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Effect of Financial Inclusion on the Growth of Micro and Small Enterprises in Kericho County, Kenya

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Abstract:
Micro and Small Enterprises (MSEs) are those businesses that are less developed, and the production rate and rendering of its services are done on a small or micro scale due to the limited access to financial institutions, especially banks. The biggest challenge for these MSEs is finding difficulties accessing banking services such as loans due to the lack of knowledge on the banks' bank funding and credit services, including the requirements for credit, lack of competence in managing a business, especially the financial aspect. This study investigated the effects of financial inclusion on the growth of MSEs in Kericho County, Kenya. The study examined the impact of saving, access to affordable credit, financial advisory services, and insurance services on the growth of MSEs in Kericho County, Kenya. The study was anchored by credit rationing theory, permanent income theory, dual-process Theory, and the Theory of entrepreneurship. This researcher employed a descriptive design. This study targeted 7,277 MSEs in Kericho County who were sampled using a proportionate stratified sampling method to obtain a sample size of 379 respondents. The data was obtained using questionnaires and evaluated using descriptive and inferential statistics. The study concluded that access to saving opportunities strongly and positively affect the growth of micro and small enterprises in Kericho; the study shows that business owners don't save much due to the way they spend their money. Their saving is not enough despite the sound and reliable financial system related to savings mobilization. The study concluded that that the factors presented to the respondents did not play an essential role in access to affordable credit on the growth of micro and small enterprises in Kericho County. These factors exclude the availability of affordable credit that enhances entrepreneurial development among micro-enterprises. Affordable credit includes competitive advantages and can be an essential indicator to measure performance. Hence, researches on the effects and importance of affordable credit have increased recently. The study concluded that there was a strong and positive influence of advisory services on the growth of micro and small enterprises in Kericho County. The study recommends that the micro and small enterprises should explore all available and viable saving opportunities. A good starting point would to evaluate their spending patterns, as well as the transaction costs and interest rate charges they incur. Spending should be related to core business activities only while the organizations should develop strategies for reducing their transaction costs and interest rates. Savings play an important role in ensuring that the organizations have sufficient liquidity to meet recurrent obligations and future expansion activities of the organization.
Key Word: *Financial Inclusion, Saving Opportunities, affordable credit, financial advisory services, Insurance Services*

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I. Introduction

Financial inclusion aids the disadvantaged and the poor in gaining access to financial services that satisfy their needs. A practical, equitable, and inclusive financial sector would help disadvantaged households access financial services (Yoshino & Morgan, 2016). Besides, banks may diversify their goods and services to include Micro and Small Enterprises (MSEs) and thus encourage financial solidity and income allocation. According to Karpowicz (2014), deeper financial structures minimize deprivation, raise wages and improve economic development. Greater financial exposure to the majority improves financial productivity and decreases the inequality correlated with cash transactions. Consequently, MSEs' profit rates often rise with improved exposure to financial goods and services.

Globally, great strides have been made towards achieving financial inclusion for all cadres of society. As of 2011, 1.2 billion of the adult populace had access to an account with a financial entity and had at least one transaction per year. Over 69% of the adult population had access to financial services as of 2017, almost double growth compared to 2011 statistics. According to the World Bank Group, financial inclusion is a crucial enabler to minimize poverty and enhance shared prosperity. In economies like India, policies have been developed to boost financial inclusion. They have a universal digital I.D.- Aadhaar, which is a consolidated system for faster service delivery. 1.2 billion adults have access to Aadhaar, which links their beneficiary databases for transferring subsidies and cash directly to beneficiary bank accounts (Gelb and Mukherjee, 2019).

In Africa, access to financial inclusion is still on the low. In 2011, it was at just over 23%, which grew slightly to over 43% in 2017 because of the immense contribution by digital financial services (Folorunsho, 2020). Several countries in Africa have relied on private sector innovation, including mobile and digitally-enabled payments. Regionally, the banking rate on average is at 44%.In Morocco, the banking rate is a low 17% according to World Bank Findex Data but has been on the lead in promoting new technologies and traditional methods to have all people gain access to financial inclusion (Folorunsho, 2020).

In Kenya, the level of financial inclusion a decade ago was estimated at 26.7% compared to the current rate of 82% (Kenya Economic Report, 2020). The study finally suggests that many of those who are not financially included are in rural areas. Without a doubt, mobile money agents have fast-tracked the journey toward inclusion and present potential solutions to many barriers encountered previously. The proximity to the financial providers being a significant challenge is slowly becoming a thing of the past. Local banks and lenders have also reached most of the population by providing friendly, inclusive services to cater to low-income populations and Micro and Small Enterprises (Hove, 2019).

Financial market imperfections like information asymmetries and transaction rates build obstacles to access financing for most MSEs. Imperfections of the capital system negatively affect the poor and those working in the MSEs' who need a financial record, security, and collateral, thereby restricting their resources and contributing to continued inequalities and slower growth (Demirguç-Kunt, Klapper & Singer, 2013). Consequently, business vulnerabilities need to be minimized to promote financial inclusion, and consistency in knowledge flow is promoted. Kokate and Nalawade (2015) argue that, without comprehensive financial structures, vulnerable individuals and MSE owners tend to rely on their pool of funds to invest and benefit from other promising expansion opportunities.

Growth-related financial inclusion depends more on firm access to credit than on household access. A 2011 report by the Global Financial Inclusion Partnership shows that, by downsizing the capital gap faced by Micro and small companies or businesses, financial inclusion lessens liquidity constraints and stimulates innovation. Hence has significant effects on market structure, firm scale, competitiveness, informal sector activity, and formal activity, particularly in low-income countries. Policies that improve public exposure to financial goods and services can also be instrumental in organizational development (Beck, Degryse, and Kneer, 2014).Therefore, this study sought to investigate the effect of access to financial inclusion on Micro and Small Enterprises' growth in Kericho County. The researcher intended to link and identify the relationship between financial inclusion and the development or of MSEs.

Statement of the Problem

As in many developed countries, the MSEs' sector in Kenya offers an indispensable role in job creation, income allocation, and social welfare and contributes to poverty reduction (Newbery, 2016). Notwithstanding its significant contribution to Kenyan society and its many policy requirements, MSEs' face a range of challenges and constraints that inhibit their growth, for instance, lack of confidence, unsuitable goods, rigid policies, and specifications, over and above high bank charges and interest costs of most financial entities.

The link between financial inclusion and the financial growth of SMEs, though repeatedly emphasized by donors and practitioners in conferences and summits, is a controversial area of empirical research. Mizan (1993) finds significant and positive effects of participation in the Grameen Bank program on entrepreneurs' decision-making within the household. However, Montgomery (2005) finds that Khushali Bank's inclusion program in Pakistan does not increase enterprises' financial growth. On the other hand, Salman (2008) suggests that at least in the urban slums, the link between microcredit enterprises' financial growth is not as strong as the donor agencies and microcredit practitioners perceived. However, all studies find that income increases are small for most borrowers and negative in some cases.

According to Love and Fisman (2003), providing credit to the poor serves two purposes. First, as borrowed capital is invested in small enterprises, it often results in a significant short-term increase in household expenditure and welfare. Secondly, microenterprises credit spurs economic growth in the informal sector by fostering increased business capitalization, employment creation, and long-term income growth. However, Tawah et al. (2008) did a study on the ability of microfinance to reach the poor and vulnerable. He focused his article in such a manner because of concerns that microfinance is only serving people slightly below or above the line of poverty. However, the poor are being systematically excluded.

Despite all these challenges, no study has ever been done on the effect of financial inclusion on the growth of MSEs in Kenya. Mungai (2006) did a comparative analysis of the entrepreneurial characteristics of funded versus non-funded entrepreneurs in Nairobi, while Ngungi (2009) surveyed the responses of MFIs to opportunities presented by emerging entrepreneurship in Kenya.

Studies on financial inclusion effect on financial performance of commercial banks in Kenya have been carried out, and a direct correlation between performance rates and financial inclusion was established (Muiyuro, 2014). But, the study was based on the performance commercial banks with a wide scope focusing on Kenya as a whole. Mwangi (2017) study investigated factors hindering sustainable financial inclusion of rural women in Kenya and established a significant positive effect. However, the study focused on women and was carried out in Garissa County, Kenya.Noor (2017) focused on determinants of MSEs' financial inclusion and observed that people were not confident with the banking sector and extreme conditions such as high charges, which were the main factors that adversely impacted financial inclusion. The studies mentioned above focused on different aspects and contexts of financial inclusion that make their findings insufficient for the research issues concerning the growth of MSEs in Kericho County. Therefore, this study investigated how financial inclusion affects MSEs' growth in Kericho County, Kenya.

Objectives of the Study

i) To examine the effects of access to saving opportunities on the growth of micro and small enterprises in Kericho County.
ii) To establish the effects of access to affordable credit on the growth of micro and small enterprises in Kericho County.
iii) To determine the effects of access to financial advisory services on the growth of micro and small enterprises in Kericho County.
iv) To identify the effects of access to insurance services on the growth of micro and small enterprises in Kericho County.

II. Literature Review

Theoretical Framework

The study was guided by the following theories;Credit Rationing Theory, Permanent Income Theory, Dual-Process Theory and The Theory of Entrepreneurship.The credit rationing theory, proposed by Stiglitz and Weiss (1981), offers a basis for studying inefficiencies in the financial system. This articulates that information asymmetry is the primary source of financial system failure and malfunction. Banks that advance loans are not just keen on the addition they get on credits yet additionally on the cost and risks of these loans. Also, the interest that a financial entity charges on loans influences the probability of risk on a pool of loans by differentiating risky and non-risky borrowers or controlling their behavior using the moral hazard problem scenario of covering risks.An undesirable selection and credit rationing issue would emerge again when banks need loan collateral. Since generally safe borrowers (borrowers with a lower return rate if an undertaking produces to highest potential) face a lower return rate while the inflation rate is high, we are less well-off on average than high-risk borrowers (after a certain amount of time). Therefore, we are unwilling to have extra collateral for new loans (as they don't have the collateral required). This theory categorically explains why financial institutions may be reluctant to adverse credit to micro and small businesses because of its risks. It thus may be denied valuable financial products by being included in the totality of risky borrowers. This theory explains the access to affordable credit variable of our study.

The theory of permanent income propounded by Milton Friedman claims that individuals' tremendous difficulty when wage rates are not constant might affect their saving capacity. According to Friedman (1999), households are better off when their income rates are distinct from other average households that appear not to have a constant amount of permanent income and (positive or negative) fluctuations from that point, called transitory income. Morgan (2009) believed that consumption consists of a scheduled portion based on permanent income and an unplanned component entirely independent of income.The Permanent-Income Theory is considered an essential method for estimating the income element of the study. Permanent income can be thought of as the size of the constant annual flow of income. Businesses that can use saving opportunities to create a large pool of savings while running their businesses normally will get more resources to expand their business ventures further. This theory expounds fully on the access to saving opportunities variable that our study shone a light on.

Lusardi and Mitchell (2007) propounded the dual-process principle. This hypothesis indicates that financial decisions can be guided by emotional and rational mechanisms, proposing that financial intelligence is not inherently capable of making successful financial decisions.According to Glaser and Walther (2013), the double procedure monetary proficiency theory demonstrates that individuals with a severe extent of money-related education depend on the commonness of the two methods of reasoning: instinct and cognizance. Intuition is the capacity to gain intelligence through the use of justification without inference. Intuition contains thoughts, understandings, assumptions, or convictions that could not be empirically tested or rationally clarified. This theory realizes that optimum outcomes cannot be obtained when people believe only in their decision-making intuitions. Business owners need relevant education and advice to have clear, well-thought-out decisions in running the business. This theory explains the need for financial advisory services, which is a variable of our study.

Frank (1993) also supported the theory of entrepreneurship. He identified entrepreneurs as risk-takers accepting the vulnerability and confusion they are likely to face while undertaking a business venture. Primary highlights of the theory are total gains, condition of exposure, ability to bear the risk, and so forth. The theory demonstrates that an entrepreneur is a person who constantly seeks to exploit opportunities despite risks as long as there are sufficient returns worth the risks to offer a tradeoff (Itodo, 2011). As portrayed in the hypothesis, entrepreneurs wager to make a significant profit in their economic ventures. Yet, the cost of a higher anticipated return is a higher anticipated risk, which is lost pay or an inability to meet targets and objectives.

Thorat (2008) observes that while there is no doubt that there is a need to stimulate the demand for formal financial sector products among the financially excluded consumers, appropriate and effective demand-side interventions hold the key to increasing financial inclusion short term. The demand side's current challenges include products not customized to the informal sector, rigid processes with complex and intensive documentation that deter most financially excluded populations, technology availability and acceptance, and outreach by public financial institutions.

Conceptual Review

Conceptual framework is fundamental as it explains and incorporates methodological, philosophical, and pragmatic features of research thesis (Sykes & Piper, 2015). This is a diagram illustrating the linear relationship between independent variables (Board of Director Independence and expertise) and the dependent variable (Market Capitalization).

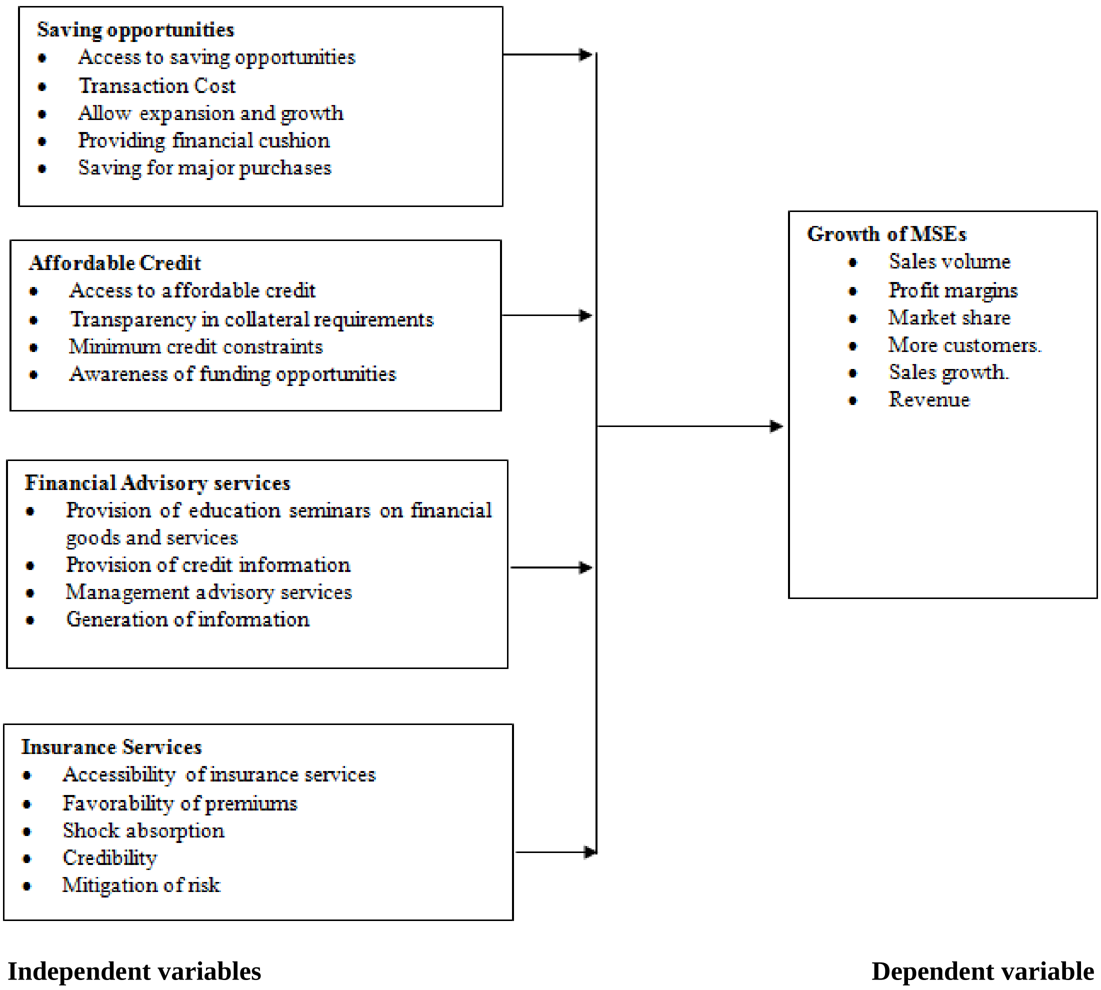

Figure1.0:ConceptualFramework

Empirical Review

Nwodo, Ozor, and Okekpa (2017) studied small business owners' savings activity in Nigeria (A Case Report of Enugu Metropolis). The study indicated that having a place with a microfinance bunch raises the pace of investment funds among the organization's proprietors. In any case, most organization proprietors' reserve funds impetus is to buy home items for development, not in any event.Benonzaol and Tiere (2016) investigated small business owners' savings habits (A case study of the central business district of Kumasi). Thestudyrevealedthatbusinessownersdonotsavemuchbecauseoftheirspendingpatterns.Someweredissatisfiedwiths omeaspectsofthefinancialproductsandservicesintherespectiveinstitutions.Muriithi (2016) carried out a study on what determines savings among employees in MSEs in Kenya. The study results indicate that saving is inadequate despite the healthy and reliable financial systems related to savings mobilization. The study further established that transaction costs and interest rates have a significant influence on savings.Odhiambo (2008) studied the correlation between savings and economic growth using panel data. He studied the causality between savings, development, and fiscal shortage. It was evident that the level of savings that a business attained could predict its growth level—the lower their savings, the lower the growth that attained. Therefore, the study concludes that policies should increase and upsurging savings because of their significant growth effect.Dipendra (2009) studied the relationship between savings and economic growth in India. The results showed that the private sector's gross savings have a more significant impact on GDP than gross domestic savings.

Okello, Candiya, Bongomin, Mpeera, Munene, and Akol (2017) studied how financial access relates to the growth of MSE in emerging economies: financial advisory services as a moderator. The findings show a significant and robust correlation between financial access and the growth of MSE in developed economies.Hussein (2017) studied how credit accessibility related to Micro and Small Enterprises' growth in Langata Constituency. The degree to which the variables related to each other was measured using regression analysis and established that the number of lending institutions has a positive relationship with Micro and Small Enterprises' growth.Magembe (2017) did an explorative study on the effects of credit access by MSEs in Tanzania. The study showed that borrowers face significant obstacles while investing in small and medium-sized businesses include high interest paid and collateral demand as the deciding factor for accepting loans.Mayabi and Henry (2015) did a study seeking solutions on the relationship between access to credit and the high entry into the Micro and Small Enterprise, especially the boutique business. The conclusion and findings were that there has to be some access to credit, leading to the growth of the MSEs.Dada (2014) noted that the repeated and recurring situation where complaints are launched by Small and Micro Enterprises regarding access to finance is a relevant and significant topic that does not need to be diverted or politicized because it endangers the development and advancement of the sector. The results of the study show a positive relationship between credit and the development of MSEs.

A study investigated how financial advisory services relating to the growth of MSEs in Kenya. The study results show that numerous MSE proprietors have poor planning and accounting abilities. They are not engaged with formal budgetary arranging, planning, and detailing and don't hold fitting bookkeeping and fiscal summaries records (Lusimbo, 2016) showed that financial advice significantly influenced the growth of MSE (Cherugong, 2015).A study on the effects of financial advisory services and MSE performance in Benue State, Nigeria, was conducted. Primary and secondary data were collected using a validated questionnaire from 154 respondents and evaluated using detailed statistics. They found that financial knowledge and attitudes influence MSE performance (Esiebugie, Richard, and Emmanuel, 2018).A study by Blackburn and Tanewski (2010) on the effects of professional business advice on small businesses indicates that several entities relied on professional advice from sources while starting and running their business. They further suggest that MSEs with a confidante rely on financial knowledge greatly influence their growth potential. Obago (2014) found that in a sample of 100 employees, more than 21 suffer from stress due to money problems. The Financial Capability Report of 2009 reveals that a significant population of Kenyans, i.e., 25% has credit difficulties and tends to borrow loans to repay loans and admit that they are not in control of their finances. These people need accessible financial advisory so that they can get financial products from the institutions.

Aduko (2011) researched general insurance, a market risk control tool on MSEs in the Tamale metropolis. The findings revealed that most MSEs do not have insurance coverage for their companies, and insurance knowledge is relatively poor.Ibrahim's (2016) study examines the relationship between insurance and sustainability of Micro, Small, and Medium Scale Enterprises (MSMEs) development in developing Nations. Lim & Haberman (2003) concentrateontheMalaysianlifeinsurancemarket.Whiletheinterestrateforsavingsdepositsandpriceenterssignificantl yintheequation,theinterestrate'spositivesignpuzzlestheauthors.ThiscouldbeinlinewithWebbetal.'s(2002)findings, whofoundthebestresultswhentheinsuranceandbankingsectorscombinedintheestimates.Priceelasticityisfoundtobe morethaneven.Chodokufa and Chiliya's (2014) studyfocusedontherelationshipbetweenMSEsandinsuranceprovidersinNelsonMandelaMetropolitanArea,SouthAf rica, performed an observational analysis of 203 small and medium-sized businesses, standardized questionnaires were issued to MSE members. The insurer's personnel and brand image experience significantly affect MSEs' choice to partner with insurance companies.

III. Material and Methods

The study used a descriptive design in undertaking this research. The study targeted 7277 MSEs registered with the Kericho County Government as of October 2019 and possess single business permits. They were distributed in sub-counties as follows; Ainamoi-328 Belgut-1161 Bureti-904 Kericho Town-2234 Kipkelion East-969 Kipkelion West-678, and Soin-Sigowet-1003 (Kericho County Report, 2019). The study used a sample size of 379 respondents selected using simple random sampling. The study utilized questionnaires because they were valuable method for gathering the primary data as respondents read and then react to each object so that they can cover a wide range of topics, as Orodho (2005) observed. A pilot study was conducted to test the reliability and validity of the questionnaire. Quantitative results were evaluated using descriptive analysis together with inferential analysis.Multiple regression modeling was followed via inferential methods, as this research used more than one explanatory variable. The Statistical Package for Social Sciences (SPSS) was used to perform multiple regression analysis. Variance Analysis (ANOVA) analysis was utilized to check if the general outcome is factually significant by indicating whether R2 may or may not have happened spontaneously. The F-statistics in the ANOVA table was used to calculate the projected regression model's fitness at a confidence point of 95 percent, where a p-value of up to 0.05 is used as the criterion for decision making and inference.The resulting equation of regression was:

$$\mathbf{Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \varepsilon}$$

Where: **Y** = Sustainability of MSEs

$\mathbf{X_1}$ represents Savings

$\mathbf{X_2}$ represents Credit

$\mathbf{X_3}$ represents Financial Advisory Services

$\mathbf{X_4}$ represents Insurance Services

$\boldsymbol{\beta_0, \beta_1, \beta_2, \beta_3}$ **and** $\boldsymbol{\beta_4}$ = Beta coefficients

$\boldsymbol{\varepsilon}$ = error term

IV. Result and Discussion

Descriptive Analysis

The study investigated the growth of micro and small enterprises as a result of financial inclusion. Respondents were requested to indicate the rate at which they perceived their businesses to have grown as a result of financial inclusion and the results are as tabulated below.

Table 1: Micro and Small Enterprises Growth

	Mean	Std. Dev.
Increased market share	3.554	1.166
Higher sales	3.531	1.144
Higher profits	3.831	0.889
Improved economies of scale	4.154	1.028
High customer retention	3.262	1.202
Hiring new employees	3.023	1.104
Average	**3.559**	**1.089**

From the findings, majority of the respondents agreed that there was a relationship between financial inclusion and the growth of their enterprises as illustrated by an average mean score of 3.559 and S.D of 1.089. Moreover, the study found out that the enterprises had experienced; High customer retention (mean score= 3.262; S.D= 1.202). Improved economies of scale (mean score= 4.154; S.D=1.028). Higher profits (mean score= 3.831; S.D=0.889). Higher sales (mean score=3.531; S.D=1.144). Increased market share (mean score=3.554; S.D= 1.666). The findings imply that financial inclusion led to the growth of the enterprises in relation to economies of scale, higher profits, higher sales, and higher market share.

Correlation Analysis

ThePearsoncorrelationshowninTable2indicatedthattheassociationsbetweeneachoftheindependentvariablesandthedependentvariablerelate.

Table 2: Correlation Analysis

		Growth	Affordable Credit	Financial Advisory Services	Insurance Services	Saving Opportunities
Growth	Pearson Correlation	1				
	Sig. (2-tailed)					
	N	260				
Affordable Credit	Pearson Correlation	.678**	1			
	Sig. (2-tailed)	.000				
	N	260	260			
Financial Advisory Services	Pearson Correlation	.481**	.450**	1		
	Sig. (2-tailed)	.000	.000			
	N	260	260	260		
Insurance Services	Pearson Correlation	.626**	.452**	.545**	1	
	Sig. (2-tailed)	.000	.000	.000		
	N	260	260	260	260	
Saving Opportunities	Pearson Correlation	-.277**	-.120	-.191**	-.359**	1
	Sig. (2-tailed)	.000	.053	.002	.000	
	N	260	260	260	260	260

****. Correlation is significant at the 0.01 level (2-tailed).**

Based on the findings, correlation of between 0.9 and 1 indicates Positive, strong correlation, the correlation between 0.7 and 0.9 Positive high correlation, there was a Positive moderate correlation between growth and affordable credit, and insurance services (0.678 and 0.626 respectively).There was a weak correlation between growth and financial advisory services (0.481); insurance services and affordable credit (0.452); insurance services and advisory services (0.545); financial advisory services and affordable credit (0.450). There was a negative relationship between; growth and saving opportunities (-0.277); affordable credit and savings opportunities (-0,120); financial advisory services and savings opportunities (-0.191); and insurance services and saving opportunities (-0.359).

Linear Regression Analysis

Multiple regression analysis was conducted as to determine the relationship between growth and the four independent variables (Affordable Credit, Saving Opportunities, Financial Advisory Services, insurance Services).

Table 3: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.783[a]	.613	.607	.50559

a. Predictors: (Constant), Affordable Credit, Saving Opportunities, Financial Advisory Services, Insurance Services

The findings in Table 3 show that the four independent variables that were studied, explain only 61.3% of the organization performance as represented by the R^2. This, therefore, means that other factors not studied in this research contribute 39.7% of the growth.

Table 4: ANOVA[a]

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	103.370	4	25.843	101.096	.000[b]
	Residual	65.184	255	.256		
	Total	168.554	259			

a. Dependent Variable: Growth

b. Predictors: (Constant), Affordable Credit, Saving Opportunities, Financial Advisory Services, Insurance Services

LinearitywastestedbyuseofANOVAtestoflinearitywhichcomputesboththelinearandnonlinearcomponents ofapairofvariableswherebynonlinearityissignificantiftheFsignificancevalueforthenonlinearcomponentisbelow0.05. Based on the output, Sig. value was 0.000 which is less than 0.05. Thus, the study can conclude that the linear relationship between financial inclusion and growth of micro and small enterprises in Kericho County, Kenya was significant. The F calculated 101.096 was greater that F critical (2.372), confirming that the model was statistically significant.

Table 4: Coefficients[a]

Model	Unstandardized Coefficients B	Std. Error	Standardized Coefficients Beta	T	Sig.
1 (Constant)	3.419	.288		11.850	.000
Affordable Credit	.564	.044	-.562	-12.727	.000
Financial Advisory Services	.048	.051	-.041	.943	.347
Insurance Services	.376	.054	.342	6.940	.000
Saving Opportunities	.060	.037	.068	1.612	.108

$\mathbf{Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \varepsilon}$) becomes:

$Y = 3.419 + 0.564X_1 + 0.048X_2 + 0.376X_3 + 0.060X_4$

The regression equation above has established that taking all factors into account (Affordable Credit, Saving Opportunities, Financial Advisory Services, Insurance Services) constant at zero, growth of micro and small enterprises in Kericho County will be 3.419. The findings presented also shows that taking all other independent variables at zero, a unit increase in savings opportunities will lead to a 0.060 increase in growth of micro and small enterprises in Kericho County. However, the increase would be insignificant based on the p-value of 0.108. Moreover, a unit increase in financial advisory services will lead to a 0.048 increase in growth of micro and small enterprises in Kericho County index. The increase was insignificant based on the p-value of 0.347,therefore it is inconclusive. Furthermore, a unit increase in insurance services will lead to a 0.376 increase in growth of micro and small enterprises in Kericho County. The increase was significant based on the p-value of 0.000. Lastly, a unit increase in affordable credit will lead to a 0.564 increase in growth of micro and small enterprises in Kericho County. This infers that affordable credit contributes most to growth of micro and small enterprises in Kericho County followed by insurance services then savings opportunities while financial advisory services contributed the least.

Discussion of the Findings

The first objective of the study was to determine the effect of access to saving opportunities on the growth of micro and small enterprises in Kericho County, and the findings showed a strong and positive effect of access to saving opportunities on the growth of micro and small enterprises in Kericho County. Regression findings presented also showed that taking all other independent variables at zero, a unit increase in savings opportunities will lead to a 0.060 increase in growth of micro and small enterprises in Kericho County. However, the increase would be insignificant based on the p-value of 0.108.Previous scholars established similar findings. For instance, Nwodo et al., (2017) study indicated that having a place with a microfinance bunch raises the pace of investment funds among the organization's proprietors. In any case, most organization proprietors' reserve funds impetus is to buy home items for development, not in any event. Moreover, Benonzaol and Tiere (2016) study revealed that business owners do not save much because of their spending patterns. Some were dissatisfied with some aspects of the financial products and services in the respective institutions.

The effects of access to affordable credit on the growth of micro and small enterprises were low based on an aggregate mean of 2.298, which implied that the variable had a minimal effect on the growth of SMEs. Regression findings depicted that a unit increase in affordable credit will lead to a 0.564 increase in growth of micro and small enterprises in Kericho County. Moreover, the increase is significant as shown by the p-value of 0.000. Additionally, affordable credit contributes most to growth of micro and small enterprises in Kericho County followed by insurance services then savings opportunities while financial advisory services contributed the least.Likewise, Okello et al., (2017) findings show a significant and robust correlation between financial access and the growth of MSE in developed economies. Magembe (2017) study in Tanzania study showed that borrowers face significant obstacles while investing in small and medium-sized businesses include high interest paid and collateral demand as the deciding factor for accepting loans.

The third objective of the study was to determine the effects of access to financial advisory services on the growth of micro and small enterprises in Kericho County, as presented showed that all the statements have mean scores approaching 4.00 with positive t-values and $p \leq 0.05$. From the findings, majority of the respondents agreed that financial advisory services affected the growth of micro and small enterprises in Kericho County as illustrated by an average mean score of 3.325 and S.D of 1.134. Moreover, the study found out that a unit increase in financial advisory services will lead to a 0.048 increase in growth of micro and small enterprises in Kericho County indexz. Similarly, Lusimbo (2016) study revealed that numerous MSE proprietors have poor planning and accounting abilities. They are not engaged with formal budgetary arranging, planning, and detailing and don't hold fitting bookkeeping and fiscal summaries records. On the other hand, Esiebugie et al., (2018) found that financial knowledge and attitudes influence MSE performance.

The fourth objective of the study was to identify the effects of insurance services on the growth of micro and small enterprises in Kericho County, showed that all the statements have mean scores approaching 4.00 or above 4.00 with positive t-values and $p \leq 0.05$. The results depict a strong and positive effect of how micro-enterprises use alternative preventive measures to reduce their liabilities, secure insurance discounts, and lower their premiums. Furthermore, a unit increase in insurance services will lead to a 0.376 increase in growth of micro and small enterprises in Kericho County. The increase was significant based on the p-value of 0.000.Equally, Ibrahim's (2016) study determined that suggests that the small business sector will reduce hardship if its stability can be ensured and its liability protected by a feasible mechanism known as insurance and advises that owners of MSEs together with their employees be educated about different aspects of the danger of which their company may be subjected and how to cope with it.

V. Conclusion and Recommendation

The study concluded that access to saving opportunities strongly and positively affect the growth of micro and small enterprises in Kericho; the study shows that business owners don't save much due to the way they spend their money. Their saving is not enough despite the sound and reliable financial system related to savings mobilization. Transaction costs and interest rates have a significant effect on savings. The study concluded that that the factors presented to the respondents did not play an essential role in access to affordable credit on the growth of micro and small enterprises in Kericho County. These factors exclude the availability of affordable credit that enhances entrepreneurial development among micro-enterprises. Thus, micro and small enterprises need affordable credit to achieve innovative activities objectives and success. The study concluded that there was a strong and positive influence of advisory services on the growth of micro and small enterprises in Kericho County. It was also clear that the elements of financial advisory services strongly and positively influence the financial advisory services on the growth of micro and small enterprises in Kericho. The study concluded that insurance services play a crucial role in translating the growth of micro and small enterprises into desired results. Micro and small enterprises are in business to succeed in a dynamic business environment. Success is measured by efficiency and effectiveness, operationalized using economic value-added, accounting-based performance, and market-based measures.

The study recommends that the micro and small enterprises should explore all available and viable saving opportunities. A good starting point would to evaluate their spending patterns, as well as the transaction costs and interest rates charges they incur. Spending should be related to core business activities only while the organizations should develop strategies for reducing their transaction costs and interest rates. Savings play an important role in ensuring that the organizations have sufficient liquidity to meet recurrent obligations and future expansion activities of the organization. The study further recommends that the micro and small enterprises seek affordable credit since it plays an important role in the growth of their organizations. The study further recommends that the micro and small enterprises owners seeks advice from reputable and reliable financial advisors to get to know and understand the financial dynamics of their businesses, the sector they operate in and products available from financial institutions and other stakeholders. The study further recommends that the micro and small enterprises take up insurance services geared towards protecting their businesses from risks that could cause their businesses to come to a standstill.

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