Research Paper

Influence of ICT Integration on Savings Mobilization among Women Groups in KISII County.

Dr. Kennedy Ntabo Otiso (PhD)

Senior Lecturer,
School of Business, Department of Business Administration /Management Science,
Koitaleel Samoei University College,
(A constituent College of the University of Nairobi),
P.O. Box 5-30307- Mosoriot, Kenya

ABSTRACT
Saving has a positive impact on the economy because funds that are placed in financial assets are then channelled through financial intermediaries to fund investments by firms. High savings can also hedge countries against economic downturns and financial crisis. In developing countries like Kenya, most of the savings is done by households. In this study the behavior of women savings in Voluntary Saving Group which are self-help women groups in Kisii county was examined. The study focused how Information Communication Technology integration in the self-help women groups enhance savings among women in Kisii county. The purpose of this study was to find out how ICT integration influence savings mobilization among self-help women groups for economic growth among women in Kenya. This study was guided by the Life Cycle Theory, Permanent Income Theory, psychological and sociological theories ,behavioural and the institutional theories which propose that individual's changes in resources over time and influenced by education among other factors have an influence on savings. The study will beneficial to groups on savings as well as policy makers who come up with regulations concerning savings through groups. The study employed the descriptive survey design. The target population was all the 1,482 group members of the various self- help women groups in Kisii county from which a sample of 165 was obtained. The study established that ICT integration as some of the factors that will influence the savings decisions.
KEY WORDS: *ICT integration, Savings, mobilization, financial intermediaries, Saving group*

I. Background Information

Women's increased education and participation in the labour force has been associated with improved economic performance. Indeed, global experience and a multitude of studies have proven that women have the potential to be a significant entrepreneurial force- contributing to the growth of local, national and global economies. (ESCAP, 2002). Women's empowerment is the process in which women individually and collectively become active, knowledgeable and goal oriented actors who take support initiatives to overcoming gender inequalities. PurbaBasu (2004) indicates that Self Help Groups in India have emerged as a successful means of improving the socio-economic conditions of rural families with very little administrative expenses. Seibel and Khadka (2002) state that vast number of SHGs had been established in India in the recent past are self-reliant, autonomous and despite the fact that they were mostly from the lowest and other disadvantaged groups, they had proven to be the better savers, borrowers and investors. Again, the SHGs mobilized their own savings, transformed them into loans to members and ploughed back their interest income into equity. In Africa, there are over 1.5 million saving group (SGs) members who participate in various small and medium enterprises. In Mali for example, one of the world's poorest countries, there are 400,000 members participating in SGs where over half of the members are rural village women. Saving Groups are composed of 15 to 25 self-selected individuals who meet regularly and frequently to save; amounts are based on each member's ability to save. Groups then pool the savings to make loans on which they charge a relatively high service fee or interest rate which in turn increases the loan fund. Member's savings and loans are recorded in individual passbooks or one central ledger, some use memory-based systems that require no paper records at all, while most recently some SG members are using smart

phones to record all their cash transactions using e-recording application. These members choose to participate in an informal savings groups because the social structure it provides creates benefits that cannot be realized by saving in any bank.

A women self-help group is a financial intermediary committee usually composed of 10 to 25 local women between the ages of 18 and 50. A self-help group is generally a group of people who work on daily wages who form a loose grouping or union. Money is collected from those who are able to donate and given to members in need. Members may also make small regular savings contributions over a few months until there is enough money in the group to begin lending. Funds may then be lent back to the members or to others in the village for any purpose.

1.1. Statement of the Problem

The inability of formal credit institutions to cover rural poor is generally attributed to high cost of administering the large number of small loans. This has prompted large number of Non-Government Organizations (NGOs) to enter the rural credit scheme for organizing the poor into informal groups to enhance personal savings. Self-help women Groups (VSGs) are increasingly becoming very important method of organizing women to take action and transform their situation. The strength of these groups is based upon the fact that the people who are facing problems are likely to be the most committed to solve them. For mutual help, these groups are instrumental in promoting structure of the poor to help them save and promote self-reliance in financing these needs through VSGs. The aspect that was new for many women in that area was the formation of income-generating groups and the formalization of groups through registration. Voluntary saving groups are a common phenomenon among most Kenyan communities and their role in economic improvement of households has been controversial for long because some women have failed to effectively save in these groups. This study sought to find out how ICT integration enhance or affect savings mobilization among women groups for economic growth in Kenya, a case study of Kisii county

II. LITERATURE REVIEW

1.1. ICT Integration and Savings Mobilization

Adoption of ICT results to the improvement in payments, processing or reduction in service time due to the new ways to deliver financial services electrical to customers. This has motivated many people to save more with the introduction of ICT, it is evident that efficiency was harnessed and financial institutions were able to record higher profits and this led to increased saving mobilization. Imran, Abdul et al., (2012) investigated the role of IT on the efficiency of banks and also explored the existence of relationship between the investment in IT and bank efficiency measures. The result showed that investment in information system is contributing towards increase in market share, reducing operational costs, improved customer services and assisting the banks in introducing new products and services. These are the major benefits of adopting an ICT system which are propelling many banks to invest in IT. That is the reason that most of the organizations in Pakistan are using IT as competitive tool

A study done by IMF (2011) on the impact of information and communication technologies (ICT), especially mobile phone rollout, on economic growth in a sample of African countries from 1988 to 2007. Further, we investigate whether financial inclusion is one of the channels through which mobile phone development influences economic growth. In estimating the impact of ICT on economic growth, we use a wide range of ICT indicators, including mobile and fixed telephone penetration rates and the cost of local calls. We address any endogeneity issues by using the System Generalized Method of Moment (GMM) estimator. Financial inclusion is captured by variables measuring access to financial services, such as the number of deposits or loans per head, compiled by Beck, Demirguc-Kunt, and Martinez Peria (2007) and the Consultative Group to Assist the Poor (CGAP, 2009). The results confirm that ICT, including mobile phone development, contribute significantly to economic growth in African countries. Part of the positive effect of mobile phone penetration on growth comes from greater financial inclusion. At the same time, the development of mobile phones consolidates the impact of financial inclusion on economic growth, especially in countries where mobile financial services take hold. The results indicated that an increase in ICT adoption leads to an increase in SACCOS. Financial performance.

III. RESEARCH METHODS

3.1 Research Design

A descriptive survey research design was used in the study. A survey is a process of collecting data from existing population units with no particular control over factors that may affect the population characteristics of interest in the study (Gupta, 2008). The aim is to determine the current status of that population with respect to one or more variables. A descriptive research determines and reports the way things are. The design was chosen because the study was not to purpose to manipulate variables but to describe things as they are at the time of the

study. Therefore, the research design was appropriate in establishing factors influencing savings mobilization among self-help women groups in Kenya, a case of self- help women groups in Kisii county.

3.2 Target Population
According to Mugenda & Mugenda (2003), a target population is that population to which a researcher wants to generalize the results of the study. The study targeted all the 1,482 self -help women group members from Kisii county spread across all the 9 sub-counties. The study further targeted all the three officials of these groups.

Table 3.2.1 Target Population

Sub-County	Target population	Percentage
Kitutu Chache North	144	**10**
Kitutu Chache	192	**13**
Nyaribari Masaba	243	**16**
Nyaribari Chache	234	**16**
Bomachoge Borabu	176	**12**
Bomachoge Chache	154	**10**
Bobasi	94	**6**
South Mugirango	132	**9**
Bonchari	103	**7**
	1482	**100**

Source: Author (2023)

3.2. Sample Size and Sampling Procedures
According to Webster (1985), a sample can be defined as a finite part of a statistical population whose properties are used to make estimates about the population as a whole. Mugenda and Mugenda (2003) recommends that a sampling frame is required before sampling in order to select a representative sample of 10-30% is good enough if well-chosen and the elements in the sample are more than 30. Singh (2007) defines a sampling frame as a list of entities from which sampling units are selected for observation in the study. The register of self -help women groups available at the office of Youth and Gender Affairs was used as a sampling frame where the 1,482 self-help women group members were clustered as per sub-county. The researcher then randomly selected 10% of the group members from each cluster to make a total of 165 respondents according to the recommendations by Mugenda & Mugenda. The leaders of the self-help women groups were selected as the key respondents for this study.

Table 3.2.2 Sample Size

Sub county	Ratio	Sample size (10%)
Kitutu Chache North	144	15
Kitutu Chache	192	20
Nyaribari Masaba	243	30
Nyaribari Chache	233	23
Bomachoge Borabu	176	20
Bomachoge Chache	154	20
Bobasi	94	20
South Mugirango	103	10
Bonchari	132	17
Total	1482	165

Source: Author (2023)

3.3 Data Collection
3.3.1 Data Collection Instrument
Data will be collected using a semi-structured questionnaire that will have both closed and open ended questions. The questionnaires will be divided into four sections each covering the various variables of the study. This will ensure that all the necessary information required to answer the research questions will be obtained. The

questionnaire as a data collecting instrument was chosen because it is easy to use and requires limited time. It will also be appropriate for the study because it will produce a descriptive data that will be used to provide the representative views and opinions of the population under study.

3.3.2 Validity of the Research Instrument

Validity in research refers to the degree to which results obtained from the analysis of the data accurately represent the phenomenon under study. It has to do with how accurately the data obtained in the study represents the variables of the study (Mugenda, O. and Mugenda, A.1999). Content validity in this study will be determined by the supervisors and lecturers in the department of extra-mural studies. To ensure that the instrument has content validity, all the possible indicators that can be used to measure the variables under study will be identified and a representative sample of the domain of indicators to be selected. Then, the questionnaire will be developed to measure the selected indicators.

3.3.3 Reliability of the Research Instrument

Reliability is a measure of the degree to which a research instrument yields consistent results or data after repeated trials (Mugenda and Mugenda, 1999). To determine the reliability of the research instrument the test-retest method was used and it involved administering the questionnaire to the same group of respondents more than once in order to gauge the consistency of their responses hence determine the reliability of the information to be gathered from the research instruments. Analysis and interpretation of pilot study's data was done and established that the instruments were acceptable for the study. The study used the Cronbach's Alpha test to test the reliability of the research instruments.

3.3.4 Data Collection Procedures

Primary data was collected using questionnaires which were distributed to the selected self-help women groups' members in Kisii county. The researcher will identify research assistants whom were trained on data collection techniques. The questionnaire was further reviewed accordingly to the findings of the pilot test. The reviewed research tool was then used in the final study. With the help of the research assistants, the researcher collected data from the sampled group members and the group officials. The researcher administered the tools by the use of 2 research assistants who ensured that there was 100% return rate.

3.4. Data Analysis Techniques

The completed questionnaires were subjected to data cleaning, coding and analysis. Data was presented according to objective of the study. The researcher collected both quantitative and qualitative data. Descriptive statistics was applied in analyzing quantitative data by using percentages, and tables.

3.5 Ethical Consideration

The respondents were informed on the purpose of which the study was being undertaken. Further, respondents' privacy and confidence of their data was upheld. The researcher obtained permission to collect data from the County Social Development. All the respondents were appreciated through a letter of appreciation for their acceptance to fill in the questionnaire.

4.3. ICT Integration on Savings Mobilization

Out of 165 questionnaires administered only 59% responded that the ICT integration has an effect on savings mobilization whereas 41% felt it has no effect.

Table 4.3.1 Members' Savings on Mobile Phones

Extent	Frequency	Percentage
Greatest effect	10	7
Greater effect	18	12
Great effect	0	0
Least effect	60	40
No effect	62	41
Total	**150**	**100**

Source: Author (2023)

Over 81% of the respondents asserted that they did not save on their mobile phones despite being in possession of mobile phones. Only about 19% confirmed that they used the mobile phones to save money. It is not clear as to why this is so; perhaps it could be due to the likely use of the money saved in mobile phones to address family's emerging money needs.

4.3.2 Response Rate on Access to Digital Loan Lenders.

From the responses, 57% of the respondents indicated that digital loans have an effect on savings. On contrary, 43% of the respondents felt that digital loans had no effect on savings mobilization.

Table 4.3.1 Digital Loans.

Extent	Frequency	Percentage
Greatest effect	12	8
Greater effect	14	9
Great effect	0	0
Least effect	60	40
No effect	64	43
Total	**150**	**100**

Source: Author (2023)

Only 17% of the respondents saved on mobile phones in order to access digital loans from digital loan lenders. Almost 83% of the respondent did not save on mobile phones with an aim of accessing the digital loans.

It is noteworthy that digital loans from digital lenders seemed to be unpopular with the members, perhaps because they could borrow from the members' savings at lower interest rates at mutually agreed terms and conditions.\

4.3.3. Response Rate on Savings on Mobile Phones to Enable Purchases of Products and Payment for Services.

From the returned questionnaire, 61% of the respondents indicated that mobile phone has an effect on savings. On contrary, 39% of the respondents felt that mobile phone had no effect on savings mobilization.

Table 4.3.2 Ease of Payments.

Extent	Frequency	Percentage
Greatest effect	12	8
Greater effect	12	8
Great effect	28	5
Least effect	60	40
No effect	58	39
Total	**150**	**100**

Source: Author (2023)

Only 16% of the respondents asserted that they saved on mobile phones to ease payments of products and services using the digital payment platform. Over 78% of the respondents did not save on mobile phones to ease payments through phones. Interestingly, the majority of the respondents who confirmed that they saved on mobile phones to ease payments were from Nyaribari Chache Sub-County which is based in Kisii town. This perhaps, is because the members are from Kisii town where they can access services from supermarkets and other market stores by paying through the digital platforms.

V. SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS.

5.1. Summary of Findings

On the influence of ICT integration on savings mobilization among women groups in Kisii county, over 81% of the respondents asserted that they did not save on their mobile phones despite being in possession of mobile phones. Only about 19% confirmed that they used the mobile phones to save money. It is not clear as to why this is so; perhaps it could be due to the likely use of the money saved in mobile phones to address family's emerging money needs.

5.2. Conclusions.

In conclusion, Trainings on savings is significantly important in enhancing the amount saved by members in the women's group Financial literacy is significantly critical in enhancing savings in the women's groups Government policy and regulations have an insignificant effect on the amount saved by members of the women's groups. Individuals with more assets and are wealthier tend to have more savings in the women's groups. This study is consistent with the findings of Mukhongo (2014) who found out that education, ICT Integration and permanent income and wealth had a significant impact on savings in Bungoma County. It is also consistent to Mukindis (2017) findings in Narok County that savings were defendant on the level of education of household members.

5.3. Recommendations

This study recommends that the government needs to be more involved in assisting the self-help groups to grow by establishing policies to encourage savings from members. A regulatory body should be set up by the government to effectively regulate the operations of the women groups in Kenya. Members of the women groups need to be trained and educated on the need to embrace ICT to boost their savings. This will enhance convenience in depositing funds as well as accessing the amount saved, as well as ensure security of the monies saved. The study recommends further study to be done to find out factors influencing savings in male self-help groups and also those groups that have both genders included. Again, this research recommends a study to be done on comparing the savings behavior between the women's groups in rural set ups with those in urban areas. Also evaluate the reason why people who can easily access finances and save funds in formal institutions still do engage in informed institutions like the women groups.

REFERENCES

[1]. Avery, B. R., & Kennickell, B. A. (1991). Household Saving in the US. Review of Income and Wealth, 409-432.
[2]. Beck, Thorsten, Asli Demirguc-Kunt, and Maria Soledad Martinez Peria, 2007, ―Reaching Out: Access to and Use of Banking Services Across Countries,‖ Journal of Financial Econ
[3]. omics, 85(1), pp. 234–66.
[4]. Bernheim, B., and Scholz, J. (1993). Private Saving and Public Policy. Tax Policy and the Economy, 7, 73-110.
[5]. Beverly, S. (1997). How Can the Poor Save? Theory and Evidence on Saving in Low –Income Households. Centre for Social Development, Washington University, Working Paper No. 97(3).
[6]. Conroy, J. (2000). The Role of Central Banks in Microfinance in Asia and the Pacific. Asia Development Bank Indonesia.
[7]. Dupas, P., & Robinson, J. (2013). Savings constraints and microenterprise development: Evidence from a field experiment in Kenya. American Economic Journal: Applied Economics, 163-192.
[8]. ESCAP. 2002. Social Safety Nets for Women. United Nations Publication.
[9]. Friedman, M. (1957). A Theory of the Consumption Function. National Bureau of Economic Research, General Series No. 63. New Jersey: Princeton University Press.
[10]. Gupta, S., & Singh, S. K. (2016). Economic Security among Rural Women through Self Help Groups: An Analytical Studyc. Indian Research Journal of Extension Education, 117- 122.
[11]. SEEP. (2018). State of practice: Savings groups and the role of government in sub-Saharan AfricIbrahim, I. D., Harun, R., & Isz, M. Z. (2010). A study on financial literacy of Malaysian degree students. Cross-cultural communication, 51-59.
[12]. Keynes J. M (2017) "The General Theory of Employment, Interest and Money," New York,Harcourt Brace and Company.
[13]. Khumalo, T. (2013, July 15). Citypress News. Retrieved February 4, 2016, from Citypress: http://www.citypress.co.za/you-say/footballs-rotten-core-must-be-excised
[14]. Mugenda, O.M. & Mugenda, A.G. (2003). Research Methods: Quantitative and Qualitative Approaches. 2nd Ed. Nairobi: ACTS Press.
[15]. Mugenda, O.M. & Mugenda. A.G. (2007). Research Methods, Qualitativeand QuantitativeApproaches. Nairobi: African Centre for Technology Studies.
[16]. Mukhongo, W. (2014). Determinants of Rural Household Savings in Bungoma County - Kenya.Nairobi: Kenyatta University.
[17]. Mukindia, S. M. (2012). Influence of socio-cultural factors on households savings among Maasai Community in Transmara District, Narok County. Nairobi: University of Nairobi.