

## Effectiveness of Strategies Utilised by Financial Institutions in Addressing the Financing Needs of Women Entrepreneurs: A Case Study of Lusaka District, Zambia

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### Abstract

Supporting women with access to finance has the potential to create transformative socio-economic impacts for families and society at large. In Zambia, women own over one-third of small businesses and more than 40% of microenterprises, yet they face significant barriers in accessing tailored financial and non-financial services. This study investigates the strategic financial measures implemented by institutions in Lusaka to meet the needs of women entrepreneurs. Using a mixed-methods approach, the research involved a quantitative survey of 202 women entrepreneurs and qualitative interviews with 15 key informants from ABSA Bank, Stanbic Bank, and Unify Financial Institution. The findings reveal considerable gaps in the availability and accessibility of gender-sensitive financial products. Many respondents reported limited awareness of outreach programs, and systemic challenges such as high collateral requirements and low financial literacy were identified as major constraints. Chi-square ( $\chi^2$ ) tests showed significant associations between access to finance and variables such as education, financial sensitization, loan application processes, and loan disbursement timelines. Notably, 69.80% of participants expressed the need for financial education, 11.39% requested low-interest financing, and 18.32% highlighted the need for value-addition support. The study concludes that financial institutions must develop inclusive, innovative products and expand financial literacy initiatives to better serve women entrepreneurs. Policy reforms targeting systemic barriers are essential to improving access to finance and enablings.

**Keywords:** Women Entrepreneurs, Financial Literacy, Access to Finance, Financial Products, Business Growth sustainable economic empowerment for women in Lusaka

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## 1. Introduction

Access to financial services can have a transformative social and economic impact on women and their families and society at large. When women are economically empowered, they place a higher priority on spending on food, health, education of children and their family's wellbeing, according to evidence set out in the World Bank's World Development Report 2012 (GIZ, 2012). The lack of (or inadequate) access to tailor-made financial products and non-financial services offered by financial services providers is an important factor constraining women, particularly from low-income segments, from investing and earning more and ultimately having more resources at their disposal.

In Zambia according to the 2021 World Bank Report, women entrepreneurs own more than one-third of the country's small businesses and more than 40% of its microenterprises. Despite their pivotal role in the Zambian economy, women encounter a disproportionate number of obstacles in accessing financial services, hampering their economic potential and the progression of gender equity (International trade centre, 2023). Supporting women's access to financial services can substantially contribute to increasing their control over resources and improving the livelihoods of whole communities.

For example, the United Nations has shown that if women farmers have equitable access to productive resources such as land and fertilizers, their yields could increase by 20-30% and as a consequence agricultural output in developing countries could increase by as much as 2.5% to 4% (FSD, 2015). It is not just women individuals or smallholder farmers that face a lack of access to finance. Access to credit is one of the biggest barriers for women-owned SMEs, which make up a third of all small and medium enterprises (SME) in emerging markets. Indeed, the World Bank estimates that women-owned enterprises have an aggregated unmet financial need of around 300 billion USD per year (GIZ, 2012). Indeed, based on these facts, it makes this phenomenon a salient area of women entrepreneurship worth exploring in order to comprehend the many factors that are attributed to this fact and ultimately how the financial institutions are working towards addressing these challenges facing female entrepreneurs.

The global surge of women-led businesses has been impressive, with a 10.2% growth rate, and Sub-Saharan Africa alone witnessing a significant 21.8% increase (GEM, 2019; Elam et al., 2019).

In Zambia has stated earlier, according to the 2021 World Bank Report, women entrepreneurs own more than one-third of the country's small businesses and more than 40% of its microenterprises. Despite this, the status of women means that they effectively constitute an inequalities that exist in education, employment and underprivileged group in the country (International Trade Centre, 2023). Despite this promising trajectory, a salient challenge persistently faced by women entrepreneurs, particularly in Zambia, is the limited access to finance. Literature repeatedly underscores the fact that access to finance remains a formidable barrier to the success and growth of women-led businesses (Kelley et al., 2015; GEM, 2019; Elam et al., 2019). Discriminatory practices rooted in gender inequality further exacerbate these challenges, where women are disproportionately disadvantaged in accessing financial resources as compared to their male counterparts (Wellalage & Locke, 2017). Notably, in Zambia, the hurdles are multifaceted. Predominant among them are the limited literacy levels among women, an absence of collateral, and a lack of understanding of the various financial products available (Claudia & Carol, 2017). This is compounded by the fact that there is a notable scarcity of local research data that elucidates the strategies financial institutions in Zambia are employing to cater to the financing needs of women entrepreneurs.

This gap, coupled with the aforementioned challenges, provides a compelling rationale for an in-depth study that seeks to explore the strategic interventions of financial institutions in Zambia. The primary objective, therefore, was to investigate and establish the strategic measures put in place by these institutions in order to facilitate and enhance the growth of women entrepreneurship in Zambia.

## 1.2 General Objectives

To investigate the strategic measures implemented by financial institutions in Lusaka District of Zambia to support the growth of women entrepreneurship.

## 1.3 Research Objectives

- a) To establish the financial strategic measures implemented by financial institutions to support the financial needs of women entrepreneurs in Lusaka District Zambia.
- b) To understand the level of literacy and comprehension of financial products available for women entrepreneurs in Lusaka District of Zambia.
- c) To examine the factors associated with access to finance among women entrepreneurs in Lusaka District of Zambia.

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## 2. Literature Review

### 2.1. Overview

The field of women entrepreneurship has gained significant attention in recent years, particularly concerning the unique challenges women face in accessing financial resources. All entrepreneurs face many challenges and risks (Langowitz and Minniti, 2007). However, according to Mattis (2004), the risks are even more significant for female entrepreneurs, who also face gender-specific problems associated in a male-dominated field. Gender inequality is perceived as stronger in traditional masculine (patriarchal) societies (for example, the majority of countries in Africa, such as Nigeria, Kenya, Uganda, Zimbabwe, Malawi, Tanzania, Zambia, and South Africa) because they have norms and beliefs that espouse a practice of male dominance over females (Lambrecht, 2016).

#### Gender-Based Barriers in Access to Finance for Female Entrepreneurs

Female entrepreneurs find that access to finance, which is essential to female entrepreneurship, is one of the most significant challenges they encounter during their entrepreneurial journey (Marlow and Patton, 2005; Ramadani et al., 2013). Female entrepreneurs are affected by "both the demand for and supply of credit on the part of the banking institution" (Bardasi et al., 2011, p.430). The difficulties facing female entrepreneurs in bank borrowing are attributed to gender specific challenges and the criteria of bank loan applications that put female applicants in an inferior or disadvantaged position to male counterparts. Previous studies consistently suggest that female entrepreneurs receive a lower percentage and smaller amount loans, pay higher interest rates and provide additional collateral security (North et al., 2010; Beck et al., 2013).

The Role of Financial Institutions and Social Capital in Supporting Women Entrepreneurs

Financial institutions play a pivotal role in providing necessary financial support to women entrepreneurs. Allen and Santomero (1997) describe product innovation as the development of new financial products tailored to meet specific needs, such as loans and credit facilities for women entrepreneurs. Beck, Demirgüç-Kunt, and Levine (2008) emphasize the importance of service accessibility, which encompasses the ease with which women can access financial services, a critical factor in ensuring their participation in the financial market. Brush, de Bruin, and Welter (2009) highlight the significance of targeted outreach programs, involving efforts by financial institutions to actively engage and support women entrepreneurs through awareness campaigns and educational programs.

The social capital is another essential factor influencing entrepreneurial success. Coleman (1988) defines social capital as the networks, norms, and trust that facilitate coordination and cooperation for mutual benefit. Burt (2000) discusses the importance of networking opportunities, which allow women entrepreneurs to connect with mentors and industry professionals, providing valuable insights and support. Putnam (2000) emphasizes the role of community support, involving the backing and encouragement from local communities, which can significantly enhance the prospects of women entrepreneurs. Lin (2001) underscores the value of collaborative partnerships, involving alliances and joint ventures that provide women entrepreneurs with additional resources and opportunities for growth.

## **2.2. Empirical Review**

### **Women Entrepreneurship in Zambia**

The landscape of women entrepreneurship in Zambia presents a complex interplay of challenges and opportunities, resonating with broader narratives in developing economies. In such contexts, the private sector, especially Small and Medium Enterprises (SMEs), becomes a crucial driver of job creation. However, the nuances of accessing finance, a perennial challenge for SMEs, significantly impact the entrepreneurial journey, especially for startups and innovative enterprises (World Bank & ACET, 2014). This financial hurdle highlights the need for a comprehensive understanding of the impediments faced by women entrepreneurs in Zambia. As we navigate through various studies, it is essential to contextualize the experiences of Zambian women within the broader discourse on SMEs and their pivotal role in economic development.

In exploring the dynamics of women entrepreneurship, McDade and Spring (2005) introduce a noteworthy perspective, the emergence of a 'new generation' of African entrepreneurs. These entrepreneurs form intricate business networks at national, regional, and pan-African levels. The interconnected nature of their social and business relationships, coupled with a commitment to intra-African commerce, speaks to the adaptability and resilience of women entrepreneurs in the Zambian context. The exploration of such networks sheds light on the potential for fostering not only local economic growth but also regional economic integration.

## **2.3. Theoretical and Conceptual Framework**

### **Sociological Entrepreneurship Theory**

It is among the major entrepreneurship theories. Sociological enterprise focuses on the social context. In other words, in the sociological theories the level of analysis is traditionally the society (Landstrom, 1998). Reynolds (1991) has identified a couple of social contexts that relates to entrepreneurial opportunity. The first one is social networks. Here, the focus is on building social relationships and bonds that promote trust and not opportunism. In other words, the entrepreneur should not take undue advantage of people to be successful; rather success comes as a result of keeping faith with the people. The second one is the life course stage context which involves analysing the life situations and characteristic of individuals who have decided to become entrepreneurs.

People's experiences have the power to shape their thoughts and behaviours, inspiring them to live meaningful lives. Ethnic identification is the third scenario. A person's social background is one of the key motivators for starting their own business. For instance, a person's ability to advance is influenced by their social background. Disenfranchised groups may overcome all barriers and aim for achievement, motivated by their difficult upbringing to improve their lot in life. The term population ecology refers to the fourth social context. The premise is that environmental elements are critical to a business's ability to survive. Customers, employees, the political system, government regulations, and competition are a few examples of environmental elements that could affect a new venture's ability to survive or succeed.

Therefore, the social entrepreneurship theory was considered appropriate to guide this study. The inclusion of the social representation theory to guide the study is justified by its relevance to the study's context, more specifically in assessing the strategies employed by financial institutions in supporting women entrepreneurs in Zambia. The social entrepreneurship theory is thus found appropriate in the sense that it emphasizes the role of enterprises in addressing the social challenges, aligning them with the objective of empowering women through financial inclusion.

**2.3.2 Conceptual Framework: "Social Entrepreneurship Theory"** For assessing Strategies used to address Women Entrepreneurs Financing Needs in Lusaka.

This framework aims to depict how independent variables such as Financial Institution Initiatives, Policy Environment, Social Capital, and Women Entrepreneur Characteristics collectively impact the dependent variable, Financing Accessibility for Women Entrepreneurs, within the context of Zambia.

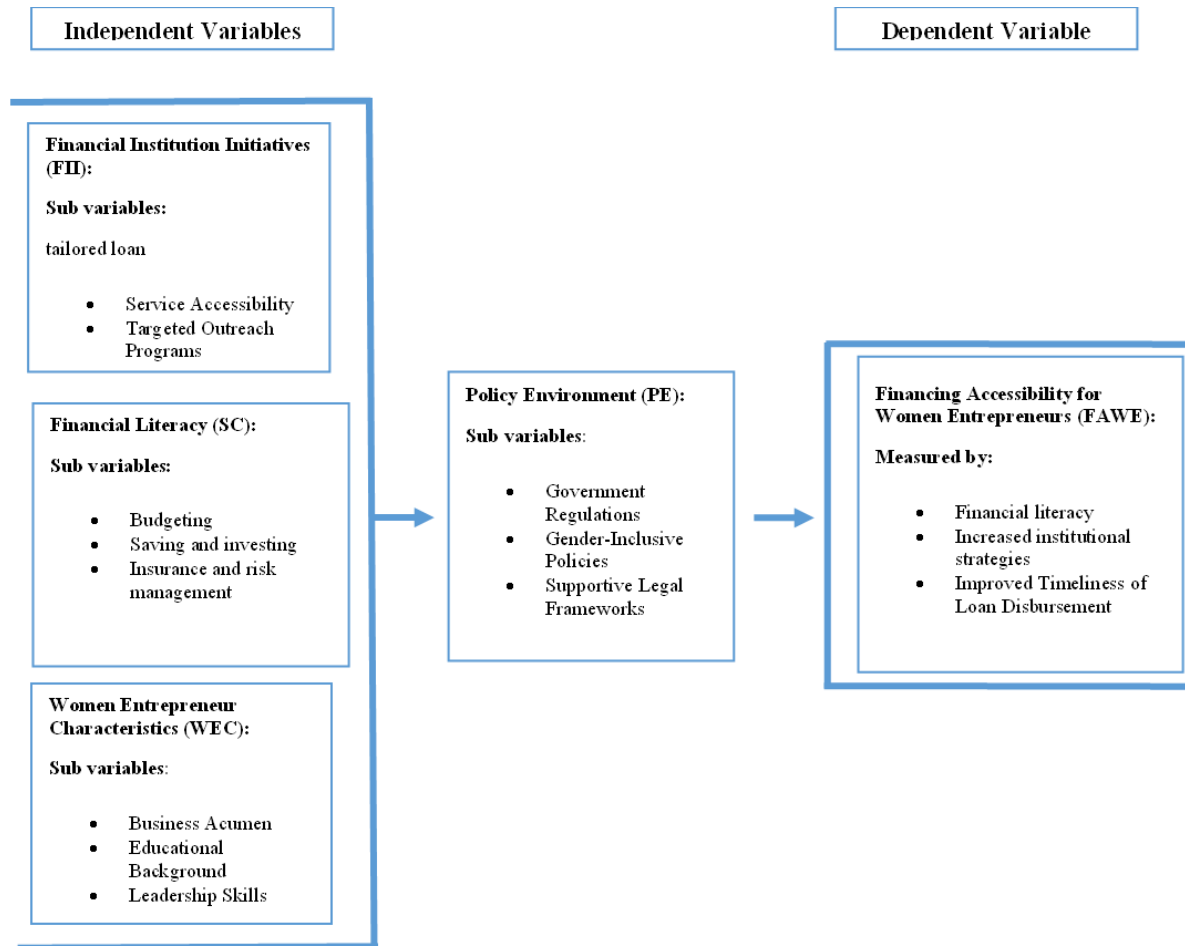


Figure 1: Impact of financing strategies on women entrepreneurs' financing needs  
Source: Researcher (2024)

### 3. Research Methodology

#### 3.1. Research Philosophy

A research philosophy is a set of beliefs on the collection, analysis, and use of evidence concerning a phenomenon. Grove (2015) discusses three (3) research philosophies; Positivism, Interpretivism and Pragmatism. However, to fit the context of this study, both the interpretivist and positivist philosophies were of interest as they provided the world view that governs and justifies the utilization of both the qualitative and quantitative research approaches.

#### 3.2. Research Approach

According to Friedrichs and Kratochwil, (2009), there are three major existing research approaches namely; Inductive, Deductive and Abductive. However, in order to fit the context of this study, the abductive approach was selected as it was found suitable for utilization in the development of logical conclusions regarding the effects of financing strategies used by financial institutions in addressing the financing needs of women entrepreneurs in Lusaka Zambia. Abductive reasoning is born of the critics of both the wholly utilization of qualitative and quantitative research approaches (Woiceshyn & Daellenbach, 2018). According to Sauce and Matzel (2017) the abductive approach is thus the combination of both qualitative and quantitative approaches to inquiry in order to achieve a more balanced outcome which is void of bias based on a single research paradigm. The abductive reasoning involves the use of an eclectic approach where triangulation is largely considered to realize conclusions to the study findings. The abductive logic is a more recent research approach which employs flexibility and mixing of more than a single research logical pattern (Friedrichs & Kratochwil, 2009).

#### 3.3. Mixed Research Methodology

For the present study, the mixed method approach was considered as it employs both in-depth understanding of the phenomenon under study through the views, perceptions and perspectives and use of statistical formulae to understand the data emanating from the study participants regarding their experiences (Carol, 2019). The flexibility, openness, and ability to respond to the context of the respondents made this approach very suitable for this study as it intended to achieve an in-depth understanding on the effects of financing strategies used by financial institutions in addressing the financing needs of women entrepreneurs in Lusaka Zambia.

### 3.4. Research Design

Research design is defined as the most suitable context in which data collection and analysis can be conducted while acknowledging the purpose of the study with economy and procedure (Jahoda et al. 2010). It can also be defined as a structure, strategy or even investigation that is well organized in order to realize the intended purpose of the research questions and the control of variance (Borwankar, 1995). This study adopted the triangulation design because the triangulation design is the well-known approach for use in qualitative and mixed method research. Just by its design, the triangulation approach is meant to capture various forms of complementary data on the same topic so as to gain a comprehensive understanding about the topic under study (Creswell, Plano Clark, et al., 2003). The idea behind the use of this approach was in order to combine the varying strengths and non-overlapping weaknesses of the quantitative and qualitative studies such as the use of large sample sizes, and generalization in quantitative studies and small sample size, details, and in-depth in qualitative studies by employing an eclectic approach through triangulation (Patton, 1990).

### 3.5. Population of the Study

According to Mugenda and Mugenda (2008), the study target population refers to the entire set of the isolated or rather individual cases or subjects that show similar characteristics that are being sought for the generalization of the study findings. For this study, the population that was sampled included; 202 selected women led businesses across the Lusaka central business district (CBD), and 15 key informants that were split amongst (ABSA) bank, Stanbic bank and Unify institution. These are legally and fully registered financial institutions providing financial services to the general public. The financial institutions were purposively selected from the list (sampling framework) of actively operating Commercial financial institutions within Lusaka city from the Patenting and Companies Registration Agency (PACRA).

### 3.6. Sample size of the Study

A sample size is referred to as an accessible number of the study population. Sample sizes that are approximately 10% are good for reliability (Kothari, 2004). The sample size for this study comprised of 217 study participants with whom sampling was carried out in order to collect both quantitative and qualitative primary data in regards their experiences. For quantitative data, calculation of the sample size was done using the Taro Yamane Formula used to calculate a research study sample size with an unknown population of reference. Yamane (1967) provided a simpler formula on how to calculate study sample sizes where the population is not known with a 95% confidence level and  $P = 0.5$  are assumed. The Taro Yamane formula was rearranged to calculate for E (margin of error) at 0.069, approximately 6.9%:

$n = (Z^2 \times p \times q) / E^2$  assuming:

Z= 1.96 (95% confidence):

p= 0.5 (rough estimate)

q= 1- p = 0.5

E = 0.069 (the level of significance/margin of error)

Substituting the values in the equation:

$n = ((1.96)^2 \times 0.5 \times 0.5) / (0.069)^2$

$n = 3.8416 \times 0.5 \times 0.5 / 0.004761$

$n = 0.9602 / 0.004761$

$n = 201.67$

Therefore, the quantitative study sample size was 202 female led businesses fetched from within the Lusaka CBD. Conversely, the qualitative sample size was purposively selected based on the researcher's convenient window. Therefore, 15 key informants were selected for in-depth interviews within ABSA Bank, Stanbic Bank and Unify Institution in order to capture qualitative data.

### 3.7. Ethical Consideration

The research protocol was approved by the University of Zambia Humanities and Social Sciences Research Ethics Committee and Natsave bank management. Participants were informed of the study's objectives, rights, and confidentiality, and there were no known risks or drawbacks

## 4. Research Findings

### 4.1. Quantitative Presentation

#### Demographic Characteristics

Table 1: Age Distribution

Age Group	Count
30-39	79
20-29	61
40-49	38
50-59	18
60 and above	7

The age distribution of respondents reveals that the majority (79 out of 203) fall within the 30-39 age group, representing a young and active demographic likely to be engaged in entrepreneurial activities. The second-largest group is aged 20-29 (61 respondents), further emphasizing the youthfulness of the entrepreneurial population. Representation diminishes among older age groups, with 38 respondents aged 40-49, 18 aged 50-59, and only 7 aged 60 and above.

Table 2: Educational Background

Education Level	Count
Secondary	103
Primary	60
Diploma	20
Never Went to School	7
Bachelor's Degree	4
Master's Degree	1

The majority of respondents (103 out of 203) have completed secondary education, followed by those with primary education (60). A smaller proportion of respondents have attained higher qualifications, such as diplomas (20), bachelor's degrees (4), and master's degrees (1). Notably, 7 respondents reported never having attended school. These statistics highlight the need for financial literacy programs that are accessible and tailored to individuals with secondary or primary educational backgrounds, as they make up the majority of the entrepreneurial population.

Table 3: Years of Experience

Years of Experience	Count
3-6 years	71
1-3 years	67
Less than 1 year	23
7-10 years	23
More than 10 years	19

The majority of respondents (71 out of 203) reported having 3-6 years of business experience, closely followed by those with 1-3 years of experience (67). Entrepreneurs with less than 1 year and those with 7-10 years of experience each accounted for 23 respondents, while those with over 10 years of experience were the least represented (19 respondents).

#### 4.2. Financial Strategic Measures Implemented to Support Women Entrepreneurs

This objective intended to capture information on the strategic measures that have been implemented by financial institutions in order to support the growth of women led businesses in Zambia.

#### 4.3. Financial Product Availability and Accessibility

Table 4: Descriptive Statistics for Financial Product Availability and Accessibility

Measure	Production Innovation: New Financial Products	Service Accessibility Rating	Targeted Outreach Programs Awareness
Count	201	201	202
Unique Responses	2	5	2
Most Frequent Response (Top)	No	Neutral	No
Frequency of Top Response	151	91	119

The descriptive statistics provide an overview of respondents' perceptions regarding the availability and accessibility of financial services. For new financial product offerings tailored for women entrepreneurs, only two response options were

recorded, with the majority (151 out of 201) selecting "No," highlighting limited innovation in financial products for this demographic. Service accessibility ratings showed a broader range of responses, with "Neutral" being the most frequent (91 responses), suggesting that most respondents feel accessibility is average rather than distinctly positive or negative. Awareness of targeted outreach programs was also predominantly negative, with 119 respondents indicating they were unaware of such initiatives.

#### 4.4. Comprehension of Available Financial Products among Zambian Women Entrepreneurs

This objective intended to capture information on the comprehension levels of financial products among women entrepreneurs.

##### Awareness of Targeted Outreach Programs

Table 5: Awareness of Outreach Programs

Response	Count
No	119
Yes	83

Awareness of targeted outreach programs for women entrepreneurs is relatively low, with 119 out of 202 respondents indicating they were unaware of any such initiatives. This finding points to a potential communication gap or a lack of visible efforts by financial institutions to engage women entrepreneurs through specialized programs. In contrast, 83 respondents reported being aware of such programs.

The observed frequencies show that when strategic measures were implemented by financial institutions, 41 women-led businesses experienced growth, whereas 64 did not. Conversely, when these measures were not implemented, only 18 businesses experienced growth while 26 did not (Table: 6)

Table 6: Observed Frequencies of Strategic Measures and Growth of Women-led Businesses

Strategic Measures by Financial Institutions	Growth of Women-led Businesses (Yes)	Growth of Women-led Businesses (No)
Implemented (Yes)	41	64
Not Implemented (No)	18	26

The expected frequencies under the null hypothesis reveal a distribution closely aligned with the observed data. For example, 41.58 businesses were expected to grow when strategic measures were implemented, compared to the observed 41. Similarly, 17.42 businesses were expected to grow without the measures, compared to the observed 18 (Table: 7)

Table 7: Expected Frequencies of Strategic Measures and Growth of Women-led Businesses

Strategic Measures by Financial Institutions	Growth of Women-led Businesses (Yes)	Growth of Women-led Businesses (No)
Implemented (Yes)	41.58	63.42
Not Implemented (No)	17.42	26.58

#### Challenges Faced by Financial Institutions and Women Entrepreneurs

The analysis identifies several challenges faced by both women entrepreneurs and financial institutions in Zambia. These include systemic, financial, and knowledge-related obstacles:

**Knowledge Gaps:** A recurring challenge is the lack of financial literacy among women entrepreneurs. Many women lack knowledge of the dynamics of operating a business account, which hinders their ability to manage their finances effectively. One informant noted:

"Most women do not understand the dynamics of operating a business account, which limits their ability to manage their businesses effectively" (interviewee 1, personal communication, 2024).

**Default Risks:** Some women entrepreneurs fail to meet their financial obligations, with defaults occurring even when liabilities are due. A financial institution representative explained:

"We've seen cases where women entrepreneurs fail to pay back their loans, and this negatively affects their credibility with financial institutions" (interviewee 2, personal communication, 2024).

**Too Many Requirements:** Several institutions noted that women entrepreneurs often struggle with meeting traditional loan requirements, such as audited financial statements. This limits their eligibility for financial products. As one interviewee shared:

"Most women entrepreneurs are unable to provide the audited financials that we require for loan approvals, which makes it difficult for them to access funds" (interviewee 3, personal communication, 2024).

**Lack of Funds:** Limited access to capital remains a significant barrier, further exacerbated by systemic financial challenges

and the high costs associated with traditional loans.

### Strategies Employed to Support Women Entrepreneurs

Financial institutions have implemented various strategies to address these challenges and support women entrepreneurs. Key strategies include:

**Financial Literacy Training:** Institutions conduct workshops and partner with cooperatives to enhance financial literacy among women entrepreneurs. One respondent stated:

"We regularly conduct financial literacy workshops and entrepreneurship conversations to equip women with the skills they need to manage their businesses" (interviewee 4, personal communication, 2024).

**Tailored Loan Products:** Some banks offer credit facilities specifically designed for women entrepreneurs, such as loans with lower interest rates. One participant highlighted:

"We've introduced loans with reasonable interest rates for women, supported through our specialized Anakazi Banking initiative" (interviewee 5, personal communication, 2024).

**Relaxed Risk Acceptance Criteria:** Institutions have relaxed their risk assessment processes to make loans more accessible to women entrepreneurs. For example, some banks allow the use of management accounts as an alternative to audited financials.

**Dedicated Women's Banking Units:** A number of institutions have established dedicated units to cater exclusively to women entrepreneurs. As one participant mentioned:

"We have a dedicated unit that provides financial education, tailored loans, and additional support to women in business" (interviewee 6, personal communication, 2024).

### Effectiveness of Strategies

The strategies employed by financial institutions demonstrate varying degrees of effectiveness. Programs such as financial literacy workshops and tailored loans have been well-received by women entrepreneurs, enabling many to overcome knowledge and financial barriers. However, challenges persist in addressing systemic issues, such as limited access to capital and repayment defaults.

One interviewee emphasized the importance of sustained support:

"Financial institutions need to go beyond offering loans; we need to build lasting partnerships with women entrepreneurs to ensure their success" (interviewee 7, personal communication, 2024).

The establishment of dedicated women's banking units also appears to be a promising initiative, offering specialized support and fostering long-term relationships with women

### Chi-square Test of Access to finance among Women Entrepreneurs

When a chi-square analysis was conducted among women entrepreneurs it the factors associated to access to finance were identified in table 4.11. The chi-square ( $\chi^2$ ) test comparing education and access to finance was statistically significant ( $p > 0.05$ ). The chi-square test ( $\chi^2$ ) on sensitization on financial education and access to finance was statistically associated ( $p > 0.05$ ). When compare the time of displacement of the loans and access to finance the Chi-square test ( $\chi^2$ ) test indicated the level of association ( $p > 0.001$ ). When application for the loan was compared to access to finance the Chi-square test ( $\chi^2$ ) test indicated an association ( $p > 0.001$ ). Collaboration and access to finance indicated a boulder line association ( $p = 0.066$ ).

Table 4.8: Chi-square for Demographic Variables and Access to Financial Services (Credit Facility) Among Female Entrepreneurs

Variable	Accessed the loan (No) (%)	Accessed the Loan (Yes)	Total	Chi-square	P-value
<b>Age</b>					
15-18	26 (17.22)	19 (12.58)	45 (29.80)		
30-19	33 (21.85)	21 (13.91)	54 (35.76)	3.80	0.434
40-49	21(13.91)	16 (10.60)	37 (24.50)		
<50	11(7.28)	3 (1.99)	14 (9.27)		
<b>Education</b>					
Primary Level	39 (25.83)	17 (11.26)	56 (37.09)		
Secondary Level	45 (29.80)	28 (8.54)	73 (48.34)	9.55	0.008
Tertiary level	7 (4.64)	15 (9.93)	22 (14.57)		
<b>Type of Business</b>					
Retail	91 (60.26)	58 (38.41)	149 (98.68)		
Production	0	1(0.66)	1 (0.66)	3.07	0.25
Agriculture	0	1	1 (0.66)		
<b>Hearing Financial Education</b>					

Word of mouth	29 (27.62)	13 (12.38)	42 (40)		
Workshop	6 (5.71)	15 (14.29)	21 (20)	11.564	0.003
TV/Radio/IEC	29 (27.62)	13 (12.38)	42 (40)		
<b>Time of Loan Debasement</b>					
Poor	63 (49)	19 (22)	82 (64)		
Good	5 (3.91)	29 (22.66)	34 (26.56)	52.26	<0.001
Excellent	0	12 (9.38)	12 (9.38)		
<b>Applied for the loan</b>					
No	78 (51.66)	0	78 (51.66)	106.38	<0.001
Yes	13 (8.61)	60 (39.74)	73 (48.34)		
<b>Experience in Business</b>					
>1 Year	8 (5.30)	7 (4.64)	15 (9.93)		
1-3 year Years	24 (15.89)	21 (13.91)	45 (29.80)		
3-6 Years	38 (25.17)	19 (12.58)	57 (37.75)	3.00	0.556
7-10 Years	13 (8.61)	6 (3.97)	19 (12.58)		
Over 10 Years	8 (5.30)	7 (4.64)	15 (9.93)		
<b>Collaboration</b>					
No	69 (46.31)	38 (25.50)	107 (71.81)	3.567	0.066
Yes	20 (13.42)	22 (14.77)	42 (28.19)		

The desired Needs of Women Entrepreneurs to be addressed by Financial Institutions. Among the women entrepreneur participants in the study N=202, 69.80% (n=141) indicated that they would want to be provided with financial education to improve their business. About 11.39% (n=23) indicated that they need access to finances with low interest rates to help boost their businesses. Among the participants 18.32% (n=37) indicated that they would need value addition funds to improve their quality of the products and attract the consumers in large numbers entrepreneurs.

Discussion

#### 4.5. Discussion

##### Demographic Characteristics

##### Age Distribution of Respondents

The findings reveal that the majority of women entrepreneurs are young, with 79 respondents falling within the 30-39 age group and 61 within the 20-29 age group, collectively accounting for nearly 70% of the sample. This demographic dominance aligns with existing literature, which often emphasizes the entrepreneurial energy and innovation characteristic of younger populations. For example, Kelley et al. (2020) in the Global Entrepreneurship Monitor report, highlighted that individuals in their 20s and 30s are typically the most active entrepreneurial group globally, driven by ambition, risk tolerance, and the flexibility to explore innovative business ideas.

The lower representation of older women entrepreneurs (only 38 respondents aged 40-49 and fewer above 50 years) is consistent with findings by Akinyemi and Adejumo (2018), who noted that entrepreneurial activities decline with age due to increased risk aversion, declining physical stamina, and competing responsibilities such as caregiving. This demographic trend underlines the importance of targeting young women with tailored financial products and entrepreneurship support programs, as they represent the most active and receptive group in the entrepreneurial eco-system.

##### Educational Background of Respondents

The educational profile of respondents indicates that a significant proportion (50.7%) have attained secondary education, while 29.6% have only a primary education. A smaller fraction has advanced qualifications such as diplomas (9.8%), bachelor's degrees (2%), and master's degrees (0.5%), with 7 respondents (3.4%) reporting no formal education. This distribution reflects the broader educational challenges faced by women entrepreneurs in Zambia, where access to higher education remains limited due to socio-economic constraints, as documented by Chigunta et al. (2017).

The predominance of secondary and primary education levels highlights the urgent need for financial literacy programs tailored to this demographic. Research by Akhter and Cheng (2020) emphasizes that women with lower educational attainment often struggle to comprehend complex financial products and services, which limits their access to credit and hinders their business growth

##### Years of Business Experience

The findings reveal that most respondents have moderate entrepreneurial experience, with 71 women reporting 3-6 years and 67 reporting 1-3 years of business activity. Only 19 respondents have more than 10 years of experience, while 23 are in the early stages of their entrepreneurial journey (less than 1 year). This distribution aligns with studies by Mahajar and Yunus (2019), who observed that most women entrepreneurs in developing countries are relatively new to the business world, often driven by necessity rather than opportunity. The high concentration of women in the 1-6 years' experience

bracket highlights a critical growth phase where financial interventions could significantly impact business sustainability and expansion. Early-stage entrepreneurs often face challenges related to cash flow management. This finding underscores the need for long-term financial support mechanisms, such as revolving credit facilities or growth-stage funding, to ensure the sustainability of women-led businesses in Zambia.

### **Financial Strategic Measures Implemented by financial Institutions**

This section explores the study's first objective. The discussion draws on empirical evidence to contextualize the findings and evaluate their implication

#### **Financial Products Offered to Small businesses**

Financial institutions in Zambia offer a diverse range of financial products specifically aimed at addressing the needs of women entrepreneurs. These products are designed to provide accessible financial support while taking into consideration the unique challenges faced by women in the entrepreneurial space. Credit facilities emerged as the most dominant financial product provided to entrepreneurs, with 7.0 mentions highlighting their prevalence. These facilities are primarily designed to offer flexible funding solutions that cater to the diverse needs of businesses. Credit facilities provide entrepreneurs with access to working capital, enabling them to finance operational costs, purchase inventory, and scale their businesses this is similar to the findings of the Bank of Zambia which indicated that that the women were more likely to repay under a credit facility repayment system (World Bank, 2021).

Scheme loans represent another critical financial product offered to women entrepreneurs, particularly those seeking to grow their businesses. These loans are structured programs that often come with favorable terms, such as reduced interest rates or flexible repayment schedules, making them more accessible to women. This is similar to the functions in the same way as rotating saving and credit associations among women which letter helps them to be able to obtain the scheme loan (Simba et al., 2024).

Management accounts have been introduced by some financial institutions as a flexible alternative to traditional banking requirements. These accounts are tailored to address the operational and financial management needs of women entrepreneurs who may not meet the stringent requirements for traditional accounts. For example, financial institutions allow management accounts to function without the need for audited financial statements, which are often a significant barrier for small businesses. This flexibility enables women entrepreneurs to access essential banking services, manage cash flow efficiently, and build a financial history that can facilitate future borrowing opportunities. Similar to our findings by ABSA Zambia Plc (2025), the bank has designed management accounting systems for every woman in business to help them grow the business and access opportunities to improve and contribute passively to national growth or economy. The partnership of women entrepreneurs provides financial and non-financial products and services that make business banking simple, convenient, and safe.

### **Literacy and Comprehension Levels of Available Financial Products among Zambian Women Entrepreneurs**

#### **Awareness of Targeted Outreach Programs**

The low level of awareness of targeted outreach programs among respondents (119 out of 202) indicates a significant gap in the visibility and effectiveness of these initiatives. This finding aligns with the work of Anderson et al. (2017), which highlights that outreach programs often fail to reach their intended audience due to poor communication strategies, limited geographical coverage, and inadequate partnerships with local organizations. The 83 respondents who were aware of such programs suggest that some efforts are being made by financial institutions, but they may lack the scale and inclusivity needed to have a meaningful impact. According to Buvinic and Furst-Nichols (2016), effective outreach programs require a multi-pronged approach that combines financial education, mentorship, and access to capital. The findings from this study suggest that financial institutions in Zambia may benefit from adopting such comprehensive strategies to increase the reach and effectiveness of their initiatives.

These measures are consistent with the recommendations of OECD (2020), which advocates for gender-responsive financial policies to promote inclusive growth. By addressing these gaps, financial institutions can not only support the growth of women-led businesses but also contribute to broader economic development goals.

### **Challenges Faced by Financial Institutions and Women Entrepreneurs**

The challenges identified in the study correspond with broader global trends that indicate systemic barriers continue to limit women entrepreneurs' access to finance (OECD, 2021). Several key issues emerged from the findings:

**Knowledge Gaps:** Limited financial literacy remains a major constraint for women entrepreneurs, corroborating research by Xu and Zia (2012), who found that inadequate financial knowledge adversely impacts business decision-making and financial management. Financial literacy deficiencies limit women's ability to navigate formal financial systems, affecting loan access and business sustainability (Lusardi & Mitchell, 2014).

**Default Risks:** Loan defaults among women entrepreneurs highlight concerns related to financial discipline and external business risks (Karlan & Zinman, 2011). The study findings align with re-search suggesting that financial institutions often perceive women as high-risk borrowers due to business volatility and insufficient collateral (Bardasi, Sabarwal, & Terrell, 2011). Addressing de-fault risks requires financial institutions to design mechanisms that enhance repayment capacity, such as business development training and mentorship programs (Banerjee et al., 2015).

**Too Many Requirements:** The issue of stringent lending criteria is widely documented in financial access literature. As

Berger and Udell (2006) argue, traditional banking systems rely heavily on collateral-based lending, which disproportionately affects women entrepreneurs who typically lack tangible assets. The findings affirm the need for alternative credit assessment models, such as cash-flow-based lending and psychometric credit scoring, to improve financial access for women-led businesses (Klinger, Khwaja, & del Carpio, 2013).

Lack of Funds: Limited access to capital remains one of the most significant barriers to women's entrepreneurship, a challenge widely documented in prior studies (Marlow & Patton, 2005). The study findings are consistent with research that highlights financial institutions' preference for low-risk clients, which often results in inadequate capital allocation for women entrepreneurs (Storey, 2016).

### Strategies Employed to Support Women Entrepreneurs

Several proactive measures have been implemented by financial institutions to enhance access to finance for women entrepreneurs. The findings confirm literature by emphasizing the importance of financial literacy training, tailored loan products, and dedicated banking units in addressing gender-specific financing challenges (Bruhn & Love, 2014). The following are some of the revealed strategies:

**Financial Literacy Training:** Numerous studies affirm the effectiveness of financial literacy programs in improving financial decision-making and business performance (Bruhn, Karlan, & Schoar, 2018). The study findings indicate that training initiatives, such as workshops and cooperative partnerships, have had a positive impact on women entrepreneurs, reinforcing the argument that financial education is a fundamental tool for fostering entrepreneurship (Karlan et al., 2014).

**Tailored Loan Products:** The introduction of gender-focused financial products aligns with evidence from studies on financial inclusion. According to Fletschner and Kenney (2014), financial products that consider women's specific constraints such as limited collateral and fluctuating in-come lead to improved financial access and business growth.

**Relaxed Risk Acceptance Criteria:** Easing credit assessment requirements by accepting alternative financial documents supports findings by Beck, Demirgüç-Kunt, and Martinez Peria (2011), who argue that alternative credit evaluation models improve financial inclusion. The study findings align with this perspective, showing that relaxing risk acceptance criteria expands financial access for women entrepreneurs who would otherwise be excluded from formal credit markets.

**Dedicated Women's Banking Units:** The establishment of specialized women-focused banking units reflects best practices in gender-sensitive financial services (Cheston & Kuhn, 2002). Evidence from global microfinance institutions suggests that targeted banking initiatives significantly improve women's business outcomes (D'Espallier, Guérin, & Mersland, 2011). The study findings reinforce the idea that dedicated women's banking units enhance financial accessibility and service delivery.

### Effectiveness of Strategies

The effectiveness of financial institutions' interventions is a subject of extensive debate in financial access literature. While the study findings indicate that financial literacy programs and specialized loan products have had a positive impact, persistent challenges such as capital constraints and repayment difficulties highlight the need for more comprehensive policy frameworks (Demirgüç-Kunt et al., 2022). The call for sustained partnerships between financial institutions and women entrepreneurs aligns with best practices observed in successful microfinance and development finance programs (Yunus, 2007).

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## 5. Conclusion and Recommendations

### 5.1. Conclusion

The findings of this study confirm that women entrepreneurs in Zambia continue to face substantial challenges in accessing financial resources, a trend consistent with global patterns of financial exclusion. The study established that despite policy efforts to improve financial inclusion, women-led businesses remain marginalized due to restrictive financial product availability, accessibility constraints, and a general lack of awareness about targeted outreach programs. These findings align with prior research (Bardasi et al., 2011; Beck et al., 2018), which highlights that institutional biases within financial markets often contribute to the systemic exclusion of women entrepreneurs.

The study also found that financial institutions' strategic measures did not exhibit a statistically significant correlation with the growth of women-led businesses. This suggests that while access to financial resources is important, it is not the sole determinant of business growth. Existing literature supports this conclusion, emphasizing the role of market conditions, business skills, and regulatory environments in shaping entrepreneurial success (Minniti & Naudé, 2010; Aterido, Beck, & Iacovone, 2013). Consequently, the results indicate that financial institutions' strategies must be supplemented by broader policy interventions that address structural inequalities in business support systems.

Furthermore, the findings highlight that women entrepreneurs require more than just financial resources to thrive. The study observed that additional interventions such as mentorship, net-working opportunities, and regulatory reforms are essential in promoting sustainable business growth (Bruton, Khavul, & Chavez, 2011; Xavier et al., 2012). The weak correlation between financial institutions' strategies and business growth highlight the need for a more holistic approach

that integrates financial and non-financial support mechanisms.

## 5.2. Recommendations

Given the findings of this study, several recommendations emerge, each aligned with the study objectives:

### Improving Financial Product Availability for Women Entrepreneurs

Financial institutions should develop and offer financial products specifically designed to address the unique needs of women entrepreneurs. Evidence from countries that have successfully implemented gender-sensitive financial policies suggests that tailored microfinance products can significantly improve female entrepreneurship rates (Demirgüç-Kunt et al., 2018; Aterido, Beck, & Iacovone, 2013). Zambia's financial sector must benchmark against such best practices, ensuring that women have access to flexible financing options with lower collateral requirements and favorable repayment terms.

### Enhancing Service Accessibility and Awareness Programs

The study found that many women entrepreneurs were unaware of existing financial services and targeted outreach programs. This highlights the need for more aggressive awareness campaigns and financial literacy programs that cater specifically to women. Financial institutions, in collaboration with government agencies and non-governmental organizations, should implement outreach initiatives that educate women entrepreneurs about available financing opportunities. Successful models from countries such as India and Bangladesh demonstrate that targeted financial literacy programs significantly enhance women's participation in the formal financial sector (Banerjee & Duflo, 2014).

### Adopting a Holistic Approach to Women's Entrepreneurial Growth

Since financial resources alone are insufficient in driving business growth, financial institutions must integrate non-financial support mechanisms into their strategies. This includes offering business mentorship programs, creating networking platforms, and providing capacity-building workshops. The lack of a significant correlation between financial institutions' strategic measures and business growth reinforces the argument that entrepreneurship support must be multi-faceted (Brush, de Bruin, & Welter, 2009; Kabee, 2019). Implementing these additional support mechanisms will ensure that women entrepreneurs receive the comprehensive assistance needed to scale their businesses effectively.

### Regulatory and Policy Reforms to Support Women Entrepreneurs

Policy interventions that promote a more inclusive business environment for women entrepreneurs should be prioritized. This includes revising regulatory frameworks to remove biases such as education, literacy levels, loan approval processes. Additionally, government agencies should work closely with financial institutions to introduce incentives for banks that actively support women-led enterprises. The African Development Bank (2019) advocates for integrated programs that combine financial assistance with entrepreneurial training, a model that Zambia could adopt to enhance the effectiveness of financial interventions for women entrepreneurs.

### Financial Literacy and Inclusion of Women Entrepreneurs

Based on the findings regarding the financial literacy and comprehension levels among women entrepreneurs in Lusaka District, it is recommended that targeted financial education programs be developed and implemented. These programs should focus on simplifying financial concepts, improving understanding of available financial products, and building confidence in managing business finances. Moreover, Angelica Y and et al (2024) confirmed that a significant association between financial literacy and entrepreneurial growth. As a result, financial literacy is a critical skill for any entrepreneur's development. Therefore, Collaboration between financial institutions, government agencies, and NGOs is crucial to ensure the programs are accessible, culturally appropriate, and effectively address the specific needs of women entrepreneurs. Additionally, periodic assessments should be conducted to measure progress and adapt the content accordingly

## 5.3. Limitations of the Study

While this study provides valuable insights into the relationship between financial institution strategies and the growth of women-led businesses, several limitations must be acknowledged. Firstly, the study's reliance on survey data may have introduced response biases, as participants' self-reported experiences may not fully capture the complexity of financial exclusion. Additionally, the study focused primarily on financial institutions' role, potentially overlooking other external factors such as cultural influences, market competition, and broader economic conditions that affect women entrepreneurs. Another limitation is the geographic scope of the research. The findings are based on data collected from Lusaka district only, which may not be entirely generalizable to other areas with different financial landscapes. Future research could expand the geographic scope to provide a more comprehensive understanding of financial barriers across different economic contexts. Lastly, the study employed a cross-sectional research design, which limits the ability to establish causal relationships. A longitudinal study tracking women entrepreneurs over time could provide deeper insights into how financial strategies evolve and impact business growth in the long run.

## 5.4. Areas for Future Research

Given the study's findings and limitations, several areas warrant further investigation. Future re-search could explore the long-term effects of financial institution strategies on women-led businesses using longitudinal data. This would provide a clearer picture of how financial interventions impact business sustainability over time. Additionally, more in-depth qualitative studies could be conducted to examine the lived experiences of women entrepreneurs in navigating financial

barriers. While this study focused primarily on statistical correlations, qualitative research could offer a richer understanding of the nuanced challenges women face in accessing financial services.

Another critical area for future research is the role of digital financial services in promoting women's financial inclusion. With the increasing adoption of mobile banking and fintech solutions, exploring how technology-driven financial products impact women entrepreneurs could provide valuable insights for policymakers and financial institutions. Furthermore, comparative studies examining different countries' approaches to women's financial inclusion could offer useful lessons for Zambia. Understanding how policy frameworks and financial strategies differ across contexts may help in designing more effective interventions tailored to the local economic landscape.

While committing to addressing these areas, future research can build upon the findings of this study and contribute to the ongoing discourse on enhancing financial inclusion for women entrepreneurs in Zambia and beyond.

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The authors declare that they have no conflicting interests

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### Ethical considerations

The article followed all ethical standards appropriate for this kind of research.

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