Effects of Empowerment Procedures on Clients' Livelihoods Sustainability: A Case of Deposit Taking Microfinance Institutions in Nakuru County, Kenya

Catherine Karimi[1], Dr. Peter Koome [1], Dr. Paul Gesimba[2]

[1]School of Education and Social Sciences, St. Paul University P.O BOX Private Bag – 00217, Limuru – Kenya.

[2] Department of Business and Leadership Studies, St. Paul University P.O BOX Private Bag – 00217, Limuru – Kenya.

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ABSTRACT

The Microfinance institutions (MFIs) clients' livelihoods sustainability largely relies on the institutions managerial functions whose aim is to achieve the vision of poverty alleviation through encouraging the poor people to save and get loans in order to begin or enhance their small businesses thus improve their living standards as well as achieve livelihoods sustainability. The study explored the relationship that exists between deposit taking MFIs empowerment procedures on clients' livelihoods sustainability in Nakuru County, Kenya. The problem of the study is that lack of client's comprehensive empowerment procedures by the deposit taking MFIs, leads to poor business management and failure to repay the borrowed loans leading to auctioning of their assets. The theory adopted for the study was the agency theory and the resource dependence theory. The study adopted mixed research method. The sample size consisted of 580 MFIs clients and 10 managers out of 1,954,111 target population. The Primary data was collected through the use of questionnaire and the interview. For quantitative analysis the study utilized descriptive statistics to describe the study's variables characteristics, cross tabulation and chi-square analyses were used to establish the relationship between the independent and dependent variables. The data was presented using tables. The study found out that majority of the MFI clients were women whose highest level of education was primary level. Savings, client representation in management, training time and content and mode of borrowing were found to have a significant relationship with clients' livelihoods sustainability. The study recommends that the MFIs need to focus on vibrant and continuous empowerment programs.

Key words: Empowerment procedures, livelihoods sustainability, Deposit taking Microfinance Institutions.

INTRODUCTION

When the poor people are socially and financially empowered, they gain ability and capacity to improve their living standards thus alleviates poverty. Poverty alleviation according to the World Bank (2019) means the strategic use of tools such as education, economic development, as well as health and income redistribution to improve the livelihoods of the world's poorest by the governments and internationally approved organizations. Poverty alleviation mechanism is intended to uplift the living standards of the vulnerable poor people in the society (Kumari,2020) who cannot afford or are struggling to access to daily basic needs by increasing their income level through access to microcredit services. The microfinance as pioneered by Dr. Mohammad Yunnus, with an intention of helping the poor Bangladesh women to gain access to microcredit in order to enhance their small business and thereafter an emergence of the Grameen microfinance Bank of Bangladesh, gained importance and growth globally between 1950s and 1970s (Quayes, 2015).

Since the initiation of microfinance institutions as an social -economic empowerment tool in March 1995 at the World Summit for Social Development in Copenhagen, the deposit taking MFIs have thrived globally, especially in low-income economies with an extensive impact enough to have warranted acknowledgement by the United Nations which declared 2005 the International year of microfinance. The microfinance institutions aimed at filling the needed gap within the financial services industry by providing small loans, or microloans, to individuals incapable of accessing conventional loan services (Stewart *et al*., 2012). Therefore the main goal of the microfinance institutions is to empower its clients through microcredits. In fact Microfinance is normally known as a powerful tool to empower women by improving their psychosocial well-being and socioeconomic status (Le Thai, 2021). The key aim of the Microfinance institutions is to enable the poor people to get out of poverty on their own effort through provision of financial means to help them in their entrepreneur activities. In this regard the poor people are able to gain independence since they manage and rely on their own resources by themselves without relying on others. They also attain self-respect as they are able to provide for themselves without relying on handouts (Hearth, 2018) for survival purposes.

It is important to note that microfinance in sub-Saharan Africa was introduced based on economic factors; savings and investments (Ahlin *et al.,* 2011), due to the fixed nature of the donations that targeted only the political elite and the cash crop growers (Richardson and Lennon, 2001).Therefore the MFIs helps in mobilizing voluntary savings, ensuring safety, flexibility, and accessibility, which can have the strongest impact on the growth and performance of SMEs (Kalu and Nenbee, 2016). The financial support programs of the microfinance institutions helps in the accumulation of finances for future financial stability (Abdullah *et al.,* 2021), A recent study conducted in Malaysia exploring on the progress of MFIs women revealed that, the MFIs clients who borrowed loans had an average increase of their household assets (Haque *et al.,* 2021) since the microfinance institutions offered them an opportunity to meet their predetermined standards that enabled them achieve financial households and microenterprises need (Cull *et al*., 2007). However, Karlan *et al*. (2014) argue that saving and borrowing is bad economics for MFIs clients since borrowing is usually at high interest rates while saving at much lower interest rates.

Kenya being one of the East African community whose main aim is poverty alleviation through an established unitary/integrated political federation (Dushime *et. al.,* 2022)., begun lending programs for the poor people through faith based institutions in 1980s with the aim of filling the gap that was left by banks in offering credit to persons, micro, small and medium enterprises that were on the increase during the period (Bassem, 2014). As time passed on the faith based institutions were overwhelmed by the high credit demands from their clients and as a result, the nongovernmental organizations (NGOs) started to fill the gaps by extending the credit services to church money lending groups (Adhikary and Papachristou, 2014) as a way of helping them empower their clients through micro credit and trainings.

METHODOLOGY

2.1 Study Area

The study was carried out in Kenya within Nakuru County which is the 32nd county of the 47 counties in Kenya which is located along the Nairobi – Kisumu highway, about 165 km northwest of Nairobi. Nakuru County covers an area of 7,462 km². The study area constitutes of three Sub counties; Nakuru east, Nakuru west and Naivasha which 1,954,111 (CBK, Annual Report 2022) total deposit taking MFIs depositors. The

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major economic activity in Nakuru County is agriculture that entails large scale farming, daily farming, and horticulture (County Integrated Development Plan (NCIDP), 2013-2017).

2.2 Target Population

The research targeted the deposit taking microfinance branch managers and their clients from the 10 licensed deposit taking microfinance institutions (central bank of Kenya, directory of licensed microfinance bank, 2017), found in Nakuru East, Nakuru West and Naivasha sub counties in Nakuru County. The total number of MFIs depositors (clients) was 1,954,111 (CBK, Annual Report, 2022).

2.3 Sample Size Determination

The research employed a multi-stage sampling technique to determine the sample size. Therefore purposive sampling was used to sample the MFIs branch managers in Nakuru East, Nakuru west and Naivasha Sub counties in Nakuru County. This was aimed at getting information from the people who are involved in the day to day running of the MFIs. This led to thirty (10), respondents from management level of the 10 microfinance institutions.

The systematic sampling technique was employed to sample the clients from the ten MFIs within the Nakuru East, Nakuru west and Naivasha Sub counties in Nakuru County whose total population is 747,920 people. To sample the target population, the researcher preferred to use Cochran's Formula (Cochran, 1977) as shown below to identify the clients for the quantitative part of the study;

$$n_0 = \frac{Z^2pq}{e^2}$$

ho is the sample size.

Z^2 is the standard normal deviation at the required confidence level.

P is the proportion in the target population estimated to have the characteristics being measured.

Q is 1-p.

e^2 is the error term.

$$n = \frac{(1.96)^2 (0.59)(0.41)}{0.04^2} = 580.8$$

The sample size was then divided among the 10 MFIs i.e.

580.8 /10 = 58.08

Every MFI institution had 58 of its clients sampled for quantitative part of the study. The researcher systematically sampled the 58 clients, who attended each Microfinance institution for the service, at interval as per the microfinance client's population. The same was also applied for various cohorts of MFI's clients. In order to avoid duplication of the client i.e one client being sampled twice due to the fact that he/she has membership for two or more microfinance institutions, the clients were asked to name their main microfinance institution which they got loans from.

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2.4 Sampling Techniques

2.4.1 Sampling for the quantitative component of the study

The study used a multi stage sampling technique. First, Nakuru County was selected purposefully because it has majority, that is, 10 out of the 14 licensed Microfinance Banks according to central bank. Second, the three sub counties that is, Nakuru East, Nakuru West and Naivasha Sub counties in Nakuru County were randomly selected from the 11 sub counties in Nakuru. Third, all the ten licensed microfinance institutions in the sub counties were considered for the study. Finally, 580 clients were sampled through the use of Cochran's Formula (Cochran, 1977) whereby the n^{th} case in the population framework was selected (Mugenda and Mugenda 2003). Since in systemic sampling the first unit is selected randomly and the remaining units of the sample are selected at a fixed interval (Kothari, 2014), the first client, in the study, was selected from each of ten MFI clients, then every 4^{th} client, who got to the MFIs for a service was selected.

2.4.2 Sampling for the qualitative component of the study

For qualitative information purposive sampling was used for the selection of the branch managers within the ten selected microfinance institutions within, Nakuru west and Naivasha Sub counties in Nakuru County since they are directly involved in the management of the MFIs. Also ten clients were randomly sampled from each of the ten MFIs within the sampled sub counties (Nakuru East, Nakuru West and Naivasha) in Nakuru County for qualitative information.

2.5 Data Collection Tools

In order to collect the primary data both the quantitative and the qualitative data collection tools were prepared. The quantitative date collection tool was prepared first as the main questionnaire for the study followed by the qualitative data collection tool that was meant to add on to the information acquired from the quantitative data.

2.5.1. The quantitative data collection tool

The quantitative primary data collection tool was the main instrument for the study and so, the questionnaire constituting of structured questions was used to collect information from the sampled MFIs' clients. The selection of the nature of the questions was informed by an assumption that the clients would not wish to have something that would consume most of their time since there was no prior appointment with them. The primary data collection was important for the study in order to inform on the relationship that exists between the deposit taking MFIs and their clients' livelihoods sustainability.

2.5.2. Qualitative data collection tool

In order to get the qualitative information from the both the 10 branch managers and the 10 clients from the selected MFIs in Nakuru East, Nakuru West and Naivasha sub counties within Nakuru county, it was deemed right to use two different interview/discussion guide, one for the branch managers and the other one for the clients with different semi structured questions which were used to inform the discussion through face to face interview.

2.6 Piloting of the Research Tools

In this study, a pilot study was conducted among 50 clients of Kenya women finance trust deposit taking microfinance institution in Kericho County due to its proximity and similarity of deposit taking MFIs to

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those in Nakuru East, Nakuru West and Naivasha sub counties in Nakuru County. Also, the choice of different respondents from those in Nakuru East, Nakuru West and Naivasha sub counties in Nakuru County ensured that the respondents in the actual study did not have prior knowledge or exposure to the questions in the research instruments. As such, the responses provided in the pilot study were not premeditated. The aim of the pilot study was to test the validity and reliability of the research instruments in order to obtain the required results (Moura, Pedro and Cordeiro, 2020).

2.7 Data collection procedure

The researcher got an introductory letter from the university offering intentions of the visit to the clients and the branch managers.

The researcher used research assistants to help collect data from the ten MFIs sampled clients (58 clients from each of the selected ten MFIs). However, the researcher first sought permission from the branch managers who gave out permission to carry out the research. Therefore, the researcher gave out the questionnaire to each client after informing of the intentions of the research and allowed the respondents a few minutes to respond to the questions. Due to COVID -19 Challenges, the researcher ensured that all the ministry of health protocols were well observed. The researcher also interviewed privately one of the clients from each of the MFIs as well as the branch managers from the ten deposit taking MFIs in Nakuru county in order to get the qualitative data for the study.

2.8 Data Analysis Methods

This study used descriptive statistics frequencies and distribution tables are used. Inferential statistics were also used whereby cross-tabulation and chi-square were used to test the relationships between the variables. The collected data was coded and checked for any errors and omissions, classified and tabulated by use of the procedures within the Statistical Package for Social Sciences (SPSS) and STATA. The significance of the correlation coefficient and for all the questions of the study was determined by the achievement of the significance level of <0.05 (Mugenda and Mugenda, 2003). For the qualitative data the study used narrative qualitative analysis method for the ten MFIs clients' respondents whereby the researcher listened to the respondent respond to the posed questions as per their own personal experiences and recorded down what they said. For the branch managers the researcher used content qualitative analysis method whereby the frequency of the ideas was noted and recorded.

To determine the effect of empowerment procedures on clients' livelihood sustainability in deposit taking MFIs in Nakuru County, Kenya, cross tabulation analysis was done whereby the relationship between Living standards and different variables was tested. Variables included are summarized in the table below.

Table 2.1 Variables used in Cross Tabulation Analysis

Variable	Description	Measurement	Expected Sign
Living Standards	A change observed in the clients living standards	Binary	+
Gender	The gender of the respondent	Binary	+
Age	Age of the respondent	Categorical	+
Education	Level of education of the respondent	Categorical	+
Membership	Duration the respondent has been a member of the MFI	Categorical	+
Savings	Changes in savings of the respondents over time	Categorical	+
Client rep	Client representation on the board	Binary	+
Training	Trainings received by the client	Binary	+
Decision	Impact of trainings on decision making	Categorical	+

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RESULTS AND DISCUSSION

3.1 Response Rate

The sample population consisted of 10 MFI branch managers and 580 MFI clients who were given questionnaires to fill out. All the MFI managers returned the questionnaires which gave a response rate of 100%. On the other hand, of the 580 MFI client questionnaires that were handed out, 535 were returned fully filled and from these, 35 were rejected. These findings are indicated in Table 4.1.

Table 3.1 Percentage distribution of the response rate

Item	Response	Percentage (%)	Number
Client questionnaires	Returned and properly filled	86.2	500
	Rejected	6.0	35
	Returned Empty	7.8	45
Total		**100.0**	**580**

Source: Research Data (2020).

According to Kraska, Brent and Neuman (2020), a response rate of 70% and above is considered to be very good. Since the response rate of this study was above the threshold of 70%, it was deemed to be very good in ensuring the adequacy of data for analysis and reporting.

3.2 Descriptive Statistics

3.2.1 Characteristics of Respondents

The researcher sought to find out the background characteristics and the findings were recorded in Table 4.2.

Table 3.2 Percentage distribution of MFI clients according to background characteristics

Item	Response	Percentage (%)	Number
Gender	Male	30.0	150
	Female	70.0	350
Age	18-20	0.4	2
	21-30	15.0	75
	31-40	31.8	159
	41-50	31.6	158
	51-60	16.4	82
	61-70	4.6	23
	>70	0.2	1
Education	Informal	49	245
	Primary	43.2	216
	Secondary	7.2	36
	Tertiary	0.6	3

Years as an MFI member	1-5 Years	49.0	245
	6-10 Years	43.2	216
	11-20 Years	7.2	36
	>20 Years	0.6	3
Total		**100.0**	**500**

Source: Research Data (2020).

Results show that among the MFI clients, 30% were male while 70% were female. This implies that there are more female clients in the MFIs. These findings correspond to those by Women's World Banking Report as presented by Barry (2022) who found out that in Kenya, there are more female engaged in financial institutions due to increased empowerment programs focusing on women. Similarly, studies done (Périlleux and Szafarz ,2015, women empowerment global perspectives,2006, Aseanty and Hassan, 2013, Kulkarni, 2011, D'Espallier *et al.* 2017 and Hermes *et al*. 2011) posits that the microfinance institutions targets women within the poor households since they are generally credit –worth, responsible for using their finances for livelihoods activities thus can be used as perfect channel for reaching out to other women through poverty eradication programs. This study also, shows that the MFIs are an inclusive endeavor of all the poor people despite their gender. This revelation informs on the importance of recognizing that there are men who are poor and are therefore excluded in accessing the financial services and have a right of inclusion for the same.

In regards to age, 63.4% of the respondents were aged between 31 and 50 years while 21.2% were above the age of 50 years and only 15.4% of the respondents were below 30 years. The results shows that majority of the poor people are in their productive years are socially and financially excluded and therefore requires both social and financial empowerment to improve or begin income generating projects that will lead to sustainable livelihoods.

On assessment of the educational level of MFIs client, the results revealed that majority of the respondents had not attended formal education at 49% with 43% having primary education, 7.2% secondary education and only 0.6% having attained tertiary education. The study coincides with the study done by USAID (2015) who found out that the People who live in extreme poverty lack both income and assets and typically suffer from interrelated, chronic deprivations, including hunger and malnutrition, poor health, limited education, and marginalization or exclusion. The result implies that MFIs aims at improving the living standards of those who cannot access decent employment due to lack of or limited formal education which is as a result of lack of funds to facilitate their education.

In regard to the duration of membership existence of the MFIs clients, the findings indicated that 49 % of the respondents had been members of the MFIs for 1-5 years, 43.2% had been members for 6-10 years, 7.2% had been members for 11-20 years, and 0.6% had been members of the MFIs for more than 20 years. This implied that the MFIs have attracted the most productive group in the society who according to the results has been clients at the MFIs long enough to get an understanding of the how MFIs management functions and how they affect their livelihoods. The consistency of those above six years MFIs membership has also attracted many more (49%) to MFIs membership.

3.2.2 Client Empowerment

The table 4.3 below shows the findings on microfinance institutions clients' empowerment procedure.

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Table 4.3. Percentage distribution of client empowerment

Variable	**Response**	**Percentage (%)**	**Number**
Training by Institution	Yes	76.8	384
	No	23.2	116
If yes, when?	When joining the institution	19.37	74
	Before issuing a loan	80.63	308
Area of Training	Loan taking and repayment procedures	19.37	74
	Business Management	80.63	308
Income Generating Project ownership	Yes	100	500
If yes, how do gauge its progress	Very good	8.8	44
	Good	91.2	456
Assessment of the project by MFI	Yes	45.6	228
	No	54.4	272

Source: Research Data (2020).

The findings indicate that 76.8% of the respondents were trained by the MFIs and of these, 80.63% indicated that the training was done before they were issued with a loan and the trainings majorly focused on business management. The finding corresponds with Chaudhry, (2018) and Cumming and Fischer (2017) findings that proper training help in gaining better knowledge that helps improve on production, sales and profits in business ventures thus enhancing survival in business sector. Similarly Masouras, Maris and Kavoura (,2020) found out that he training helps the clients develop critical thinking and problem solving skills that helps them in interacting well with their group members as well as their family members. The training at the time of loan issuance is very important in educating the recipients on financial management and investments aimed at ensuring prudent investment of the loan received. Additionally, all the clients indicated that they had started an income-generating project which was progressing well. The findings correspond with Shetty and Hans (2015) who posits that education and training leads to increased skills and literacy which leads to livelihood sustainability. However, 54.4% of the respondents indicated that the MFIs did not assess the progress of their projects meaning that the MFIs did not have a reliable monitoring and evaluation system.

On further enquiring on the contentment of the clients of the Nature of the training carried on by the microfinance institutions, the nature of the programs they would wish to be trained on as well as the assessment of their projects, a discussion was set with a key informant (a client of one of the deposit taking MFI and he said:

The leaders of the microfinance institutions need to keep on assessing our business activities as many times as there can be in order to get information on how we are progressing. They also need to keep on training us on what to do when the business environment is not favorable. Informing us only on loan process is not enough. I would like to hear more about how to manage my small project, (MFIC1).

Another she key informant said:

Am completely contented by the way the staffs from the microfinance institution train us. However, I would recommend that whenever the clients groups are meeting they avail themselves in order to hear about the progress of our businesses and the challenges that we encounter. In fact I would be happy if I see a microfinance staff visit my business and enquire on the progress. Then can advise on the way forward' (MFIC2).

The information from the informants coincides with Maitrot (2014) who argues that the MFIs neglect clients' recruitment and follow-up procedures.

Further the researcher sought to understand why the microfinance institutions capitalize much on training before issuing a loan and the response was as follows;

It is important before we engage the clients on finances, we inform on the MFIs saving and borrowing terms and conditions. Therefore, we inform them on the clients' financial obligations to MFIs and the benefits accrued therein when joining the institution. During borrowing of finances, we like to remind them on the terms of borrowing before we enter into a contractual agreement before we issue the loan. We ensure that they understand the terms clearly before they agree on them (MFIM 2, 3, 7).

The respondents' information coincided with Khan *et al.,* (2021) who argue that the clients with good loan repayment history have strong financial performance and so earn high profits and therefore can meet all deadlines mentioned in the contractual loan agreement.

3.2.3. Inferential analysis

To determine the effect of empowerment procedures on clients' livelihood sustainability in deposit taking MFIs, cross tabulation analysis was used. The relationship between clients' livelihoods sustainability and different empowerment variables was tested. Significant correlation was established between the clients' livelihoods sustainability and savings, client representation, training time and topic trained.

Table 3.4 Effect of Savings on Clients' Livelihoods sustainability

		Clients' livelihood sustainability %		**Total**
		Greatly improved	**Constant**	
Savings	Increased	57.6	42.4	100
	Decreased	40.0	60.0	100
	Constant	68.3	31.7	100
Chi Square = 8.07	**Df= n-1**	**P Value = 0.0447**		

There was a significant relationship between savings and clients' livelihood sustainability (P Value = 0.0447) as shown in table 4.8 above. 57.6% of those who increased their savings and 68.3% of those who maintained their savings reported a positive improvement in their clients' livelihood sustainability while 60% of those who reduced their savings reported no improvement in their livelihoods. Savings allow individuals to invest in profitable ventures without much straining hence improving their standards. Savings also eases access to credit which can be used for investments. It also increases the credit rating of individuals leading to access to higher amounts of loans that an individual can borrow from the MFI hence meaningful investments can be done. Savings cushion individuals in times of difficulties hence the living standards of individuals who save more are not negatively affected during the times of economic crisis. Savings also allow the clients to enjoy greater financial security due to availability of cash set aside for emergencies. This provides a fallback should something unexpected happen and also allows an individual to take risks or try new things which are more profitable. This is in line with the findings of Michael and Sandra (2013) who note that younger respondents who indicate a willingness to save and plan are far more likely to have greater wealth later in life. Correspondingly Abdullah *et, al.,* (2021) found out that the financial support programs of the microfinance institutions helps in the accumulation of finances for future financial stability. Kalu and Nenbee, (2016) also note that the MFIs helps in mobilizing voluntary savings, ensuring safety, flexibility, and accessibility, which can have the strongest impact on the growth and performance of SMEs). However, according to Karlan *et al.* (2014) Simultaneous saving and borrowing is bad economics for MFI clients because borrowing usually at high interest rates while saving at much lower

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interest rates.

Table 3.5 Client representation in management visa vis Clients' livelihoods sustainability

		Clients' livelihoods sustainability %		Total
		Greatly improved	**Constant**	
Client representation in management	Yes	65.0	35	100
	No	57.5	42.5	100
Chi Square = 3.01 Df = n-1 P Value = 0.0828				

Client representation in the management had a significant relationship with their livelihood sustainability (P Value = 0.0828). 65% of clients who were represented in management reported to have improved living standards. Representation in management helps in advocating for the rights of the clients and therefore this promotes improvement in their livelihoods.

Further on Enquiring on the importance of clients inclusion in management decision making the following key informants had this to say;

The microfinance institutions are client focused since their mandate is to help the poor person improve on their living standards through enhanced livelihoods. Therefore if the MFIs wants to deliver on their mandate then should accept that client's inclusion in form of representation in decision-making at management level is of crucial importance. We normally have clients' representation in decision making organ of our institution because we recognize the importance of receiving the primary information from the primary source. As such we are able to first, monitor the progress of our clients, second, to get an understanding of their feelings in terms of our service delivery, third we are able to monitor our performance through the feedback that we receive from them, and lastly we are able to formulate policies that best suit our clients. (MFIM.2, 3, 6, 10)

These views agree with those of Béal and Sabadie (2018), who found out the clients' representation in the management, helped the management members in the governance of the organizations with the lens of client's livelihood sustainability. This is because the voice of the client is listened to as they express openly service improvement suggestions as well as their complaints. The act of having a client's representation in the management makes the clients to be more committed since they have strong feelings of firm ownership. Mori and Mersland, (2011) also note that customers' representation in the management is associated with duality and good financial performance.

The deposit taking MFIs decisions on interest rates, loan recovery and collateral are pertinent to the livelihood sustainability of their clients and if they have a voice in management then their needs can be considered hence improving their living standards.

Table 3.6 Effect of Training on clients' livelihood sustainability

		Clients' livelihood sustainability %		Total
		Greatly improved	**Constant**	
Training	Yes	61.7	38.3	100
	No	59.5	40.5	100
Chi Square = 0.19 Df=n-1 P Value = 0.6649				

Training has a positive relationship with improved clients' livelihood sustainability with 61.7% who

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received training having improved their livelihoods. However, the relationship is not statistically significant (P Value 0.6649). Regardless of the relationship being insignificant there is an indication that access to training improves the clients' livelihood sustainability because training increases the knowledge of the client in terms of investment and management of finances. This can be seen with the significant relationship between clients' livelihood sustainability and the time and topic of training. The findings are in line with Masouras, Maris and Kavoura, (2020) who notes that training the clients is important because it helps the clients develop critical thinking and problem solving skills that helps them in interacting well with their group members as well as their family members. Kimball and Lussier, (2021) notes that training acts as eye-opener on how to go about the daily business affairs for the small micro entrepreneurs since workforce skills enhancement is key to the competitiveness of SMEs. Technical skills training equally helps the clients to identify the skills that are important for production as noted by Baporikar (2021) thus maximize on profits.

Table 3.7 Timing of training on clients' livelihood sustainability

		Clients' livelihood sustainability %		**Total**
		Greatly improved	**Constant**	
When trained	When joining the institution	51.4	48.6	100
	Before issuing a loan	64.3	35.7	100
Chi Square = 4.23 Df= n-1 P Value = 0.0398				

The time of training had a significant influence on the clients' livelihood sustainability (P Value= 0.0398) with majority who were trained when joining the institution and before being issued with a loan (51.4% and 64.3% respectively) reporting improvement in their livelihoods. Greater impact is seen when clients are trained before being issued with a loan and this may be explained by the fact that the trainings are majorly on how to manage the finances hence greater impact. Training before loan issuance opens up the mind of the client on different investment portfolios, financial management and keeping proper records which enhances prudent us of funds hence improving the living standards off the client. This is in line with the findings of Chaudhry, (2018) who notes that proper and timely training help in gaining better knowledge that improve production, sales and profits in business ventures (Cumming & Fischer 2017) thus survival in business sector.

Table 3.8 Effect of training content on clients' livelihood sustainability

		Clients' livelihood Sustainability %		**Total**
		Greatly improved	**Constant**	
Training topic	Loan taking and repayment procedures	51.4	48.6	100
	Business management	64.3	35.7	100
Chi Square = 4.23 Df= n-1 Prob = 0.0398				

As indicated in table 4.13, 51.4% of clients who were trained on loan taking and repayment procedures reported improved livelihoods. Additionally, 64.3% of clients who received training on business management had greatly improved their livelihoods. Training content has a significant relationship with clients' livelihoods sustainability (P Value = 0.0398). Training on business management has more impact on living standards probably because proper business management leads to increased returns, which in turn, leads to quality life in terms of health, nutrition, education among others hence improving the living standards of the clients. This is in line with the findings of Ahmad *et, al*., (2017) echoes by arguing that the

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Microfinance institutions clients improve their business management skills and knowledge through the interactive/participative training techniques, used by their trainers, that involve action as well as adult learning methods that involve beginning from known to unknown. All the above mentioned skills enhanced through trainings are essential in improving the living standards of the clients. Training the clients mainly on business management is a common way of supporting the client's ongoing and new businesses as noted by Baráth, Nazir and Andre, (2017). Entrepreneurial skills training also helps the clients recognize the economic opportunities available for their actions as posited by Kibet, (2020). Karlan and Martin (2011) also notes that business training may increase the value mothers place on education more generally, thus leading to higher schooling. Equally, Erwin *et al*., (2016) demonstrates that training participation in training increases both knowledge and performance.

CONCLUSION

MFIs are important catalysts in the improvement of livelihood sustainability of individual clients hence contributing to their wellbeing as well as national development. However, MFIs ought to focus on their clients' livelihood sustainability since their mission is to enhance the living standards of their clients thus alleviating poverty. Therefore, based on the study findings, the study made several conclusions.

First, the MFIs are greatest promoters of education through trainings with 76.8% of the members being trained and this has resulted into improved decision making by 79.96% of the clients aiding them establish income generating projects to supplement their incomes. This indicates that the training of the clients of various programs by the microfinance institutions, increased their ability and capacity in dealing with their businesses thus helping them to improve their livelihoods.

Second, the empowerment procedures play a greater role in improving the livelihood sustainability of clients through savings with 57.6% noting greatly improved standards after increasing their savings and 64.3% of those who received training on business management before being issued with a loan having greatly improved livelihoods.

Third, the client representation in management has a slight impact on sustainability of the livelihoods of other clients with 65% of the clients reporting improved livelihoods though the relationship was not significant at 5% but significant at 10% significance level.

RECOMMENDATIONS

From the conclusions drawn in this study, there were several recommendations and policy implications made to the MFIs policy makers, in line with the objectives of the study.

First, based on the discovery that majority of the deposit taking MFIs clients had clients had primary level education, the study recommends to the MFIs policy formulators, to consider the education level of deposit taking microfinance institutions clients in order to come up with the empowerment programs that are easily applicable in the clients intellectual status. There is also need to empower women more so as to be at par with their male counterparts for sustainable livelihoods.

Second, the MFIs governances need to focus on vibrant empowerment programs so that they do not only have the training for the clients on loan taking and repayment when they join the institutions but can also introduce continuous livelihood sustainability programs. This is because trainings were seen as a pillar in ensuring that the clients make informed decisions hence improving their livelihood sustainability.

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