

Financial Accessibility Challenges and Sustainability of Women-Owned Enterprises in Kisii Township, Kenya

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Abstract:

The study examines the challenges of financial accessibility and its impact on the sustainability of women-owned enterprises in Kisii Township, Kenya. Despite the crucial role of women entrepreneurs in the economy, they encounter significant obstacles in accessing finance, which hampers the growth and long-term viability of their businesses. This study adopted a positivist approach and a descriptive research design, focusing on 1,134 legally registered female entrepreneurs in Kisii township. A sample of 114 female entrepreneurs was selected using multistage sampling techniques. Primary data were collected using questionnaires with closed-ended questions, and the data were analyzed using regression analysis. The findings identified the main barriers to accessing finance as lack of collateral, domestic responsibilities, the age of the enterprise, lower risk propensity, women's risk-averse nature, individual owner characteristics, concentration in low-value sectors, and lower growth prospects. Additionally, the study found that women entrepreneurs seek advice on attracting new customers, supplier reputation, access to growth financing, and establishing appropriate business structures to address undercapitalization challenges. The regression analysis showed a strong positive correlation between financial accessibility and the sustainability of women-owned enterprises. The study concludes that addressing gender-related obstacles and barriers to accessing finance is essential for the growth and expansion of female-led enterprises. Recommendations include encouraging adequate capitalization, breaking into high-value markets, conducting surveys to assess women's financial needs, and promoting gender sensitization in financial institutions. Governments, social partners, and civil society organizations should coordinate their efforts to enhance the business environment for female entrepreneurs.

Keywords: Financial accessibility, Women-owned enterprises, Sustainability, Collateral, Microfinancing, Gender discrimination

1. Introduction

Women-owned enterprises' sustainability is shaped by factors such as access to financial resources, societal norms, and educational opportunities. Access to microfinancing is vital for women-led businesses, especially in East Africa's urban areas. Microfinancing helps entrepreneurs overcome financial barriers, allowing them to seize economic opportunities and contribute to sustainable development (Kato, 2023). Decision-making processes play a vital role in ensuring sustainability in women-owned family businesses, especially in transition economies. Group decision-making and gender influence in succession planning are essential for maintaining long-term performance (Ramadani et al., 2017). However, challenges remain, as many female entrepreneurs

are not engaged in sustainable practices. This may be due to a lack of incentives, highlighting the need for government incentives and educational policy changes to promote sustainable practices (Abdelwahed et al., 2022).

Empowering women in entrepreneurship through shared value creation and addressing gender discrimination can enhance their roles, particularly in the tourism sector. This empowerment integrates women into economic systems and supports sustainable development, positively influencing sustainability (Bagheri et al., 2022). Community engagement is vital for women-owned businesses, as these enterprises depend on local support for resources and success, contributing to societal welfare (Kueredza, 2023). In Oman, personal attributes such as age and education shape the strategic behaviors of rural female entrepreneurs, helping them navigate challenges and sustain their businesses (Ghouse et al., 2023). In Latin America, despite initiatives to support female entrepreneurs, uneven progress affects the sustainability of woman-owned enterprises. Challenges such as limited credit access, legal frameworks, and societal norms impede their growth (Alecchi 2020).

Women-owned enterprises in Kisii Township, Kenya, face substantial challenges due to limited access to finance, reflecting the experiences of female entrepreneurs in developing countries. In Kenya, women entrepreneurs are vital to micro and small enterprises, contributing significantly to the economy and employment opportunities. These entrepreneurs face obstacles in securing finance, including a lack of collateral, gender discrimination, and insufficient financial literacy (Bagheri et al., 2017; Ramadani et al., 2022). The high growth potential of women-owned SMEs makes them crucial for economic development; however, they face persistent financial challenges. Addressing these barriers is essential, as financing enables growth opportunities for female entrepreneurs (Ahmad & Arif, 2015). Microfinance solutions and expanded credit access are recommended to bridge financing gaps and support sustainable business practices (Kato, 2023).

1.2 Problem Statement

Enhancing financial accessibility for women-owned enterprises involves ensuring equitable access to financial resources and support systems through low-interest loans, grants, and investment opportunities for women entrepreneurs. Financial institutions must adopt inclusive policies that eliminate gender bias in lending. Financial education and mentorship programs empower female business owners to manage their enterprises effectively. Government initiatives should provide tax incentives to support female-owned businesses. Networking platforms would connect women entrepreneurs with potential investors. This inclusive ecosystem enables women-owned enterprises to thrive and contribute to economic growth in the region.

Accessing finance for women-owned enterprises in Kisii Township, Kisii County, Kenya, poses significant challenges to sustainability. In this region, many women entrepreneurs face challenges in accessing formal financial services, such as loans and credit facilities, owing to factors such as insufficient collateral, limited financial literacy, and gender-based discrimination. Traditional banking institutions often impose stringent requirements that disproportionately affect women-owned businesses, which are typically smaller and less well established. Consequently, these enterprises often depend on informal sources of finance, such as savings groups or family loans, which may not provide adequate capital for growth and expansion. This restricted access to finance hampers the ability of women-owned businesses to invest in technology, hire skilled employees, or scale their operations, ultimately affecting their long-term sustainability and contribution to the local economy.

Access to finance remains a significant challenge for women-owned enterprises in Kisii Township, Kisii County, Kenya, creating a substantial gap that affects their sustainability. Despite the increasing number of women entrepreneurs in the region, many encounter obstacles when seeking financial support to start, maintain, or expand their businesses, including limited collateral, a lack of credit history, and gender-based discrimination in lending practices. Consequently, women-owned enterprises often struggle to secure the necessary capital for growth, innovation, and long-term viability of their businesses. This financial exclusion hampers individual businesses and impedes the overall economic development of the township. Bridging this gap in financial accessibility is essential for cultivating a more inclusive entrepreneurial ecosystem and ensuring the sustainable growth of female-owned businesses in the region. Despite numerous efforts by various stakeholders to tackle some of these challenges, including the introduction of HASOLA, youth, and women's funds to facilitate easier access to credit for target groups, challenges persist. In light of this context, this study seeks to address the knowledge gap by examining the obstacles women entrepreneurs encounter when trying to secure credit facilities from financial institutions.

1.3 Objective of the Study

The main aim of this research was to assess the extent to which women business owners in Kisii Township, Kisii County, Kenya has access to finance and to evaluate the significant impact of gender on this process.

1.4 Significance of the study

The availability of financial resources is pivotal to the sustainability of women-owned businesses in Kisii Township, Kisii County, Kenya. These resources are vital for business growth, expansion, and long-term viability. The insights and recommendations from this study will be invaluable to women entrepreneurs in Kisii County, helping them understand and appreciate the methods of accessing the much-needed finance for the overall improvement and growth of their businesses. Additionally, with the East African Community's commitment to increasing women's participation in entrepreneurship to create more employment opportunities and boost regional economic growth, this research will aid in fostering a conducive business environment for female entrepreneurs. Furthermore, the study's findings will be crucial for academics and scholars who may wish to use them as a reference or foundation for further research on the same topic or identified gaps. The government, along with other key development stakeholders, can leverage these research findings to craft targeted interventions that address the challenges faced by female entrepreneurs. By enhancing access to finance, women can be empowered to invest in their businesses, purchase inventory, upgrade equipment, and hire employees, thereby contributing to the local economy and their economic empowerment. Addressing the financial needs of women-owned enterprises enables stakeholders to promote gender equality, reduce poverty, and foster sustainable economic development in Kisii Township and Kisii County.

2. Literature Review

2.1 Theoretical Review

The Resource Based View (RBV)

The Resource-Based View (RBV) theory offers a vital perspective for analyzing the financial accessibility challenges encountered by women-owned enterprises, which impact their sustainability. Fundamentally, RBV underscores the strategic significance of resources and capabilities within an organization that can yield a competitive advantage. When applied to women-owned enterprises, especially in developing countries, obstacles to accessing finance are notably complex and multifaceted. A major impediment to women's entrepreneurship is the difficulty in obtaining formal financial resources, largely due to prevailing gender biases and societal norms that often confine women to traditional roles, thereby impeding their business endeavors (Hasan Emon and Nipa Nipa, 2024). These biases can impact the sustainability of women-owned enterprises, as financial resources are essential for business growth and expansion.

The RBV theory underscores the importance of women entrepreneurs leveraging and enhancing their dynamic capabilities—skills that empower them to integrate, develop, and reconfigure both internal and external competencies to effectively navigate rapidly changing environments—to manage and optimize their resources effectively in entrepreneurship (Agrawal et al., 2024). This necessity is further intensified by challenges such as regulatory obstacles, inadequate infrastructure, a shortage of skilled labor, and limited mentorship opportunities, all of which are significantly affected by financial constraints. The difficulty in accessing finance is exacerbated by the inadequacy of existing financial systems to sufficiently support women-owned businesses. Research indicates that improving access to microfinancing can help address these challenges. By steering women-owned enterprises towards sustainable business practices, microfinancing has the potential to help overcome financial barriers (Kato, 2023).

Gender-specific financial strategies are crucial for bridging these gaps. This involves creating policies that not only enhance financial literacy and technical expertise but also support the development of financial infrastructure tailored to women's needs (Andriamahery and Qamruzzaman, 2022). Such strategies are vital for empowering women entrepreneurs and ensuring their successful integration into the formal economic landscape, thereby enhancing sustainability in the long run. Furthermore, policy interventions aimed at reducing perceived financial barriers can strengthen women's decisions to start or expand their businesses. Initiatives such as confidence-building programs and mentoring can help diminish these barriers by changing perceptions related to financial accessibility among potential female entrepreneurs (Roper and Scott, 2009).

2.2 Empirical Review

Finance accessibility by the women owned enterprises

Qubbaja (2019) investigated the financial accessibility challenges faced by women-owned small and medium-sized enterprises (SMEs) in Palestine. This study explored how collateral requirements, business support services, high loan interest rates, and insufficient information services impact the financing ability of these enterprises. A structured questionnaire was distributed to randomly selected women-owned SMEs in Hebron and Bethlehem. Of the 60 questionnaires distributed, 54 were completed, resulting in a 90% response rate. Data were analyzed using the SPSS software. Researchers used multiple linear regression to determine how

market limits affect financial access for women-owned small and medium enterprises (SMEs). The results show that needing collateral, high loan interest rates, and a lack of information services make it harder to obtain financing. However, business support services help improve financial access. Regression analysis indicated that variations in financial access could be attributed to these factors. The study recommends that financial institutions simplify lending criteria and focus on SME financing opportunities rather than demanding high collateral requirements. This suggests that the government should enhance SME support, implement interest rate-supported programs for lower-rate funding, and increase the number of intermediaries between SMEs and banks to reduce information asymmetry. This study highlights the impact of financial accessibility challenges on women-owned enterprises in Kisii Township, Kisii County, Kenya.

Kueredza (2023) explored the accessibility of microfinance for women-owned SMEs in Zimbabwe. These enterprises are crucial for economic growth and job creation; however, they encounter significant challenges in accessing resources, leading to a gender financing gap. This study aimed to develop a framework to enhance access to finance from microfinance institutions (MFIs) for women-owned SMEs in Harare, Zimbabwe, addressing the limitations of existing frameworks. Employing a mixed-method approach, the research analyzed quantitative data using SPSS factor analysis and qualitative data using NVivo thematic analyses. The findings highlighted facilitating factors such as SME support systems, infrastructure, collaboration, and regulated interest rates. Key constraints included informality, inadequate infrastructure, high MFI charges, poor financial positions, illiteracy, non-sensitized products, stereotyping, and lack of collateral. The study identified suitable financial products, including innovative MFI services, well-capitalized MFIs, capacity building, business capital, micro-insurance, group loans, financial literacy coaching, online applications, and government support. The developed framework informs policies that promote gender responsiveness and equity in entrepreneurial financing for sustainable economic growth. The current study investigates the challenges of accessing finance for women-owned enterprises in Kisii County, Kenya.

Lusweti and Mwasiaji (2020) researched the influence of Microfinance Services on the Performance of Women-Owned Business Enterprises in Busia County, Kenya: Their study evaluated how microfinance services affect women-owned businesses, focusing on the roles of credit, financial training, savings, social capital, and the legal framework in shaping the performance of enterprises. This study used resource-based views and institutional theories, employing a descriptive survey design with 500 female entrepreneurs. Through stratified random sampling, 100 respondents were selected from microfinance institution customers. Data were collected through the administration of questionnaires and subsequently analyzed using SPSS version 23.0. The results indicated that enhancements in credit, financial training, social capital, savings, and the legal framework corresponded to performance increases of 0.502, 0.124, 0.081, 0.236, and 0.059 units, respectively, with statistical significance at $p < 0.05$. The study concluded that enterprises owned by women significantly contribute to economic development in Kenya. Recommendations include enhancing financial literacy training programs and increasing the frequency of such training to bolster enterprise performance. It is advisable that financial training programs be tailored to address the specific needs of women entrepreneurs, particularly those who are new entrants. The current study investigates the challenges related to financial accessibility that impact the sustainability of women-owned enterprises in Kisii Township, Kenya.

The Sustainability of Women Owned Enterprises

Matsumoto & Ishiwatari (2024) carried out research titled "Navigating Sustainability and Inclusivity: Women-Led Community-Based Businesses in Post-Disaster Recovery:" This study explores the impact of women-led community enterprises on recovery initiatives and their enduring sustainability. It draws on case studies from Japan's Tohoku region and Banda Aceh, Indonesia, both of which experienced major earthquakes and tsunamis over ten years ago. The researchers collected qualitative data through semi-structured interviews with the participants. The results reveal that the community businesses examined have progressed beyond simply producing "reconstruction goods" by maintaining ongoing dedication and creating new products. Improving organizational credibility through quality enhancement is vital for securing long-term contracts with private firms, which is crucial for survival. However, focusing on sustainability often diminishes community inclusivity, as variations in skill levels and differing values among participants lead to some participants leaving. This study highlights the difficulties in balancing business sustainability and preserving the role of businesses as venues for social interaction and community rebuilding. Additionally, the current study examined how financial accessibility challenges affect the sustainability of women-owned businesses in Kisii Township, Kisii County.

Hakim et al. (2024) explored the influence of entrepreneurial mindset, gender stereotypes, and innovation practices on the sustainability of women-owned businesses in Bogor City, Indonesia. This study investigates how these elements affect the longevity of women-led enterprises in Bogor City, Indonesia. Data were gathered from 200 female entrepreneurs through structured questionnaires and were analyzed using multiple regression analysis. The findings indicate that entrepreneurial mindsets and innovation practices positively impact business sustainability, whereas gender stereotypes negatively affect it. This study underscores the necessity of fostering a robust entrepreneurial mindset and encouraging innovation among female entrepreneurs while addressing the detrimental effects of gender stereotypes on business operations. This research contributes to the expanding literature on women's entrepreneurship and offers practical insights for policymakers and support organizations to foster an environment that supports the sustainability of female-owned businesses. There was a need to investigate the impact of financial accessibility challenges on the sustainability of women-owned enterprises in Kisii Township, Kenya.

Andrew and Anbu Selvan (2024) explored the sustainability of indigenous businesses owned by women. The current business environment is characterized by diversity, influenced by cultural factors and the gender of business owners, in addition to the products and services they offer. Women entrepreneurs exemplify this diversity, acting as symbols of resilience and as cultural representatives. Throughout history and into the present, women have been pivotal in maintaining cultural and heritage practices, especially in sectors such as food, textiles, handicrafts, and cultural and language education. However, these contributions often originate from domestic roles in male-dominated settings. Consequently, many indigenous businesses owned by women arise from these traditional roles, often without recognition. To address these challenges, we must adopt new perspectives, as the unique insights women provide are crucial to advancement. A similar investigation was conducted to examine how financial accessibility issues impact the sustainability of women-owned businesses in Kisii Township, Kisii County, Kenya.

Hassan et al. (2024) examined the impact of financial intermediation on the sustainability of youth-owned enterprises in Western Kenya. Despite the challenges in accessing funds from the YEDF, county youth funds, Uwezo Fund, and Women Enterprise Fund, the financial sustainability of these enterprises remains a concern for policy makers. This study explores the effect of financial intermediation on the sustainability of youth-owned enterprises in Western Kenya. Employing a pragmatic approach and a descriptive survey design rooted in financial intermediation theory, this study targeted the chairpersons or owners of 443 registered youth-owned enterprises in Kakamega, Vihiga, Busia, and Bungoma counties. Using Yamane's proportional sampling formula, 210 respondents were selected. Structured and semi-structured questionnaires were used to collect primary data, while financial data were sourced from secondary data sheets. Data analysis was conducted using SPSS (version 23) with both descriptive and inferential statistics presented in tables. The linear regression analysis results indicated that financial intermediation ($\beta = 0.629$) had a positive and significant ($P \leq 0.001$) relationship with sustainability. The results demonstrate that financial intermediation significantly influences the survival of youth-owned businesses. This study underscores the importance of financing policies, partnerships, financial training, risk management, planning services, networking, and capacity building for achieving sustainability. A study on the financial accessibility challenges affecting the sustainability of women-owned enterprises in Kisii Township, Kisii County, Kenya was necessary.

3. Research Methodology

This study embraced a positivist approach because of its emphasis on quantitative data, which are precise and facilitate straightforward comparisons, thus yielding reliable evidence from the gathered questionnaire data (Gerasimov, 2020; Şen, 2025; Bhangu et al., 2023). This study utilized a descriptive survey research design that effectively achieved these objectives. First, it identifies the connection between financial accessibility practices and the sustainability of women-owned enterprises (Qualitative Research Methods, 2021; Şen, 2025). Second, it aims to outline the characteristics of the relationships between variables and draw conclusions from these connections. Third, this design offers quantitative data that provide a snapshot of sustainability at a specific time. Finally, this design is consistent with the positivist research philosophy adopted in this study.

This study focused on 1,134 women entrepreneurs who were legally registered and operating in Kisii Township (Kisii County Office, 2023). A sample population of 114 female entrepreneurs, representing ten percent of the total, was selected. This percentage was deemed representative of the study, as per Mugenda (2024). Multistage sampling techniques were employed to select the samples. Initially, businesses were categorized into micro and small groups using a stratified random sampling technique. Following this, a proportional sampling method was used to choose female entrepreneurs from each stratum for inclusion in the study. The researcher then purposively selected respondents from among the women entrepreneurs in Kisii Township, continuing the process until a sample population of 114 respondents was reached.

The primary data for this research were gathered through questionnaires featuring closed-ended questions, which were designed based on the conceptual framework. This study also assessed the construct validity of the instruments, which evaluates how effectively the scale items represent abstract or theoretical constructs (Mugenda, 2024; Şen, 2025). To establish validity, the researcher employed factor analysis, a method that

analyzes internal data correlations to develop consistent surrogate variables (Saunders et al. 2015). These correlations assist in interpreting data components. While Zikmund and Babin (2015) consider a loading of 0.7 acceptable, other researchers suggest a minimum threshold of 0.4. Rodrigues et al. (2017) noted that an item loading below 0.4 might indicate either a lack of relation to other items or the presence of an additional factor that requires further investigation. Following Field's (2009) recommendation, the study regarded factor loadings above 0.4 at a significance level of $\alpha \leq 0.05$ as valid constructs. This guidance informed the necessary adjustments and revisions to the instrument, enhancing its validity and reliability.

Data analysis was conducted following the data collection phase, a crucial step that renders the data sensible and interpretable. The choice of data analysis tool is contingent on the nature of the data. This study was quantitative in nature. To analyze the connection between the dependent and independent variables, a regression model was utilized, as shown below:

$$Y = \beta_0 + \beta_1 X_1 + e$$

Where:

Y= sustainability of women owned enterprises (Dependent variable)

β_0 = Constant

β_1 = Regression Coefficient

X_1 = Finance accessibility challenges

4. Results and Discussion

4.1 Response rate

This study sought to evaluate the participation rates of the targeted respondents, a critical step in ascertaining whether the study had recruited a sufficient number of participants to draw valid conclusions and formulate recommendations based on the findings. A structured questionnaire was used to survey a sample of 114 respondents, achieving a response rate of 87.7% (100 respondents) that was subsequently analyzed. Consequently, the data collected were considered relevant for making conclusions and recommendations, as Barroga et al. (2023) and Bell et al. (2022) suggested that a response rate of 30-60% is adequate for such purposes.

4.2 Descriptive Statistical Analysis

Factors hindering accessibility of funds by Women owned enterprises

Establishing clear causal links between gender, self-employment, and finance is challenging because of the influence of extraneous variables on these linkages. Evidence suggests that women encounter several gender-related obstacles when attempting to secure business financing (Andrew & Anbu Selvan 2024; Kueredza 2023). The participants were asked to assess how much certain factors hindered their ability to obtain start-up and growth funding. The results revealed that the primary barriers for women entrepreneurs in obtaining business financing include: lack of collateral (Mean = 3.49; Std Dev = 1.12), domestic responsibilities (Mean = 3.44; Std Dev = 1.20), the age of the enterprise (Mean = 3.37; Std Dev = 1.20), lower risk propensity (Mean

= 3.32; Std Dev = 1.32), women's risk-averse nature (Mean = 3.30; Std Dev = 1.30), individual owner characteristics such as class, age, tribe, and ethnicity (Mean = 3.30; Std Dev = 1.23), concentration in low-value sectors (Mean = 3.14; Std Dev = 1.25), and low growth prospects (Mean = 3.12; Std Dev = 1.22).

The sustainability of women owned enterprises

This study explored how women entrepreneurs in Kisii Township strive to overcome the challenges of undercapitalization to ensure business sustainability. This was achieved through factor analysis, wherein the mean and standard deviation of each factor were calculated. The findings indicate that female entrepreneurs frequently sought advice on attracting new customers (mean = 3.75; std. dev. = 1.22), supplier reputation (mean = 3.23, std. dev. = 1.38), and access to growth financing (mean = 3.16; std. dev. = 1.23), and establishing appropriate business structures (mean = 3.02; std. dev. = 1.25). Conversely, there was a limited inclination to seek advice on HR issues (mean = 2.02; std. dev. = 1.31), employment regulations (mean = 2.12; std. dev. = 1.3), succession planning (mean = 2.36; std. dev. = 1.05), referrals to other business advisers (mean = 2.47, std. dev. = 1.18), and training and development (mean = 2.54; std. dev. = 1.19).

4.3 Relationship between finance accessibility challenges and sustainability of women owned businesses

This study aimed to determine the relationship between the challenges of accessing finance and the sustainability of female-owned businesses. We employed an ordinary least squares regression model to examine the connection between financial accessibility and the sustainability of women-owned businesses. This statistical method helps to identify the strength and direction of this relationship. A summary of these models is presented in Table 1.

Table 1: Relationship between finance accessibility challenges and Sustainability of women owned businesses

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.705a	0.497	0.602	0.43626

a. Predictors: (Constant), finance accessibility

Source: Survey data (2025)

The study identified a significant positive correlation between financial accessibility challenges and the sustainability of women-owned businesses, with a Pearson coefficient of 0.705. Furthermore, the findings suggest that financial accessibility challenges account for up to 49.7% of the variation in the sustainability of women-owned businesses in Kisii Township. This implies that the remaining 50.3% of changes in sustainability are attributable to factors beyond financial accessibility, which were not included in this analysis. The fitness of the model was evaluated by comparing the F critical value with the F calculated value, as presented. Table 2 displays the calculated F-values.

Table 2: Relationship between finance accessibility challenges and Sustainability of women owned businesses (ANOVA)

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	10.132	1	10.132	106.231	0.000 ^b
	Residual	22.624	98	0.127		
	Total	40.247	99			

a. Dependent Variable: Sustainability of women owned businesses

b. Predictors: (Constant), finance accessibility challenges

Source: Survey data (2025)

The F-critical value, denoted as F 0.05, 1, 98, was determined to be 3.936. Given that the calculated F-value of 106.231 surpassed the F-critical value of 3.936, the study concluded that the model effectively established a connection between these two variables. This conclusion is further substantiated by a p-value of 0.000, which is below the critical probability threshold of 0.05. Table 3 presents the regression model.

Table 3: Relationship between finance accessibility challenges and Sustainability of women owned businesses (Model Coefficients)

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	
	B	Std. Error	Beta			
1	(Constant)	1.072	0.381		3.536	0.000
	Finance accessibility	0.828	0.097	0.503	10.178	0.000

a. Dependent Variable: Sustainability of women owned businesses

Source: Survey data (2025)

The study reveals a robust positive correlation between financial accessibility and the sustainability of women-owned businesses, as indicated by a beta coefficient of 0.828 and p-value of 0.000. These findings imply that effective financial accessibility strategies can substantially influence the long-term success of enterprises. This positive association highlights the critical role of financial access in fostering an inclusive financial system that empowers individuals and businesses to prosper, thereby facilitating economic growth and mitigating poverty and inequality.

Model

$$Y = \beta_0 + \beta_1 X_1 + e$$

$$\text{Therefore, } Y = 1.072 + 0.828X_1 + 0.097$$

5. Conclusions and recommendations

5.1 Conclusions

The findings indicate that women entrepreneurs have limited sources of financing to start their businesses. The prioritized sources include personal savings, family members, female enterprise funds, bank loans,

retained profits, friends, other employment, and supplier credits. The study further revealed that following the establishment of an enterprise, the sources of financing used to support the growth and expansion of these female-led businesses were retained profits, personal savings, supplier credit, family members, bank loans, female enterprise funds, other employment, friends and cooperative loans.

The numerous gender-related obstacles and barriers women encounter when seeking funding for their businesses present a bleak outlook for the growth and expansion of female-led enterprises in the country. To ensure that women-owned businesses can effectively access the necessary finances, these factors (independent variables) must be addressed credibly. The challenges include women's risk-averse nature, lack of collateral, domestic responsibilities, age of the enterprise, lower risk propensity, individual owner characteristics such as class, age, tribe, and ethnicity, concentration in low-value sectors, and limited growth prospects of the business.

This study reveals that women entrepreneurs in Kisii Township actively address the challenge of undercapitalization in their businesses. They achieve this by seeking guidance on crucial business matters, such as attracting new customers, evaluating supplier reputation, accessing growth finance, establishing appropriate business structures, securing start-up finance, managing credit, preparing business plans, and developing benefit and incentive packages. Additionally, these entrepreneurs consistently seek advice on effectively accessing and utilizing various funding sources for their businesses. The frequency with which they seek advice on funding sources is as follows: business profits, female enterprise funds, bank finance, family members, supplier credit, friends, and other businesses.

Previous evidence indicates that existing structural disparities stem from gendered characterizations that limit women's access to essential human, social, and financial resources needed to establish and expand small enterprises. However, it is acknowledged that women's experiences are not uniform, and it is important to consider how factors such as women's risk-averse nature, lack of collateral, concentration in low-value sectors, domestic responsibilities, lower risk propensity, limited growth prospects, and individual owner characteristics such as class, age, tribe, ethnicity, and the age of the enterprise interact with gender, thereby influencing self-employment. Although there is an initial denial that gender affects the way small businesses are funded, the characteristics of female-owned firms influence their access to finance. Overall, this study found no evidence of a funding gap between the two types of disclosures. The supply of finance is deemed adequate, but there are significant differences in the demand for business funding, with women consistently depicted as more risk-averse and cautious than their male counterparts.

5.2 Recommendations

Women business owners should be encouraged to ensure that their start-up capitalization aligns with their business needs and is adequate to support both the initial launch and subsequent growth. Insufficient capitalization at the outset can have a lasting negative impact on a business's survival and growth potential. Finance consultants and other enterprise advisers play a crucial educational role in guiding female entrepreneurs on the significance of capitalization, both at the start-up phase and throughout the business growth process. Women-owned businesses are often concentrated in traditional female sectors, and their success depends on breaking into higher-value markets. Female business owners should consider dedicating

a greater portion of their time to activities related to securing financing both at the start-up stage and throughout the life of their business.

Considering the potential size and value of female-owned businesses, it is clearly not in the bank's interest to discriminate against women. Nonetheless, gender differentiation can manifest in subtle and unconscious ways, often at the level of individual loan officers' behavior. Banks must ensure that the services offered to small business owners are suitable for both male and female entrepreneurs. To effectively address the challenges female entrepreneurs face in accessing business finance, surveys should be conducted at the policy level to assess women's needs, demands and debt capacity. Financial institutions should undergo gender sensitization to adopt services that cater to female microentrepreneurs and accommodate their reproductive and productive roles. Governments, social partners, and civil society organizations should work together and exchange insights on microfinance and gender issues, enabling clients, particularly women entrepreneurs, to engage in developing and providing financial services for micro and small businesses. Additionally, they should enhance the business environment by addressing specific obstacles that women encounter that men do not encounter. Improving the education level of Kenyan girls is crucial to make them aware of various entrepreneurial opportunities.

Declarations

Consent for publication

The author has taken appropriate measures to ensure transparency and ethical conduct in this study. The author confirms the absence of any conflicts of interest and has implemented the appropriate arrangements. Data sharing is not applicable to this study. Additionally, the study received the necessary ethical approvals and participant consent, demonstrating adherence to research integrity standards.

Competing interests:

The author declare that he has no competing interests

Conflict of Interest Statement

The authors declare no conflicts of interest related to this study. I am grateful to the participants, whose experiences and insights were the cornerstones of this study.

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