



RESEARCH ARTICLE

CHALLENGES FACING WOMEN OWNED MICRO ENTERPRISES WHEN ACCESSING BUSINESS INFORMATION IN LIMURU CONSTITUENCY, KENYA

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ABSTRACT

The researchers focused on the challenges faced by women owned micro enterprises in accessing business information in Limuru Constituency, Kenya. Survey research design was used. The target population included 1764 women owned micro enterprises. Stratified random sampling and focus group discussions were utilized. The researchers found that the women respondents were fairly well educated as 77.2% of the women interviewed had secondary and post secondary education. Lack of information systems presented the biggest challenge at 76.5% followed by information available being expensive (71.6%) and business information available not being applicable to the local context (66.8%). To a lesser but still significant degree, outdated information, lack of knowledge on the availability of information and lack of relevant skills to access the information were identified. Information that was most sought after was in finance/credit, markets and investments while the least sought after was on taxation and insurance. Through cross tabulation and correlation analysis, it was found that there was minimal relationship between most of the factors above. The conclusion was that while an area may be in a rural setting, having an information system which disseminates relevant information may be a greater determinant of access to information than the geographical location.

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INTRODUCTION

The Government of Kenya developed Vision 2030 as a medium-term development plan with the aim of reducing poverty and attaining rapid economic growth. Under the development plan, the government hopes to empower vulnerable groups such as women and the youth through provision of funds, increasing their representation at all levels of government and develop the wholesale and retail sector which employs the bulk of these vulnerable groups. Micro enterprises which are a component of the retail sector in Kenya have been identified as an integral player in the improvement of the socio-economic conditions of developing countries. It's a known fact that women in developing countries have, for long, been victims of poorly paid jobs or unpaid domestic chores (United Nations, 2009). Micro enterprises have been acknowledged for their ability to empower women economically. However, there are various challenges that women face in running such enterprises one of them being access to business information hence limiting their full participation in their micro enterprise ventures. In order to put to perspective the importance of business information, apart from land, labor, entrepreneurship and capital, information has

lately been identified as one of the key factor of production (Ikoja *et al.*, 2006). For micro enterprises to attain their full potential, it is imperative that they access relevant business information. As it was noted by Shokane (2003), business information provides a potential to add to the growth of an economy and thus serves as a foundation for gaining a lead in contemporary business. However, micro enterprises tend to rely on informal information gathering methods of highly variable reliability, as they rarely conduct research due to a variety of reasons such as lack of time, skills and high costs. Bekele and Zekele (2008), from a study conducted on small enterprises in various parts of the world showed that decision-making skills and business information are important factors that encourage the survival of small enterprises and enable them to remain competitive in the local and to a certain extent the global market. According to Eversole (2004), business information is of strategic importance in operation of any business as the success of any business is based on its ability to acquire accurate information.

Eileen and Klein (2008) conducted a survey to determine and to prioritize business information needs of micro enterprises. From the survey, it was established that information needs relating to finance forms the biggest percentage of business information needs of most small enterprises. Donner (2009), attributed this to the fact that micro enterprises' major challenge is their accessibility to finance. According to

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Ncebere (1999), women owned enterprises in Kenya are constrained by more challenges as compared to their male counterparts as African socio-cultural practices for long have confined them to domestic production activities and also have limited their access to factors of production. They therefore need information on how to overcome these challenges. A study conducted by Mwabobia (2012) in Kenya on the challenges facing small scale women entrepreneurs established that women face various challenges in conducting their business activities which include lack of finance, poor access to justice, lack of education among others.

Furthermore, Wesa (2011), in a study on determinants of micro credit access among rural women while using women owned enterprises in Butere-Mumias district, Kenya established that the extent of information accessibility is a key determinant that influence micro credit accessibility and in a situation where there is lack of it, credit accessibility becomes a big challenge. However, according to Donner (2009), for any kind of the information to be effectively used in business transaction, it is relatively important that right business information should be accessed, from the right source, at the most appropriate time, at the right price and relevant stakeholder should put it into the right use. Haseloff (2005) concurred with this view when he affirmed that the most important factor that determines efficiency and competitiveness of business entities is the way business information is meaningfully put into use. In addition, it was noted by Donner (2006), that even in the information rich environment, there exist barriers that hinder access to this information. This is despite the notion that hindrance to information is due to physical limits such as poor infrastructure, inadequate information resources or inadequate and poor retrieval means (Chen, 2001). With respect to this, in order to be in a good position to identify these problems, it is important to put into context how various entities in the operating environment are interrelated and how they determine information access in the operating environment. This relationship can be modeled as below;

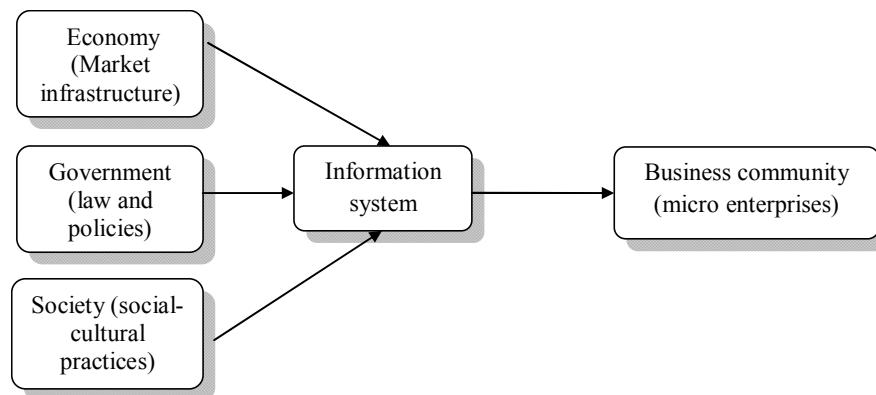


Figure 1. Supporting relationship of business information in the external operating environment

Source: Author

From the figure above, it is important to acknowledge that micro enterprises operate in a multifaceted environment comprising of different components. According to Donner and Escobari (2010), these components interrelate by sharing

information that helps organizations to achieve their business goals. Waverman and Fuss (2005), concurs with this as they argue that it is impossible to separate these components from operating environment since they are intertwined together and they determine information provision to any business establishment. Nonetheless, excessive demands for business information or breakdowns in the information dissemination process always exert pressure on the players in the environment. As a result, it becomes challenging for most micro enterprises to access the relevant information.

Various scholars have made efforts in identifying and describing business information needs for micro enterprises, but mostly from a financial or a general perspective. As a result, a study with special reference to women owned micro enterprises was overdue as there was a gap that existed that needed to be addressed in order to help this group to meaningfully turn their establishments into profit making competitive enterprises.

## MATERIALS AND METHODS

### Scope of the study

The study was conducted in Limuru Constituency within the Kiambu County, Kenya. The main focus was on the women owned micro enterprises and the study was confined to challenges faced in accessing business information by these enterprises. This was established by analyzing the business information needs and sources of this business information. In addition, strategies that can be instituted to enhance access to this business information by women owned enterprises also formed the scope of the study. This study was guided by Wilson's model of information behavior. The model argues that a user must first recognize their need for information. The user will then consult informal or formal sources of information. Their information needs may be satisfied if they are able to solve the perceived problem. If the user does not

feel satisfied by the information gotten they will then seek for this information from alternative sources. A survey research design, focus group discussion and stratified sampling were applied given the unique nature and scope of the research. Women owned enterprises were classified under various associations registered with Municipal Council which formed

the sampling frame of the study. The Limuru Municipal Council Education and Social Services office employees were also included in the sample. The total number of registered enterprises in Limuru Constituency is 3600, 49% (1764) of these are women owned micro enterprises. (Limuru Municipal Council, 2012). Using Creative Research Systems survey software and at 95% confidence level, from each stratum, respondents were selected to form the study sample. The total sample was 316 respondents (Bryman, 2012). For content, predictive and construct validity research instruments were examined to establish whether they were addressing all aspects that the study intended to measure. The reliability of the research instruments was tested during the pilot study to determine whether it was reproducible and consistent in the study.

### Data analysis

Thematic analysis was used for the qualitative data whereby the data was classified under the various themes. Direct quotations and graphics were also used to present this data. Quantitative data once collected was summarized and presented by use of statistical methods in accordance to the objectives of the study. The statistical software that was used in this analysis was SPSS Version 16.0 (Stinchcombe, 2005). Frequency distribution tables, charts and graphs were used to present data in the initial data analysis. Based on the observed trends from the initial analysis, correlation and cross tabulation analysis was used in the second line of analysis to see if there was any relationship among the variables under study.

## RESULTS AND DISCUSSION

Based on the background information about the respondents, the researchers found that 84.9% of the women traders were relatively young as their ages ranged between twenty to fifty years. Another significant characteristic of the women respondents was that they were fairly well educated as 77.2% of the women interviewed had secondary and post secondary education. With such a high number of educated traders it implies that they have capacity to use any source of information. This capacity was vindicated as the researchers found that language and understanding of business information were the least challenges that the women traders faced when accessing information (33.7%). The researchers also found that majority of the women traders were conducting businesses which are informally structured such as green grocers, clothes making, kiosks, money transfer services, cyber cafes etc. Such businesses are highly localized and therefore the information available from most sources may not be relevant to decisions made in such businesses. Indeed, 66.8% of the respondents felt that the available information was not relevant to their business needs. The researchers also noted that the bulk of the businesses were relatively young with most of them falling between one to ten years old (65.6%). This concurs with what Ncebere (1999) advanced that most of the women based enterprises in Kenya are relatively young, are restricted to localized production and lack access to various factors of production.

The researchers found that the bulk of the women engaged in businesses as a source of income (73.9%). Further to this, 17.5 % of the respondents started their micro enterprises to supplement their income. This may be a good pointer of importance of these micro enterprises to the women and we can therefore correctly conclude that the women would go to a great extent to attain relevant business information. In line with this, the researchers noted that the information that was classified as highly essential was that which was related to finance/credit (77.1%), markets (69.9%) and investments (57.2%) (Donner, 2009). Of least importance was information on taxation (43.7%) and insurance (40.1%). This agrees with Waverman and Fuss (2005) and Eileen & Klein (2008) whose research findings indicated that most micro enterprises are operated without full understanding of relevant laws which results in contravention of the law. With the Kenyan government moving towards bring more people into the tax bracket, the government should move quickly to educate such segments of the society on the need to pay tax and abide with the relevant regulations.

It was also important for the researchers to put into perspective the sources of information that the women traders use. The respondents indicated that their most commonly used sources of information were radio (73.3%), television (72.2%), friends and relatives (70.9%), public barazas (51.2%) and newspapers (50.0%). It's interesting to note that the bulk of the above sources of information are quite modern and advanced and their high usage may be attributed to the high level of literacy among the respondents. This is in contrast with an earlier study on empowering rural women in Kenya to alleviate poverty through provision of information done in Vihiga District, Kenya which found illiteracy was a major obstacle to information access (Odini *et al.*, 2012). The researchers concluded that while some areas in Kenya such as Limuru constituency may classified as rural settings and being out of reach, literacy level may be greater determinant of access to information than the geographical location. The researchers evaluated the level of difficulty associated with the access to various information sources. They found that level of difficulty was highest among nongovernmental organizations (NGOs) (57.4%), workshops (50.0%) and libraries (49.5%). However it was also noted that their high level of inaccessibility was more due to lack of such facilities and forums within the locality and not due to in attendance of such forums or lack of understanding. Again this concurs with the argument above that a highly literate population will have minimal difficulty in accessing information whatever the source. Indeed as a response to the challenges faced when accessing information, majority of the respondents cited lack of proper information systems (76.5%) and irrelevance of information provided (66.8%) and not inability to understand information provided (Table 1).

The researchers sought to determine the strength of relationships between various variables under study that had earlier been identified as having a significant impact through descriptive analysis. Cross tabulation and correlation analysis were used as these approaches help to dig into the data and bring out any underlying relationships and the strength of such relationships.

**Table 1. Challenges faced in accessing business information**

Challenge	Yes%	No%	N
Information available being a language that is not understood	33.2	66.8	208
Out dated information	56.4	43.6	204
Information available being expensive	71.6	28.4	208
Lack of infrastructure e.g. ICTs, power supply	56.8	43.2	206
Lack of knowledge on the availability of information	57.7	42.3	201
Lack of relevant skills to access the information e.g. internet search skills, basic IT	49.5	50.5	206
Business information available not applicable in the local context	66.8	33.2	199
Lack of information systems	76.5	23.5	204

Initial analysis had indicated that lack of information systems was the greatest challenge. From the cross tabulation data it was evident that irrespective of the age of the respondent, lack of information systems in the constituency is a serious challenge. However minimum negative correlation between the two variables of - 0.025 was observed. Lack of information systems as a challenge seem to also affect all respondents irrespective of their level of education implying that its one of the key challenge that hinder access to business information. Low positive correlation between the two variables of 0.042 was observed.

The cost of information was as well identified as one of the key challenges hindering access to information. From the cross tabulation data, majority of the respondents across all age groups and levels of education indicated that cost of information is a major challenge. The same was observed for irrelevant business information as it was noted that it affects majority of the respondents irrespective of their age and level of education. However it was observed that lack of relevant skills to access business information tend to decrease as the level of education increases with a low positive relationship (0.253) between the two variables implying that being educated enhances the skills that one can use to access business information. The lack of relevant skills to access business information was observed to increase with the age of the respondents and this was supported by a negative correlation coefficient of - 0.31 implying that there is an inverse relationship between the age of the respondent and having relevant skills to access business information. Language barrier was identified as the least faced challenge as a significant majority of respondents across all age groups, even those above sixty years indicated language was not a barrier in accessing business information. Minimal negative correlation between the two variables (- 0.004) was observed.

For the solutions to the challenges faced by women owned micro enterprises in accessing business information, the questions were open ended and thus respondents gave several solutions that were classified into three major themes namely information centres and systems, technology and relevance of information provided and education. A significant number of the respondents (74%) suggested that a community library should be set up in Limuru constituency to allow members of the public to access business information freely besides having

in place a functional information system. 76% of the respondents suggested that internet services should become more affordable and accessible. Radio programmes timing should be reviewed as some educative programmes are aired at the time when the women are busy with other tasks. For education, 63% of the respondents suggested that extension services should be more easily available to the women owned micro enterprises. Another suggestion was that information materials should be in a language that is understood universally and should be tailored to the local needs.

## Conclusion

Information is a vital ingredient for the success of any business entity. There are numerous examples in history of individuals and business entities that have made fortunes due to having the right information at the right time. It's therefore imperative that each and every business entity should be able to access the relevant information in order to successfully carry out its activities. The researchers was able to establish that having a literate population is able to enhance access and use of information to gain competitive advantage in business and with the age of business people becoming lower and lower, businesses in future will be run by highly informed entrepreneurs who are able to access multiple sources of information in order to gain competitive advantage.

It was also noted that women tend to engage in less formal and structured businesses which limit their access and use of available information. This was identified as a major hindrance to using information to further business interests. While women entrepreneurs seem to focus on the right information such as information on finance, markets and investments, the benefits of such information is not evident on the ground as the bulk of the business entities are a one person show or hire one or two employees signifying lack of growth. From the study, the researchers made two recommendations. First, the government and other stakeholders should develop efficient and diverse information systems that should collect and disseminate information to all segments of the population and business community. Such systems should be able to adapt to the information needs of the community it's serving to ensure that issues of relevance of information do not arise. Second, Given that the research has shown that access, understanding and use of business information improves with increase in the level of literacy, the government and other stakeholders should strive to increase the level of literacy across the country as it will eventually influence positively the well being of its citizens. Such efforts should be concentrated to the older segment of women entrepreneurs as it was found that there is an inverse relationship between age of the respondent and having relevant skills to access business information.

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