

**FINANCIAL SOURCES, SOCIO-CULTURAL FACTORS, AND GOVERNMENT
REGULATION ON PERFORMANCE OF WOMEN-OWNED MANUFACTURING
ENTERPRISES IN KISUMU COUNTY, KENYA**

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UNIVERSITY**

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DECLARATION

This Project is my original work and has not been presented for a degree in any other University or for any other award.


Signature... 

Date... 21/11/2023

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K102/26996/2019

I confirm that the work reported in this research project was carried out by the candidate under my supervision.

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ABSTRACT

Manufacturing sector plays a significant role in contributing to Kenya's Gross Domestic Product. One of the instrumental vehicles in enhancing manufacturing are women-owned enterprises. Despite being a priority for sector enhancement, only 17 percent of women are involved in the industry, while their male counterparts make up the remaining 83 percent. A case in Kisumu County records that less than 10 percent of the women-owned enterprises are engaged in manufacturing activities. The sector has also recorded low performance with only a 12 percent output realized, as compared to the service sector, which had a 50 percent output in Kisumu County. Moreover, it is not clear why women-owned enterprises performance in the sector is low, which was the essence of carrying out this study. The specific objectives of the study included: examining the effect of financial sources on the performance of women-owned manufacturing enterprises; determining the extent to which socio-cultural factors influence performance of women-owned enterprises; and analysing the impact of government regulations on the performance of women-owned enterprises. The study involved the use of primary data, obtained through administering questionnaires and interviews to 48 women owning manufacturing enterprises that were selected through simple random sampling technique. Data was analysed by use of STATA Software. Descriptive statistics revealed characteristics of majority of women in manufacturing sector as: aging between 35-44 years; married; had attained university education level; had operated their enterprises for two to ten years; had established their enterprises in the urban areas and operated micro enterprises. Analysis of Variance indicated that there was variation in mean performance based on sources of finance during shortages and control of productive resources. T-test indicated that there was variation in mean performance based on freedom of movement, society attitude, enterprise registration, enterprise licensing, enterprise location and land ownership. Multiple linear regression results indicated that the number of employees had a positive effect on performance of women-owned enterprises. Women who obtained finance from commercial banks during fund shortages recorded higher performance of their enterprises as compared to the enterprises owned by those who obtained finance from businesses and spouses. The socio-cultural factors that affected performance of women-owned enterprises included, decision making and land ownership. The performance of women-owned enterprises for women who engaged in joint decision making was higher than those whose spouses' made decision on their behalf. Moreover, the performance of enterprises owned by women who had land was higher than those who did not have land. Taxation negatively affected performance of women-owned manufacturing enterprises. Based on the research findings, commercial banks need to lower borrowing costs especially interest rate and loan prerequisites to encourage women to borrow so as to enhance the performance of their enterprises. Spouses need to be encouraged to also participate in decision making which will effectively enhance performance of the enterprise. Additionally, the government needs to implement legislative measures to eliminate socio-cultural barriers to women's land ownership and eradicate cross county taxes and levies in order to promote performance of women-owned manufacturing enterprises.