

THE INFLUENCE OF MICROFINANCE SERVICES ON THE PERFORMANCE OF MICRO AND SMALL ENTERPRISES OPERATING AT KISUMU CITY BUSINESS PARK, KENYA

^{1*} **Albert Ongoro**

albert.ongoro@gmail.com

^{2**} **Michael Nyagol**

michael_nyagol@yahoo.com

^{3***} **Vitalis Mogwambo Abuga**

mogwambov@yahoo.com

^{1*} *Scholar, Jaramogi Oginga Odinga University of Science and Technology, Kenya*

² *Senior lecturer, Jaramogi Oginga Odinga University of Science and Technology, Kenya*

³ *Lecturer, Jaramogi Oginga Odinga University of Science and Technology, Kenya*

Abstract: *Microfinance in Kenya consists of microfinance facilities and regulations which have been developing since the mid-1990s. The Microfinance services in Kenya are provided by both the Microfinance Institutions and banks. This study was guided by the following objectives; establish the influence of microfinance saving services, determine the influence of microfinance credit services (facilities) and Determine the influence of microfinance training services on the Performance of MSEs at Kisumu City Business Park. This study adopted a descriptive survey research design as it aided the researcher to describe patterns and themes noticed in the data collected. The study showed that MSE owners agreed that micro-saving services have contributed in the performance of their MSEs. The response on the question on how respondents would rate the savings services that they receive from MFI, showed that majority of MSE owners agreed that micro-saving services are good. The study also established that there is significant positive correlation between training services and performance of MSEs with a correlation coefficient of 0.729 and P value $p < 0.05$ and that the training services made a strong contribution towards the performance of MSEs at Kisumu City Business Park.*

Keywords: *Micro-Finance Institution, Financial Intermediation, Social Intermediation*

1. Background of the Study

Microfinance in Kenya consists of microfinance facilities and regulations which have been developing since the mid-1990s. The Microfinance services in Kenya are provided by both the Microfinance Institutions and banks. Microfinance is regulated by Micro-Finance Act which became active in 2008 while the banking system in Kenya is regulated by the Companies Act, the Banking Act, and the Central Bank of Kenya Act. In addition, there are several existing guidelines. The responsibility for monetary policy and the banking system is held by the Central Bank of Kenya, which also releases information about interest rates, banking guidelines, and legally registered institutions. With the adoption of this act, institutions could apply for micro finance licenses at the Kenyan Central Bank either as a national or community institution. In order to do so, these institutions must be registered as: Deposit-taking institutions, Non-deposit taking institutions and Informal organizations (CBK, 2008).

There are different providers of microfinance services and some of them are; non-governmental organizations (NGOs), savings and loan cooperatives, credit unions, governmental banks, commercial banks and non-bank financial institutions. Their target groups are self-employed and low income entrepreneurs. MFIs have the

following characteristics: Loans are usually relatively short term, less than 12 months in most instances, and are generally for working capital with immediate, regularly, weekly or monthly repayments. They are also disbursed quickly after approval, particularly for those seeking properly repeat loan. The traditional lenders requirements for physical collateral such as property are usually replaced by a system of collective guarantee where members are mutually responsible for ensuring that their individual loans are repaid. Loans application and disbursement procedures are designed to be helpful to low income borrowers. They are simple to understand, locally provided and quickly accessible (Ledgerwood, 2014).

Universally, microfinance has been acclaimed as an important tool for poverty eradication especially in the developing economies (Armandariz and Morduch, 2005, Johnson and Rogaly, 1997, Gibbons and Meehan, 2002). In fact the World Bank, United Nations and other International Development bodies have identified microfinance as a major tool in the fight of poverty and the attainment of the Millennium Development Goals (MDG's) by the year 2030. In a 2005 publication, the United Nations noted that, microfinance has changed the lives of thousands of people and revitalized communities since the inception of trade. In fact, the year 2005 was declared the year of micro-credit. The declaration of the year of micro credit was aimed at creating awareness and attention to the efforts of Microfinance in poverty eradication through modern communication channels of radio, print press, TV's and case studies (United Nations, 2005).

The performance of MSEs is important for both social and economic development of under developed countries. Performance of MSEs has been defined as revealing the health of a firm as well as its going concern, and also used for comparing firms in the same industry. There are various ratios which are used for measuring the performance of firms. Firms are mostly concerned with their profitability, as profitability serves as the main driver for firms engaging in businesses as firms constantly making losses will in the end be insolvent (Abor & Quartey, 2014). MSEs' performance is defined as "how well the organization is managed and the value the organization delivers for customers and other stakeholders". It is also the measurement of the effectiveness and efficiency of both the organization and the workers where effectiveness refers to the extent to which stakeholder requirements are met, while efficiency is a measure of how economically the organizations resources are utilized when providing a given level of stakeholder and customer satisfaction. Hence, performance can be defined as the use of resources both efficiently and effectively in the achievement of its expected objectives (Ivanov & Avasilcai, 2013).

The Micro and Small Enterprise (MSE) sector in Kenya is an important and fast growing sector employing 42 per cent of the working population, and accounting for 75 per cent of all modern establishments in Kenya as at 2018. MSEs dominate majority of the sectors, including insurance, wholesale and retail trade, restaurants, hotels, manufacturing, agriculture, community and social services, real estate, business services, transport and communication and construction. The Constitution of Kenya assigns county governments trade development and regulation functions, including markets, trade licenses, fair trading practices, local tourism and cooperative societies. In conjunction with other devolved functions such as agriculture, county public works and planning, county governments play critical roles in MSE sector growth. Due to the large share of enterprises, MSEs' form the base for private-sector-led growth, and deliberate policy efforts have often targeted the sector in developing countries as an engine of employment and growth. MSEs act as a catalyst for entrepreneurial seedbed for industrial transformation (McPherson, 1996). Kenya Vision 2030 recognizes the sector and envisages MSEs' improved productivity and innovation by enhancing the investment climate, including access to finance.

2. Statement of the Problem

Nyang'ori (2010) observed that MSEs in Kisumu are faced with problems of lack of access to credit, inadequate managerial and technical skills, low levels of education, poor market information, inhibitive regulatory environments, and lack of access to technology. Orinda (2014) noted that MSEs in Kisumu City Bus Park is faced with lack of finance and limited access to credit, high interest rates and new laws and regulation hence these challenges influence their performance. According to Omondi & Jagongo (2018) most MSEs are not performing better because their owners are not aware of the microfinance services that are available. They further observed that MFIs are not offering competitive credit facilities and relevant training to the MSE owners as far as management of loans obtained is concerned. These are the major reasons for MSE failure in Kisumu County. With these challenges the study therefore sought to establish the Influence of Microfinance Institution Services on the Performance of Micro and Small Enterprises in Kisumu City Business Park.

3. Research Questions

The study was guided by the following research questions

- i. What is the influence of microfinance saving services on the Performance of MSEs in Kisumu City Business Park?
- ii. What is the influence of microfinance credit services on the Performance of MSEs in Kisumu City Business Park?
- iii. What is the influence of microfinance training services on the Performance of MSEs in Kisumu City Business Park?

4. Research Design

This study adopted a descriptive survey research design as it aided the researcher to describe patterns and themes noticed in the data collected. This study utilized primary data which was collected using a structured questionnaire. Multiple linear regression model using ordinary least square enter method was used to investigate the influence of microfinance services on the performances of MSEs in Kisumu City Business Park:

$$Y = \beta_0 + \beta_1\chi_1 + \beta_2\chi_2 + \beta_3\chi_3 + \varepsilon \dots\dots\dots\text{Equation 1}$$

Where:

Y = Performance of MSEs in Kisumu City Business Park

χ_1 = saving services

χ_2 = credit services

χ_3 = training services

$\beta_0, \beta_1, \beta_2 \text{ and } \beta_3$ = regression equation coefficients

ε = error term

5. Data Analysis, Findings and Discussion

The Influence of Microfinance Saving Services on the Performance of MSE

The first objective of the study sought to determine the influence of microfinance saving services on the performance of MSEs. The study evaluated the respondents’ level of agreement with various statements on saving services using a 5 point scale where 1 – strongly agree, 2 – agree, 3 – neutral, 4 – disagree and 5 – strongly disagree. The study findings were as illustrated in Table 1.

Table 1: Respondents’ Level of Agreement with the Statement on Microfinance Saving Services

Statements	N	Mean	Std. Deviation
Micro-saving has led to an increase in business capital	105	2.56	1.393
The procedure for opening a savings account is simple	106	2.38	1.238
My MFI encourages me to make regular savings	106	2.54	1.228
My MFI does not charge ledger fees on my savings account	106	2.85	1.271
Micro-saving has improved the business liquidity position	106	2.92	1.243
My savings with the MFI earn good interest	106	3.25	1.163
Micro-savings has led to an increase in asset accumulation	106	2.85	1.111
I make regular deposits into my MFI account	106	2.42	1.257
Savings has enabled me grow my assets and therefore improvement in the performance of my business	106	2.83	1.268
Micro-saving has led to protection in income fluctuation and maintained consumption levels	106	2.81	1.147

From the findings in Table 1, response mean for statement on micro-saving has led to an increase in business capital was 2.56; the procedure for opening a savings account is simple had a response mean of 2.38; my MFI encourages me to make regular savings had a response mean of 2.54; my MFI does not charge ledger fee on my savings account had a response mean of 2.85; micro-savings has improved the business liquidity position had a response mean of 2.92; my saving with the MFI earn a good interest had a response mean of 3.25; micro-saving has led to an increase in asset accumulation had a mean response of 2.85; I make regular deposits into my MFI account response mean was 2.42; saving has enabled me to grow my assets and therefore improvement in the performance of my business response mean was 2.83; and finally the statement on micro-saving has led to protection in income fluctuation and maintained consumption levels had a response mean of 2.81.

Table 2: Respondents’ rating of saving services Offered by MFIs

How do you rate saving services offered by MFI and Performance of your firm?

Rating	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Very Poor	5	4.7	4.7	4.7
Poor	33	31.1	31.1	35.8
Good	58	54.7	54.7	90.6
Very Good	10	9.4	9.4	100.0
Total	106	100.0	100.0	

From the Table 2, the response on the question on how respondents would rate the savings services that they receive from MFI, 5 (4.7%) rated saving services as being very poor, 33 (31.1%) as being poor, 58 (54.7%) as being good, 10 (9.4%) as being very good and no rating for excellent services. These findings meant that majority of the respondents are in agreement that saving services that their MFIs are offering to them are good.

Some of the explanation for the good rating are that saving has been made easier through M-Banking services, savings are used as collateral during loan application by some MFIs and savings account attracts some interests even though its still very low.

The Influence of Microfinance Credit Services on the Performance of MSE

The first objective of the study sought to determine the influence of microfinance credit services on the performance of MSEs. The study evaluated the respondents’ level of agreement with various statements on credit services using a 5 point scale where 1 – strongly agree, 2 – agree, 3 – neutral, 4 – disagree and 5 – strongly disagree. The study findings were as illustrated in Table 3.

Table 3: Respondents’ level of agreement with the statements on credit services

Statements	N	Mean	Std. Deviation
My MFI only offers group loans	106	3.80	1.383
My MFI only offers individual loans	106	4.31	.970
My MFI offers both group and individual loans	106	1.81	1.172
The interest charge on loans are low compared to bank rates	106	3.08	1.015
My MFI provides both start up and business expansion loans	106	2.01	1.167
The loan processing takes a short period of time	106	2.54	1.332
Credit facilities that MFIs have provided have enabled me to run a successful business	106	2.80	1.312

Findings from Table 3, statement on my MFI only offers group loans had a response mean of 3.80; my MFI only offers individual loans response mean was 4.31; on my MFI offers both group and individual loans had a response mean of 1.81; the interest charged on loans are low compared to bank rates response mean was 3.08; my MFI provides both start up and business expansion loans had a response mean of 2.01; the loan processing takes a short period of time response mean was 2.54; and credit facilities that MFIs have provided have enabled me to run a successful business had a response mean of 2.80.

Table 4: Respondents’ rating of micro credit services offered by MFIs

How would you rate loan services offered by MFIs and performance of your business?

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Very Poor	14	13.2	13.2	13.2
Poor	34	32.1	32.1	45.3
Good	50	47.2	47.2	92.5
Very Good	8	7.5	7.5	100.0
Total	106	100.0	100.0	

From the Table 4, 14 (13.2%) respondents rated credit services offered by MFIs as very poor, 34 (32.1%) rated the service as poor, 50 (47.2%) as good, 8 (7.5%) as very good and no response for excellent credit service. Majority who rated credit service as good attributed it to short period for loan processing, 13.2% and 32.1% attributed poor rating to expensive loans and hidden charges on loan processing while 8% attributed very good rating to low interests (12% p.a. on a reducing balance) that their SACCO loans attract.

The Influence of Microfinance Training Services on the Performance of MSE

The first objective of the study sought to determine the influence of microfinance training services on the performance of MSEs. The study evaluated the respondents’ level of agreement with various statements on

microfinance training services using a 5 point scale where 1 – strongly agree, 2 – agree, 3 – neutral, 4 – disagree and 5 – strongly disagree. The study findings were as illustrated in Table 5;

Table 5: Respondents’ level of agreement with the statements on micro training services offered by MFIs

Statements	N	Mean	Std. Deviation
MFI advise me on how best to utilize the loan money before the loan is granted	106	2.25	1.113
Microfinance training has enabled me to keep all business transactions I keep business account	106	2.46	1.148
I keep business account	106	1.92	1.188
MFIs' training on how to effectively communicate with customers has helped me retain customers	106	2.67	1.169
Through training I am able to keep business account from personal account	106	2.71	1.265
Training from MFIs has enabled me to maintain a record of my business transactions	106	2.74	1.229
Training has enabled me to acquire more skills in marketing strategies	106	3.09	1.528
MFIs aggressively provide personalized training on how best the loans granted can be utilized to realize the purpose for which they were taken	106	2.60	1.224
Training has enabled me to run my business better than before and hence performance of my business has improved	106	2.73	1.183
Training has enabled me keep appropriate stock levels	106	2.75	1.172

From the result on Table 5, the statement on MFIs advise me on how best to utilize the loan money before the loan is granted had a response mean of 2.25; microfinance training has enabled me keep all business transactions response mean was 2.46; I keep business account had a response mean of 1.96; MFIs’ training on how to effectively communicate with customers has helped me retain customers had a response mean of 2.67; through training I am able to keep business account from personal account response mean was 2.71; training from MFIs has enabled me to maintain a record of my business transactions response mean was 2.74; training has enabled me to acquire more skills in marketing strategies had a response rate of 3.09; MFIs aggressively provide personalized training on how best the loans granted can be utilized to realize the purpose for which they were take had a response mean of 2.60; training has enabled me to run my business better than before and hence performance of my business has improved had a response mean of 2.73; and the last training has enabled me to keep appropriate stock level had a response mean of 2.75.

Table 6: Respondents’ view on whether training services are offered by MFIs

How often do you get training from MFIs on how to use their services such as savings and loans to improve the performance of your business?

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Never been trained	46	43.4	43.4	43.4
Only when I approach them to take a loan	36	34.0	34.0	77.4
They call for regular training programs	16	15.1	15.1	92.5
They visit me at the business site	8	7.5	7.5	100.0
Total	106	100.0	100.0	

From the findings on Table 6, 46 (43.4%) acknowledged that they have never been trained, 36 (34.0%) noted that they were only trained when they approached MFIs to take loan, 16 (15.1%) noted that their MFIs call

them for regular training programs and 8 (7.5%) indicated that their MFIs visit them at their business site. The findings meant that most of the MFIs do not offer trainings regularly.

Table 7: Respondents' rating on training services offered by MFIs

How would you rate the training services offered by MFIs and Performance of your business?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Very Poor	31	29.2	29.2	29.2
	Poor	21	19.8	19.8	49.1
	Good	37	34.9	34.9	84.0
	Very Good	17	16.0	16.0	100.0
	Total	106	100.0	100.0	

From Table 7, 31 (29.2%) respondents rated training services they received as very poor, 21 (19.8%) as poor, 37 (34.9%) as good, 17 (16.0%) as very good and none rated the service as excellent. This meant that majority of the respondents agreed that training services they have received are good.

The Performance of MSEs in Kisumu City Business Park

The first objective of the study sought to determine the performance of MSEs in Kisumu City Business Park. The study evaluated the respondents' level of agreement with various statements on the performance of MSEs using a 5 point scale where 1 – strongly agree, 2 – agree, 3 – neutral, 4 – disagree and 5 – strongly disagree. The study findings were as illustrated in Table 8.

Table 8: Respondents' level of agreement with statements on the performance of MSEs

Statements	N	Mean	Std. Deviation
The profit margins for by business has been on the rise since I received training from MFI	106	2.77	1.107
My savings with the MFI have enabled me to expand my business	106	2.77	1.244
Loans that have received from the MFI has enabled me to create employment for self and others	106	2.78	1.130
The sales in my business have grown since I implemented the ideas I got from MFI training	106	2.75	1.235

From the findings on Table 8, the response on the profit margins for my business has been on the rise since I received training from MFI had a mean of 2.77; my savings with the MFI have enabled me to expand my business 2.77; loans that have received from the MFI has enabled me to create employment for self and others had a response mean of 2.78; and the sales in my business have grown since I implemented the ideas I got from MFI training response mean was 2.75.

6. Correlation Analysis

The study conducted the Pearson correlation analysis to measure the relationship between the study variables. The results are as shown in table 9.

Table 9: Pearson Correlation

		Performance	Savings	Credit	Training
Pearson Correlation	Performance	1.000	.762	.577	.729
	Savings	.762	1.000	.567	.743
	Credit	.577	.567	1.000	.635
	Training	.729	.743	.635	1.000

Sig. (1-tailed)	Performance	.	.000	.000	.000
	Savings	.000	.	.000	.000
	Credit	.000	.000	.	.000
	Training	.000	.000	.000	.
N	Performance	106	106	106	106
	Savings	106	106	106	106
	Credit	106	106	106	106
	Training	106	106	106	106

The results obtained from the Pearson Correlation on Table 9 indicate that there is a positive correlation between saving services and performance of MSEs with a correlation coefficient of 0.762 and P value $p < 0.05$; there is a positive correlation between credit services and the performance of MSEs with a correlation coefficient of 0.577 and P value $p < 0.05$; and there is a positive correlation between training services and performance of MSEs with a correlation coefficient of 0.729 and P value $p < 0.05$. The relationship is strong as it tends to be closer to 1.00 which represents a linear relationship. The findings therefore indicate that there is a strong positive correlation between saving services, credit services and training services and the performance of MSEs and all the variables are statistically significant.

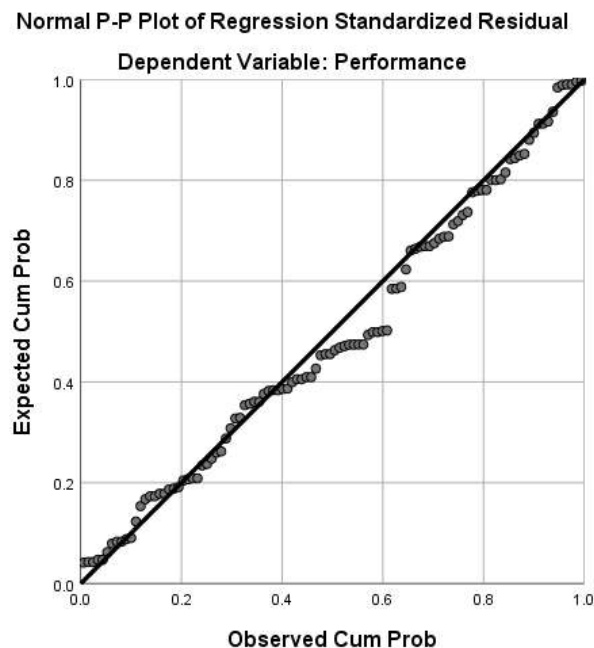
Diagnostic Tests

The study conducted various diagnostic tests to ensure that data collected met the assumptions underlying regression analysis as illustrated.

Normality Test

The study used graphical normality test method to test the normality of the sample data. This is shown in Figure 1;

Figure 1: Normality Test



The result of Figure 1 shows that points plotted fall approximately on the straight line therefore the data set was normally distributed.

Multicollinearity Test

This test aims at assessing whether the independent (predictor) variables are exceedingly connected. In this study the multicollinearity was tested by utilizing tolerance and variance inflation factor (VIF).

Table 10: Multicollinearity Test

Coefficients^a

Model		Unstd Coefficients		Std Coefficients Beta	T	Sig.	95.0% Confidence Interval for B		Collinearity Statistics	
		B	Std. Error				Lower Bound	Upper Bound	Tolerance	VIF
1	Constant	-.183	.310		-.591	.556	-.799	.432		
	Savings	.539	.103	.468	5.237	.000	.335	.743	.433	2.311
	Credit	.204	.136	.116	1.499	.137	-.066	.473	.577	1.734
	Training	.340	.105	.307	3.228	.002	.131	.549	.381	2.626

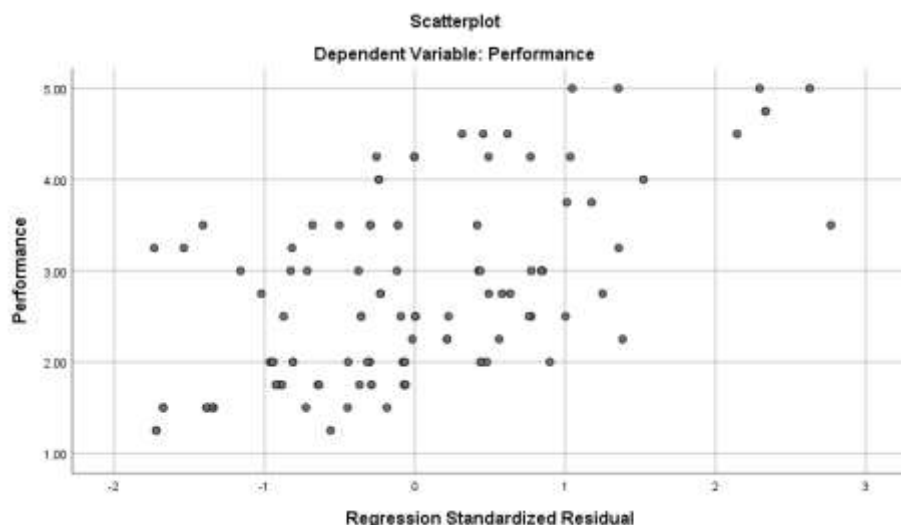
a. Dependent Variable: Performance of MSE

From the Table 10 tolerance level for all the predictor (independent) variables were greater than 0.1 and less than 1.00 indicating no multicollinearity. Similarly, VIF values for independent variables were less than 10.00 hence no multicollinearity.

Linearity Test

Assumption for linearity was tested by Scatter Plot as illustrated in Figure 2.

Figure 2: Linearity Test



From the Figure 2, when a rough rectangle is drawn around dots, dots appeared to be within the rectangle confirming linearity of the data. The range for testing this was between ranges of -3 to 3 leaving out only one dot.

7. Regression Analysis

The study conducted regression analysis to establish the relationship between the study variable. Independent variables (saving services, credit services and training services) were regressed against dependent variables (performance of MSEs). Table 11 shows the model summary.

Table 11: Model Summary

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.805 ^a	.648	.637	.61911

a. Predictors: (Constant), Training, credit, savings

b. Dependent Variable: Performance

According to the Table 11, R-square was 0.648 which means 64.8% variation in performance of MSEs was due to saving services, credit services and training services while the remaining 35.2% of variation in the performance of MSEs was explained by other factors not considered in the current study.

Table 11: ANOVA (Analysis of Variance)

ANOVA^a

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	71.865	3	23.955	62.497	.000 ^b
	Residual	39.097	102	.383		
	Total	110.962	105			

a. Dependent Variable: Performance

B. Predictors: (Constant), Training, Credit, Savings

From the Table 11, F test was significant with a p value = 0.000 is less than the standard p of 0.001 and this meant that the model was significant. From ANOVA, since p value was 0.000 then the influence of savings services, credit services and training services do have influence on the performance of MSEs.

Table 12: Regression Analysis Results

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.	95.0% Confidence Interval for B		Collinearity Statistics	
		B	Std. Error				Lower Bound	Upper Bound	Tolerance	VIF
1	Constant	-.183	.310		-.591	.556	-.799	.432		
	Savings (X1)	.539	.103	.468	5.237	.000	.335	.743	.433	2.311
	Credit (X2)	.204	.136	.116	1.499	.137	-.066	.473	.577	1.734
	Training (X3)	.340	.105	.307	3.228	.002	.131	.549	.381	2.626

a. Dependent Variable: Performance of MSE

Based on the regression results shown on Table 12 the regression model

$$Y = -0.183 + 0.539\chi_1 + 0.204\chi_2 + 0.340\chi_3 \dots\dots\dots\text{Equation 2}$$

From the regression equation shown, taking all predictor (independent) variables (savings, credit and training) constants at zero the performance of MSEs is -0.183. From the results, a unit increase in saving services there would be 0.539 increase in the performance of MSEs, a unit increase in credit services there would be 0.204 increase in performance of MSEs whereas a unit increase in training services there would be 0.340 increase in performance of MSEs.

At significance level of 0.05, saving services had a significance level of 0.000; credit services had a significance level of 0.137 whereas training services had a significance level of 0.002. Savings and Training services had a significance level less than 0.05 hence made unique significant contribution in predicting the outcome (performance of MSEs). Credit services had a significance level greater than 0.05 and therefore it can be concluded that it did not contribute significantly to the outcome (performance of MSEs) obtained.

8. Summary

In this section summary of the key findings of the study and discussion based on the study objectives;

Microfinance Saving services and performance of MSEs

The study showed that MSE owners agreed that micro-saving services have contributed in the performance of their MSEs. The response on the question on how respondents would rate the savings services that they receive from MFI, showed that majority of MSE owners agreed that micro-saving services are good. The study findings also showed that there is a significant positive correlation between saving services and performance of MSEs with a correlation coefficient of 0.762 and P value $p < 0.05$. The savings services also made a strong contribution towards the performance of MSEs operating at Kisumu City Business Park as shown by regression analysis coefficient p value of 0.000 at significance level of 0.05. The findings concurred with Kalui & Omwansa (2015) who noted that micro savings played a significant role in determining financial performance of MSEs.

Microfinance credit services and performance of MSEs

The study found out that MSE owners agreed that micro-credit services they have received from MFIs have contributed to the performance of their businesses. Majority of the respondents noted that the training services they have received from MFIs are good and as a result contributed in the performance of the MSEs. The study also established that there is a positive correlation between credit services and the performance of MSEs with a correlation coefficient of 0.577 and P value $p < 0.05$; and that the credit services made a weaker contribution towards the performance of MSEs operating at Kisumu City Business Park as shown by regression analysis coefficient p value of 0.137 at significance level of 0.05. The study supported the findings of Nyamwihula (2017) who noted that a micro-credit facility is a good innovation for developing low income earners of our society, as it enhances the productive capacity of the MSEs.

Microfinance training services and performance of MSEs

From the study MSE owners agreed that training services they received from MFIs made a contribution in the MSE performance. The study found out that majority of respondents agreed that they have received training and that the training services were good. The study also established that there is significant positive correlation between training services and performance of MSEs with a correlation coefficient of 0.729 and P value $p < 0.05$ and that the training services made a strong contribution towards the performance of MSEs at Kisumu City Business Park. The training service made strong contribution as shown by regression analysis coefficient of 0.002 at confidence level of 95%. The findings are in support of Syed, Minaa, Zain & Muzaffar (2017)

whose study found out that training facilitates growth perspective and that growth rate of MSEs whose owners have been trained were better as compared to those MSEs whose owners have never been given training.

9. Conclusion

The study concluded that there is a significant positive relationship between microfinance saving services and the performance of MSEs operating at Kisumu City Business Park and that savings made a strong contribution towards the performance of MSEs.

The study concluded that there is a significant positive relationship between microfinance credit services and the performance of MSEs operating at Kisumu City Business Park. The credit services, however, did make a weaker contribution towards the performance of MSEs.

The study also concluded that there is a significant positive relationship between microfinance training services and the performance of MSEs operating at Kisumu City Business Park and that training services strongly contributed towards the performance of the MSEs.

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