk to the neighbours and refer them to one of her casual

workers who handled the project.

In the case of Roseline, the middle aged lady who ran a retail and wholesale shop with a Coca-Cola depot, the business premise was a hive of activity. Notably, everyone at location 2 market where Roseline's business was based knew her by name. Roseline's shop was always full of customers and even finding adequate time for the interview with the researchers was not easy because some of the customers required her attention even when the husband had offered to support her.

For Alice, the young lady in her mid-thirties who dealt in timber, firewood and welding, there was evidence to demonstrate that the business was thriving. Customers kept coming in to buy firewood for their use at home. Casual workers were also busy splitting and selling firewood and timber to customers, some of whom came in with motorbikes which they used for transportation. Alice revealed to the researchers that many of the customers who came for firewood were owners of restaurants and eateries around location 3 market. Mid-way through the interview with Alice, her husband came in driving a second hand pick up that was fully loaded with timber and three casual workers began helping him to offload the consignment. Alice explained to the researchers that the pickup was one of the assets she had bought using proceeds from her business. She proudly took the researchers around her business premise to observe a store full of timber and a compound full of firewood that were neatly arranged according to different sizes and prices. Notably, there was also a thriving chicken rearing project with well over one hundred birds for selling and family use, as well as a piggery, which she reported was a new business venture.

Observation data showed that Alice actively studied the customer needs and market trends in the area and diversified her business products accordingly. She had a welding section in her business, which was located a few meters from where the timber and firewood were. Some of the products in the welding business included steel doors and windows which were on high demand by customers who reportedly used them in construction. In fact, there were numerous construction projects and activities going on in location 3 market which provided business for Alice. Trade Commissioners Service (2022) observes that diversification is a business strategy with huge benefits if carefully applied. It helps in spreading the risk and in case the business suffers loss resulting from a section of products, it will be cushioned from the negative impact of the loss by success in other products. This strategy was clearly one of the major reasons why Alice was succeeding in her business.

#### *Evidence of employment of casual workers*

In all the three cases studied in this research, casual workers were seen participating actively in the business activities. For Jane, one male casual worker was seen keeping the compound tidy around the rental units and a female one worked around Jane's house and took care of the chicken project. Roseline had a good number of young men, around four to six, working around the shop. They carried heavy luggage for customers to motorbikes and cars or other shops, arranged and moved soft drinks and other goods around the shop, among other duties that they were assigned from time to time.

Alice, the younger woman who dealt in firewood, timber and welding had around six men working in the business. During data collection for this study, some of the young men were observed splitting

firewood and offloading timber from the pickup. In her interview with the researchers, Alice proudly talked about how she paid her casual workers from 200 to 800 Kenya shillings a day depending on the kind and amount of work that they did but still remained with enough money to feed her family, pay fees for her children and repay the KWFT loan. Clearly, Alice had a good relationship with her workers as demonstrated by observation data. In fact, she allowed the researchers to train one of them on video recording and had him record some videos during data collection at the premise. Good working relationships that are built on trust, while carefully managing boundaries, make workers enjoy the job and feel appreciated, hence increases productivity. In fact, a strong link has been found between having friends on the job and profitability (Gallup, 2022). This finding is an indicator of positive influence of lifelong learning on women managed SMEs.

### *Borrowing Power and Habits*

The steady growth in borrowing power of the three successful SMEs supported by KWFT *biashara* loan was a good indicator of the positive influence of LLL. The women managers of the SMEs had mastered the skill of borrowing, proper utilization of the loans and good repayment habits that qualified them to increase their borrowing power over time. Notably, the more the women borrowed, the more their SMES thrived. The following are some of the sentiments of the women SME managers from their interviews with the researchers:

I have personally benefitted from the KWFT *biashara* loan over 10 times. I can talk about a few times. There is a time I took 200 thousand shillings which I invested in my business and managed to repay in 10 months. Later on, I borrowed 400 thousand and paid within one and a half years. I then borrowed 800 thousand shillings which I paid in one year but later on decided to go down to 500 thousand shillings after I got a feeling that the interest rates were quite high. However, the bank was willing to give me a bigger loan. I would borrow much more if the interest rates are brought down because the *biashara* loan product has really helped me in expanding my business and I pay without any problem given that I have many customers and the business is doing well (Roseline, location 2, July 2023).

I approached KWFT for a loan in 2019, accompanied by my husband, after I had run my business for only one year. My aim of taking the loan was to expand my business after realizing that I was getting a good number of customers. The bank came to assess the business and offered me a credit facility of 300 thousand shillings. My business began paying well after I invested the KWFT money in it. I paid the loan in line with the agreement we made with KWFT and remained with some money which I used to pay deposit for this piece of land. I took another loan of 300 thousand shillings and did the same thing; paid the loan in good time and used the remaining to complete payment for this piece of land. The land was worth 600 thousand shillings and as you can see, I have completed paying and now I stay here with my family. I have also taken 400 thousand shillings twice (Alice, location 3, July 2023).

I have borrowed from KWFT many times. Before considering *biashara* loan, I used to borrow around 200 thousand shillings annually to use on paying fees for my children. I then began taking 100 – 150 thousand shillings *biashara* loan to use on constructing rental units.

Right now I have a loan which I am paying 11 thousand shillings per month. I have never taken below 100 thousand (Jane, location 1, July 2023).

### *Evidence of Assets Accruing from the SMEs*

Interviews with research participants representing the three SMEs sampled for this study, with observation data, demonstrates that there were diverse assets that women were acquiring as a result of their SMEs, hence an indicator of positive influence of LLL. For example, Alice had bought a piece of land worth 600 thousand shillings on which she had built a semi-permanent house for her family and which also served as a business premise for timber and firewood products. In addition, Alice had bought a second hand pickup which she used to transport timber and firewood and had wheelbarrows for hire, cart wheels and power saw, among other assets. Furthermore, she kept chicken and pigs for business and consumption purposes. Jane had over 14 rental units and a well-furnished permanent house for her family, which she had built using proceeds from her business. She also kept a good number of birds and there were plenty of eggs for selling and family use. Roseline, whose business premise was away from her home, also reported having built a decent home from the proceeds of her business.

### *Quality of Life and Education of children*

Jane had educated all her six children through secondary school and university and some of them were already employed. The researchers met her last born son, an engineer, who took them round the rental units and the home for observation purposes. The rental units and Jane's own house were installed with water tanks and the compound was neatly kept. There were around three other permanent houses, belonging to her sons, in their large compound. The family generally lived a good life. Reportedly, Alice and Roseline had all their children enrolled in good schools. There was evidence to suggest that all the three research participants easily provided for all basic needs of their families, hence an indication of a good life which could be seen as resulting from positive influence of LLL.

### **Reasons for the success of the selected KWFT biashara loan SMEs from the perspective of the women managers?**

Observation data shows that one of the main reasons the selected SMEs for this study were thriving was the fact that the women managers had a wealth of knowledge and skills on business management and financial matters. In all the three cases, the women SME managers kept clear records on income, expenditure, loan borrowing and repayment, and savings, among other things. The participants easily explained how much they have been borrowing over time, how they used the KWFT *biashara* loan facility to boost their respective businesses and their repayment strategies. Due to their good knowledge of business operations, the women business managers separated business income from any other money and tracked profits and losses accurately so as to make informed decisions all the time. Accordingly, none of the three participants representing the three successful case studies had a history of defaulting on loan repayment as exemplified by Alice's argument in the excerpt below:

People say that KWFT people are bad but that is not true. As long as you repay your loan according to the agreement you made with the bank, the KWFT officers will have no

problem with you. They will just visit your business to see how you are doing, advise where necessary and tell you about new products. I don't remember having any issue with them. They always tell me that I am doing well (Alice, location 3, July 2023).

The sources of the good business and financial knowledge and skills by women managers included, first, the KWFT training for *biashara* loan recipients, as demonstrated by Jane, an elderly lady who had invested fairly well in rental units. Second, attendance of business seminars organized by organizations other than KWFT as observed in the case of Alice, a young and knowledgeable business lady who had dropped out of primary school. Third, postsecondary training in business management, as was the case with Roseline, a middle aged woman.

A key observation in the three successful cases studied was support and cooperation from the spouses of the women business managers. Clearly, every woman business manager studied worked as a team with her husband and enjoyed freedom to make decisions about when and how much to borrow from KWFT, how to expand their SMEs and when to hire casual workers, among other things. The husbands to the women SME managers were permissive and not controlling. This was clearly observed in how the men in questions interacted with their wives in the presence of the researchers and their willingness to have the researchers talk to the women without eaves-dropping or caring much about the content of the discussion. According to the men, there was nothing to hide about the SMEs and the crucial roles played by their wives. This is what the women business managers had to say about their husbands:

My husband gives me a peace of mind and supports me in areas where I cannot manage on my own, both in business and in our daily lives. He even allowed me to bring in our house my first two children that I had left in a previous marriage so that I can commit my time to the business without worrying about what could be happening to the children. This is my second marriage which I began after the first one failed and I have two other children here, bringing the total of my children to four. My husband and I treat all the four children equally, pay their fees and cater for all their needs without any discrimination whatsoever (Alice, 2023, Location 3).

My husband has been so supportive to me in my business. He gives me ideas on how effective the business can be run. He is the one who sources for construction workers and supervises them every time I am building rental houses. He supports my ideas and does not feel threatened by my success (Jane, 2023, Location 1).

He is always willing to come and help me around the shop whenever he is free because I always have so many customers and it is never easy. He sometimes relieves me when I need a day off to attend to other matters that are not business related (Roseline, 2023, Location 2).

Observation data affirm the assertions of participants regarding their husband's support. In one scenario, the man was busy attending to customers as Roseline engaged in the interview with the researchers. Roseline comfortably directed anyone who approached her for help during the interview to take their cases to her husband for support. This finding is not new. Research demonstrates

that women are likely to thrive in all aspects of their lives including 'economy' in a supportive environment that is free from violence and disrespect (Oxfarm, 2021).

Independent decision making also stood out as contributing to success in the SMEs studied. The women managers involved had the capacity to make tough decisions and stand by them. Worth noting is the fact that the decisions the women business managers made were well informed by their business records and consultation with KWFT and their spouses where necessary. For instance, decisions such as leaving a group to try working independently when it was felt that the group did not meet their expectations were not easy but two of the women studied made them altogether. The women SME managers made decisions on when to take loans and how much money to take, when to increase the amount to be borrowed and when to go slow on borrowing. The good decision making demonstrated by the participants was partly attributed to the KWFT financial literacy training. Where the women participants made business decisions jointly with their husbands, the women reported that they did it willingly without any coercion from their husbands whatsoever. This finding is in line with some existing literature as exemplified by the excerpt below:

Effective economic empowerment for women happens when women enjoy their rights to control, make decisions about and benefit from resources, assets, income and their own time, and when they have the ability to manage risk and improve their economic status and well-being (Oxfarm 2021:1).

### **Emerging Themes**

The following are some of the concerns worth noting, which were not necessarily part of the focus of the study, yet considered important by the women SME managers who participated in this study:

- (i) The KWFT Policy on group borrowing of the *biashara* loan was considered as having some 'unfriendly' aspects that needed to be improved. For instance, there were cases of some group members defaulting on loan repayment, causing the guarantors to repay the loans.
- (ii) The research participants felt that loan interests rates were high, hence some women fear enjoying the credit facilities.
- (iii) Tokens such as Calendars and T-shirts with KWFT logo that used to be distributed to group members earlier were currently becoming rare and yet they contributed a great deal to the motivation of group members.

### **Conclusions and Recommendations for Policy and Practice**

In-line with the findings discussed above, this study made the following conclusions:

- There existed varied experiences and opinions concerning LLL in the context of KWFT *biashara* loan. For instance, while the group model used in KWFT financial literacy training was highly praised in one case and seen as helping women learn a lot from one another regarding business and financial management, the model was seen as having some weaknesses in two of the cases studied. The weaknesses included the view that groups used a lot of time that could have otherwise been spent in business and that sometimes a member had to repay loans for group members who defaulted on their loans after being guaranteed by the group. All these experiences and opinions need to be understood and taken into



consideration by KWFT in improving on the group model of lending and training in a way that can be embraced by the majority of the women business managers.

- All women managers of the successful KWFT *biashara* loan SMEs, regardless of their level of education, had a good grasp of the basics of business and financial management including book keeping, decision making, loan management, good relationships and diversification of products, among other things. This knowledge and skills were attributed to LLL in the context of KWFT financial literacy training and other sources. However, unlike what was observed in the first qualitative study, there was generally scanty knowledge on utilization of ICT in business management among the cases sampled for this study, an area that is currently considered a backbone of many businesses. This indicates that there are still some women business managers who have to be brought to the same level as others regarding ICT integration and utilization of social media platforms in their SMEs.
- All the business women who were succeeding in the context of LLL and their SMEs had strong support and cooperation from their spouses hence worked in a relaxed, violence free environment.
- LLL had positive influence to the women SME managers as seen by the active nature of their businesses, high customer turn-over, ability to employ casual workers in the SMEs, strong borrowing power that improved with time and evidence of assets acquired from the proceeds of the SMEs.

*This Study Makes the Following Recommendations for Policy and Practice:*

- KWFT should strengthen the group model of training and lending by finding solutions to issues raised by women SME managers in this study. For instance, they can look for ways to ensure that lesser time is utilized in groups while giving better returns and explicitly train women on teamwork, interpersonal and logistical skills necessary to handle issues that arise within groups.
- Consider training strategies that would take care of women who will prefer individual learning and borrowing however much the groups are strengthened and streamlined.
- Consider increased use of digitized ways of training such as use of virtual and video conferencing facilities such as zoom and formation of communities of practice using common social media platforms to increase the flow of information.
- Work together with other groups that train women on business and financial matters within the same geographical space so as to avoid duplication of efforts. Evidence from this study demonstrates that such groups existed and sometimes targeted the same women that were supported by KWFT.
- Re-instate tokens such as umbrellas, T-shirts and calendars to improve the motivation of group members and increase their participation in group activities.
- Consider teaching interpersonal relationships including how to deal with workers in the business and how the married women could partner with their spouses in the SMEs. This recommendation results from the realization that those who have succeeded in their SMEs clearly interacted well with their workers and also received strong support from their husbands.
- Training on ICT integration in business management that is already happening to some level should be simplified for women with lower levels of education to increase efficiency

and access to information and customers regardless of geographical boundaries. This would ensure that everyone is brought on board regarding ICT integration.

- Future researchers should also follow up on failed cases of SMEs accessing KWFT *biashara* loan so as to understand exactly why some women may not be succeeding. Studies can also be done on the cases for single women, who do not have spousal support, so that comparisons can be made with cases of married women documented in this study.

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