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**INFLUENCE OF SOCIAL MISSIONS ON THE PERFORMANCE OF
MICROFINANCE INSTITUTIONS IN KENYA**

CATHERINE WANGUI

REG. NO. 144775



**DISSERTATION SUBMITTED IN PARTIAL FULFILMENT OF THE
REQUIREMENTS FOR THE AWARD OF MASTER OF BUSINESS
ADMINISTRATION DEGREE AT STRATHMORE UNIVERSITY**


MAY 2024

DECLARATION

Student declaration

I declare that this dissertation is my original work and has not been previously submitted and approved by Strathmore University or any other Institution for the award of a degree. To the best of my knowledge and belief; this dissertation is original and borrowed materials has been done with due reference.

Name: Catherine Wangui

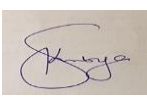
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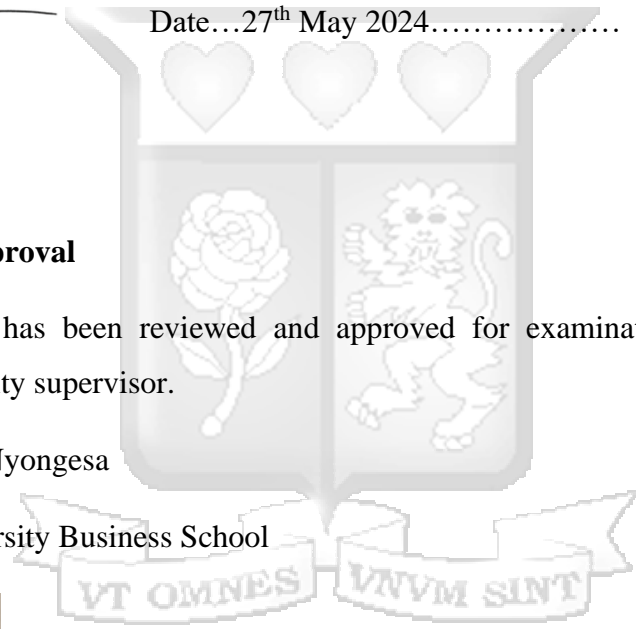
Supervisors' Approval

This dissertation has been reviewed and approved for examination purposes by the following university supervisor.

Name: Dr Stella Nyongesa

Strathmore University Business School

Sign...  Date...30th May 2024.....



ABSTRACT

Microfinance is regarded as a critical pillar of economic development mostly for developing economies. The sector plays a crucial role in alleviating poverty, mobilizing a savings culture, promoting financial inclusion, empowering women and youth, enhancing economic opportunity for low-income earners, and addressing social inequality. Yet, microfinance institutions face multiple challenges from high credit risks to limited access to capital. Despite these challenges, microfinance institutions are expected to maintain a triple bottom line and demonstrate social and environmental impact as much as they pursue financial success. These institutions operate on an unconventional business model so the dynamics of social and environmental responsibility may vary. Notwithstanding this revelation, the pursuit of social missions and its impact on the performance of microfinance institutions remains underexplored. This study aimed to address this gap by determining the effect social missions have on the performance of microfinance institutions in Kenya. Social mission, the independent variable, was represented by financial inclusion, healthcare missions, and sustainable practices with microfinance institution performance being the dependent variable. The stakeholder, institutional, and legitimacy theories underpinned this study, and a cross-sectional descriptive study was adopted as a research design. The target population constituted employees in managerial positions in 43 registered microfinance institutions in Kenya from whom a sample of 260 participants were selected using purposive sampling. Primary data was collected using questionnaires and analysed using descriptive and inferential statistics. The results of the study found that financial inclusion, healthcare missions, and sustainable business practices have a positive and significant effect on the performance. It, therefore, concludes that financial inclusion, healthcare missions, and sustainable practices are significant predictors of the performance of microfinance institutions in Kenya. Based on the findings, this research recommends that microfinance institutions should invest in social missions with a special focus on financial inclusion in order to boost overall performance. Also, since this research was limited to only three social missions, it recommends exploring other types of social missions.



ACKNOWLEDGMENT

I express my gratitude to God for the blessing of life. I am also thankful to Dr. Stella Nyongesa, my supervisor, for the valuable guidance she has offered. Additionally, I extend my thanks to my beloved family, colleagues, and friends for their unwavering support. May God bless each and every one of you.



DEDICATION

I dedicate this work to my husband and daughters for cheering me on through the journey. My precious gifts from God, Alisha, Elaine, and Arianna, remember all things are possible. Never be afraid to pursue your dreams and goals. George, my dear husband, thank you for your unending support in my academic endeavors.



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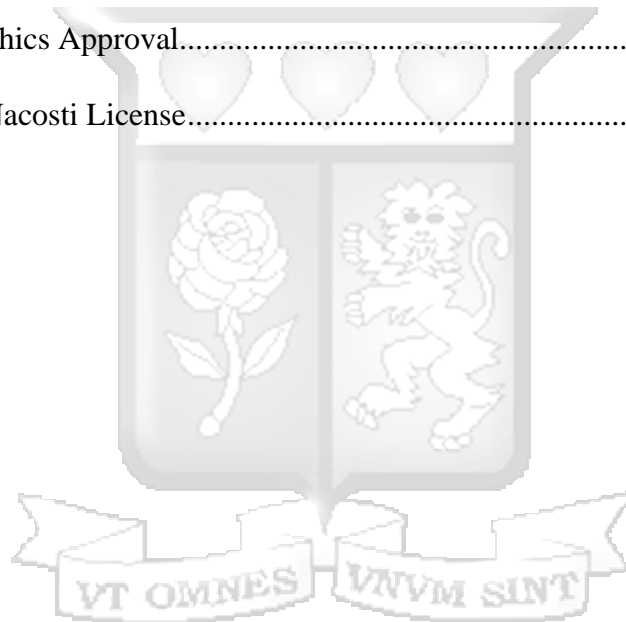
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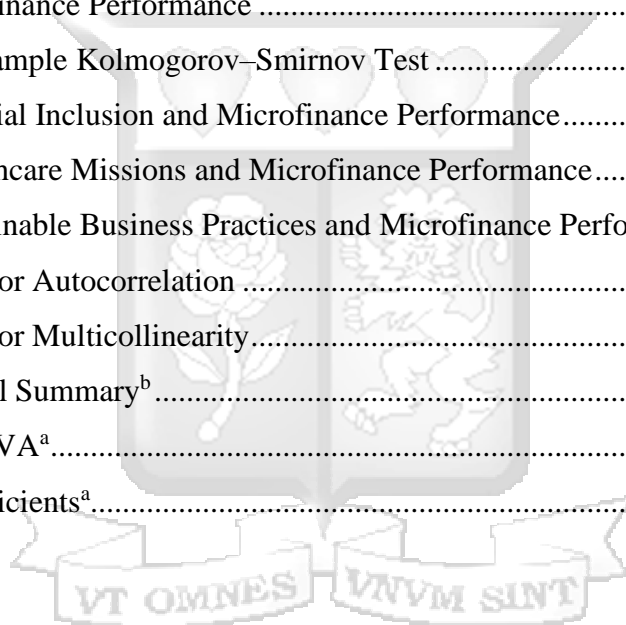
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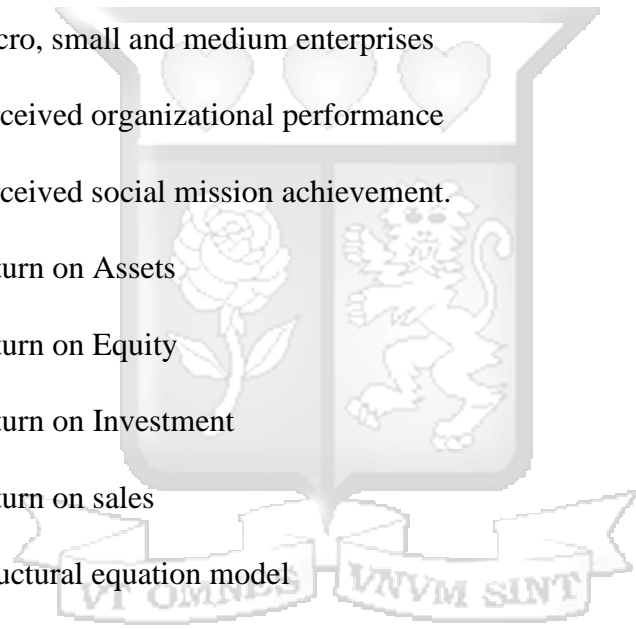
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ABBREVIATIONS

AMFI	Association of microfinance institutions
CBK	Central Bank of Kenya
CSR	Corporate social responsibility
DEA	Data envelopment analysis
EMA	Environmental management accounting
EME	Employee mission engagement
MFI	Microfinance Institutions
MSMEs	Micro, small and medium enterprises
POP	Perceived organizational performance
PSMA	Perceived social mission achievement.
ROA	Return on Assets
ROE	Return on Equity
ROI	Return on Investment
ROS	Return on sales
SEM	Structural equation model



CHAPTER ONE

INTRODUCTION

1.1 Background of the study

The role of microfinance institutions (MFIs) is to offer financial services to groups that either lack or have limited access to the formal financial system (Gadedjisso-Tossou et al., 2021). Microfinancing, sometimes referred to as banking for the underprivileged, is considered an indispensable pillar of economic development (Buera et al., 2019). It plays a critical role in driving financial inclusion, alleviating poverty, enhancing economic opportunity for low-income earners, facilitating women empowerment, financing microenterprises, promoting a culture of saving, and more (Chomen, 2021; Mazumder, 2015; Samer et al., 2015). The benefits of MFIs are felt more in low- and middle-income countries.

The performance and overall sustainability of MFIs have gained massive attention over the decades. As Cull and Morduch (2018) explain, this is because MFIs face numerous risks due to their business model and the consumer groups they serve. Lending is already a risky business for all providers of financial services. Since the microfinance sector is in the business of addressing the financial needs of low-income populations, credit risks tend to be significantly higher among MFIs. Ntiamoah et al. (2014) attribute this to two critical factors: “advancing loans without collateral and increased overhead of lending due to smaller but more frequent loans”.

Notwithstanding high credit risks, like every other business enterprise, MFIs are expected to maintain a triple bottom line. That is, the goal is to become financially sustainable, reduce poverty ensure financial inclusion, and also assume social responsibility (Gadedjisso-Tossou et al., 2021; Simo et al., 2023). In today’s business landscape, enterprises of all types, including MFIs must demonstrate a commitment to addressing social and environmental issues to achieve higher social ratings (Simo et al., 2023). Firms’ social responsibility and performance have widely been tested in the research community. However, there are varied takes on the relationship between the two variables, especially concerning the specific elements of social missions.

The conventional wisdom is that when firms pursue their social missions, outcomes are usually positive stakeholder perceptions, enhanced brand recognition, improved customer loyalty, better employee motivation, and increased competitive advantage which all translate to better performance (Price & Sun, 2017; Alshammari, 2015; Reade, 2017). However, empirical evidence suggests that this may not be the case, especially in certain types of social missions. Chauvet and Jacolin (2015) Mutinda et al. (2018), and Bharti and Malik (2022) found a strong and positive correlation between financial inclusion and firm performance. They argue that driving inclusion leads to expanded access to financial services which translates to increased performance among financial institutions. The significance of financial inclusion on firm performance is yet to be contested; however, there is underwhelming evidence on how it relates to the performance of MFIs.

The benefits of integrating community welfare-related activities into the overall mission of the organization are demonstrated by the social impact hypothesis and the stakeholder theory (Ghardallou & Alessa, 2022; Zhu et al., 2014). Pursuing social missions driven by ethical and moral obligations to society such as healthcare philanthropy impacts market returns and corporate profitability. For instance, Inegbedion et al. (2022) observed that firms that engaged in social interventions during the COVID-19 pandemic saw significant performance improvements. In a similar fashion, McHugh et al. (2019) found greater investment in community health is good for local businesses in that healthy communities produce healthy and productive workers.

However, pursuing healthcare missions does not always guarantee success. The shift of focus hypothesis which contrasts the social impact hypothesis suggests that engaging in social responsibility activities such as community welfare results in “a shift of focus to practices that do not enhance shareholder value but instead increases operational costs” (Ghardallou & Alessa, 2022; Becchetti et 2009; Galant & Cadez, 2017). Looking into why MFIs institutions fail socially, Dorfleitner et al. (2017) point out that MFIs are generally “assumed to pursue social missions, enabling them to have better access to resources (including donations, subsidized debt, or volunteers)”. The pursuit of social missions is of vivid interest to stakeholders, resulting in social failure.

Besides financial inclusion and healthcare missions, the impact of sustainable practices and firm performance has widely been explored. However, opinions on the relationship vary

between researchers. For instance, Qalati et al. (2023) and Shi et al. (2022) found a positive correlation between sustainability and firm performance. Qalati et al. (2023) clarified that sustainable business practices boost brand reputation, attract environmentally conscious employees, investors, and partners, enhance customer loyalty, and decrease costs, which ultimately result in increased profits and overall firm performance. In other words, increased investment in becoming eco-friendly reflects positively on firm performance.

Multiple studies have also demonstrated that the impact of integrating sustainability goals into organizational mission is not always positive. For example, according to Ayayi and Wijesiri's (2022) published empirical evidence, in the context of the microfinance sector, environmental performance adversely affects financial performance. This finding coincides with their principles of the trade-off hypothesis that suggests "that higher levels of environmental practices worsen firms' financial sustainability" (Ayayi and Wijesiri, 2022). However, Horváthová's (2012) study, which produced evidence from a Czech Republic's perspective, suggests that the effect of environmental practices on firm performance is negative in the short run (a one-year lag) but becomes positive in the long run (after two years), supporting the Porter hypothesis.

Furthermore, on the opposite extremes of the argument, some studies remain neutral. Researchers like Surroca et al. (2010) did not find any direct correlation between social mission and financial performance, citing that previous researchers and practitioners may have found a positive correlation between the variables because they failed to account for the mediating roles of intangible resources. Other literature such as Nollet et al. (2016) and Han et al. (2016) indicate mixed effects of social missions on firm performance. Nollet et al. (2016) tested linear and nonlinear relationships and observed that the "linear model reported a negative and significant correlation between the variables" but the nonlinear model "indicated a U-shape correlation". Han et al.'s (2016) study reported a negative relationship between sustainable practices and firm performance and no correlation where social responsibility is concerned.

1.1.1 Social Missions

The process of developing social missions is aimed at helping business organizations affiliate themselves with certain values and ideals in the communities where they exist (Bergeb-al-Mirabent et al. 2021). Microfinance institutions rely on the larger society for

sustainability. The factors of production that are used in setting up and running these businesses are provided by members of the community (Muhumed, 2018). Each institution has to continue enhancing its image to ensure that existing and potential proprietors and investors see the venture as worth funding.

Customers feel like they make a difference when they purchase from such a company. Employees know their work is contributing to certain causes. And investors can feel good supporting and promoting those companies (Cornforth, 2014). The social mission provides a way to meaningfully contribute to the world. When communities are supported and individuals are empowered through social good initiatives, that can create a ripple effect of positive change (Dey, Schneider & Maier, 2016).

Gathondu et al., (2018) posit that social missions range from strategies aimed at enhancing an institution's market coverage to those that are targeted at the general growth and sustainability of the community. For instance, microfinance institutions engage in activities aimed at promoting financial inclusion. This entails reaching out to underserved communities with products that are aligned with their needs. This strategy does not only help the targeted population through the provision of essential services but also increases the firm's capital and market coverage. Further, Riechi (2021) notes that social missions around education have a direct impact on the microfinance institutions implementing them. However, these gains can only be realized in the long-term. For instance, some institutions target schools, colleges, or individual learners with funding and mentorship. The beneficiaries of these initiatives become productive members of the workforce who can be hired by microfinance institutions (Mbogo & Ashika, 2011). The financial entities also benefit when these individuals become employed elsewhere and generate sufficient financial flow to become viable customers.

The role of microfinance in alleviating poverty and poor health is significant. Its health programs have been shown to improve healthcare utilization and strengthen the healthcare system. Social mission also applies to healthcare initiatives where microfinance institutions make donations to facilities or sponsor medical missions (Morduch J,2003). Such commitments have a positive impact on the productivity of the communities. Their effect has the potential to strengthen both the customer base and labour force available to the microfinance sector. Initiatives targeted at small businesses and community development

projects are also targeted at comparative outcomes through enhancement of productivity and cash flow (Kadongo, 2018). Also, some social missions have limited direct short-term impact on the financial institutions undertaking them. For instance, deforestation and pollution have grown into major environmental concerns in Kenya over the years (Ojuando & Kihara, 2021). Microfinance institutions across the country have been allocating resources towards conservation education programs, reforestation initiatives, and clean energy (Muhumed, 2018). These initiatives are then popularized in the hope that they will enhance the image of the participants as productive members of society. There is a need for evidence on whether these initiatives have the projected long-term impact.

Social missions are a result of a combination of considerations within the internal and external environments of a business. In Kenya, some of the leading factors that inform the choice of social missions are business objectives, industry trends, stakeholder interests, availability of resources, and regulation (Lewa, 2020). Microfinance institutions often evaluate and pursue goals that include customer retention, growth in brand awareness, and the need to build a general positive reputation in the communities where they operate. Some institutions design social missions to attract and maintain stakeholders such as investors, customers, and employees (Chisika & Yeom, 2021). To achieve these goals, businesses have to evaluate their internal and external environments to determine the needs of these stakeholders. Consequently, social missions are designed to ensure that these individuals see the microfinance institutions as entities that are keen to align with the needs and ideals of the people within the environment where they operate (Lewa, 2020). As the business endears itself to these stakeholders, it is expected that it will become easier to attract new clients (M'Amanja, 2015). Institutions also aim at drawing the best employees and reducing turnover rates through these social missions. Social missions that appease investors have the potential to increase capital for pursuits such as expansion of physical market presence and introduction of new products and services.

Social missions are heavily influenced by regulatory and legal requirements. For instance, a business that aligns its operations with anti-corruption laws is pursuing the social mission of promoting fairness in society (Chisika & Yeom, 2021). Microfinance institutions can be easily misused by individuals involved in illicit activities such as pilferage of public funds and tax evasion. By working closely with law enforcers and other authorities to identify,

curtail, and hold these individuals to account, the businesses create a level playing ground for economic advancement in society (M'Amanja, 2015). Other relevant regulatory issues that emerge in this area are labour rights and environmental protection. Part of the social missions of these institutions is to ensure that they surpass the minimum standards put in place by policymakers. This places them above competitors from an ethical perspective.

Generally, businesses are expected to pursue social missions that demonstrate that they are cognizant of their positions in society. Microfinance institutions enjoy some financial and legal privileges that are not available to individuals. By pursuing social missions, these entities are expected to not only promote development but also protect the wellbeing of households (Lewa, 2020). However, it was important to establish whether the pursuit of these missions ends up producing the goals anticipated by their designers. Microfinance institutions can only continue advancing their corporate social responsibility initiatives if these commitments are established to have the desired impact on the sustainability of the entities. To measure social missions in MFIs in Kenya, this study used the following indicators: financial inclusion, healthcare missions, and sustainable business practices.

1.1.2 Performance

According to Ukko (2015), performance relates to the actual results or outputs of certain activities, how the activity is carried out, or the potential for the activities. Ukko (2015) notes that performance can be divided into three domains which are financial performance, business performance, and organizational effectiveness. Financial performance focuses on the use of simple outcome-based financial indicators, whereas business performances comprise the indicators of non-financial indicators in addition to indicators of financial performance. Performance can also be defined in terms of effectiveness and efficiency or examined through the perspectives presented in different frameworks, such as the Balanced Scorecard (financial, customer, internal process, and learning and growth) or Performance Prism comprising stakeholder satisfaction, strategies, processes, capabilities and stakeholder contribution (Bourne, Neely, Mills & Platts, 2017). Combs, Crook, and Shook (2015) indicate that organizational performance is measured not only limited to economic outcomes governed by financial indicators such as accounting returns, stock market and growth measures, but also non-financial indicators such as customer contentment, personnel satisfaction, and social performance.

This study focused on the three dimensions of performance – financial, social, and environmental – broadly known as the triple bottom line to assess the performance of MFIs. Financial performance refers to a subjective measure of how well a firm can use assets from its primary mode of business and generate revenues. This term is also used as a general measure of a firm's overall financial health over a given period and can be used to compare similar firms across the same industry or to compare industries or sectors in aggregation (Gichuki, 2014). To assess financial performance, researchers generally use either accounting-based measures of profitability such as return on assets (ROA), return on Sales (ROS) and return on equity (ROE), or stock-based measures such as Tobin's Q and market returns (Pelletier, 2018). Both accounting-based and market-based measures are widely accepted as valid indicators of firm financial performance. This study used the following indicators of financial performance: ROA, ROE, and ROI.

Social performance is the effective translation of an institution's mission into practice in line with accepted social values that relate to improving the lives of poor and excluded clients and their families; and widening the range of opportunities for communities (Egbeleke, 2014). Social performance also refers to the principles, practices, and outcomes of social, economic, and environmental relationships and dynamics with social actors and organisations, in terms of the deliberate actions towards these social actors as well as the unintended externalities of corporate activity. It is a dynamic, multidimensional concept composed of concern for shareholders, stakeholders, and community/state welfare that is still lacking a common agreement on its underlying motives. The two arguments that social performance conceptual ambivalence is, on one side, that business exists to serve the good of the greater community and, on the other, that the social responsibility of business is to increase its profits (Yilmaz 2013).

The measures of social performance in the microfinance sector revolves around its structure and conduct in the market, reflecting the key stakeholder needs. Social performance looks into the core social issues MFI seeks to address, ranging from its outreach to the poor and underserved populations, ability to adapt services to target customers, social and political capital of clients, and overall social responsibility. Social performance must also involve the accountability of stakeholders and volunteers (Vveinhardt & Andriukaitiene, 2017). Hsu (2012) notes that a proper market-value approach must also encompass features such

as culture and a country's stage of economic development. Other dimensions of social performance include a company's relationship with the community, the diversity of social programs, employee relations, the human rights approach, and the degree to which the company's products meet social and environmental standards. The current study thus measured social performance using financial inclusivity, healthcare improvement, and environmental improvement.

The last component of the triple bottom line is environmental performance. Achieving social and financial performance is by design the goal of every MFI "where strong social performance facilitates the fulfilment of social missions" (Thrikawala et al., 2013). However, environmental performance is relevant, especially today when all sectors worldwide, including microfinance, "are expected to keep up with the global trend of bringing the notion of environmental sustainability to the forefront of business practices along with financial and social results" (Leite & Sá, 2023). The indicators of environmental performance vary but the most common examples at corporate level include greenhouse gas emissions, waste production, water consumption, environmental education, and gross value added (Dočekalová et al., 2015).

1.1.3 Microfinance Sector in Kenya

Kenya's microfinance industry is among the most vibrant in Africa. The industry's total assets were approximately Kshs. 250 billion as of the end of December 2021. It comprises microfinance banks (under the regulation of the Central Bank of Kenya), credit-only microfinance institutions, and wholesale microfinance institutions. In Kenya microfinance banks, are made up of 14 institutions that operate branches across the country (CBK, 2023). MFIs are regulated by CBK. Microfinance Act, 2006, and the Microfinance (Deposit Taking Institutions) Regulations 2008 issued thereunder set out the legal, regulatory, and supervisory framework for the microfinance industry in Kenya. The principal object of the Microfinance Act is to regulate the establishment, business, and operations of microfinance institutions in Kenya through licensing and supervision. The Act enables Microfinance banks to mobilize savings from the general public, thus promoting competition, efficiency, and access and playing a pivotal role in deepening financial markets and enhancing access to financial services and products by the majority of Kenyans (CBK, 2023).

The MFIs as of 31st December 2020 had approximately Ksh48.776B in total which is approximately twice the Gross Outstanding Portfolio as of 31st December 2017 which was Ksh26.4B. The total number of active clients also significantly increased from 1,215,486 clients as of 31st December 2017 to 1,614,856 active clients as of 31st December 2020. Subsequently, the number of active savers and active borrowers increased from 346,238 and 257,757 clients respectively as of 31st December 2017 to 1,181,418 and 433,438 clients respectively as of 31st December 2020. As of 31st December 2020, the loan loss reserve stood at Ksh4.75B and write-offs stood at Ksh395.91M with 6,998 loans written-off during the period. In the same period, there was Ksh65.99B in total liabilities and Ksh7.94B in total Equity leading to Ksh73.93B in total Equity and Liabilities (Association of Microfinance Institutions Kenya (AMFI-K), 2020). This shows that the MFIs serve a large number of customers.

1.2 Statement of the problem

The significance of the microfinance sector in Kenya's economy cannot be overstated. As Shakir (2022) and Apalia (2017) assert, MFIs provide financial services to underprivileged and low-income earners as well as MSMEs who remain hugely underserved by the formal banking and financial system. For this reason, microfinance is viewed as “a development device for lessening poverty as well as enhancing the country's development by ensuring financial accessibility to all” (Njagi & Njoka, 2021). Despite recent efforts aimed at improving financial inclusion, 25% of adults in Kenya still lack access to formal financial services providers and at least 50% of this group falls into low-income families and MSMEs (Njagi & Njoka, 2021). Therefore, there is still a huge market to be served and the sustainability of MFIs is crucial to filling this gap.

MFIs in Kenya face multiple constraints that limit their ability to optimize their performance, outreach, and sustainability. The challenges include higher rate of interest compared to mainstream banks and high loan defaults among others. Despite these challenges, like every other business enterprise, MFIs are expected to maintain a triple bottom line, which is why they are expected to show their economic, social, and environmental impacts. However, the effect of social missions on the performance of MFIs remains hugely understudied. The research studies available on the topic are inconclusive. For instance, Bhattacharyya and Khan (2023), Muchiri (2019), Deb et al. (2023), Galan-

Ladero and Sánchez-Hernández (2022), Lin et al. (2021), and Odero (2017) suggest social missions influence positively a firms performance, others like Horváthová (2012) and Ayayi and Wijesiri (2022) show evidence suggesting otherwise.

Furthermore, besides the inconsistencies in findings and a lack of consensus among researchers on how social missions relate to firm performance, there is underwhelming evidence of the influence of social missions on MFI performance in developing countries like Kenya. While Odero (2017) and Muchiri's (2019) research are based in Kenya, they lack the context of MFI performance. Not much is available to demonstrate how social missions adopted by microfinance entities translate into their overall performance. Therefore, this study aimed to fill this gap by examining the effect of financial inclusion, healthcare interventions, and environmental practices on MFI performance in Kenya.

1.3 Objective of the Study

1.3.1 General Objective

The main objective of the study was to determine the influence of social missions on the performance of microfinance institutions in Kenya.

1.3.2 Specific Objectives

The study was guided by the following specific objectives:

- i. To determine the influence of financial inclusion on the performance of microfinance institutions in Kenya.
- ii. To establish the influence of healthcare missions on the performance of microfinance institutions in Kenya.
- iii. To establish the influence of sustainable business practices on the performance of microfinance institutions in Kenya.

1.4 Research Questions

This research is aimed at generating responses to the following questions:

- i. What is the influence of financial inclusion on the performance of microfinance institutions in Kenya?

- ii. What is the influence of healthcare missions on the performance of microfinance institutions in Kenya?
- iii. What is the influence of sustainable business practices on the performance of microfinance institutions in Kenya?

1.5 Scope of the Study

The study aimed to determine the influence of social missions on the performance of MFIs in Kenya. The contextual scope narrowed down to evaluating the influence of financial inclusion, healthcare missions, and sustainable business practices, the independent variables, on MFI performance, as the dependent variable. MFI performance was measured using the parameters of social performance (financial inclusivity, health impact, and alleviate poverty), financial performance (ROA, ROE, profitability, and operational sustainability), and environmental impact (greenhouse gas emissions, waste generations, and energy efficiency). The study's geographical scope was limited to 43 registered MFIs in Kenya. The study's participants were recruited from these institutions from whom primary data was gathered using a questionnaire. These institutions are members of the Association of Microfinance Institutions (AMFI). The study was conducted between March- April 2024.

1.6 Significance of the Study

1.6.1 Policymakers

This research aimed at answering the question of whether the pursuit of a social mission influences the financial performance and social performance of MFIs. The outcome of the study benefits policymakers in the microfinance sector. Studying the influence of social mission on social and financial performance is valuable as it provides insights and empirical evidence for formulating policies that support the goal of financial sustainability and positive social impact. Policy makers can also leverage these insights to shape an enabling environment that fosters responsible and impactful microfinance practices.

1.6.2 Microfinance Institutions

Determining whether social missions matter help businesses in the microfinance sector to make informed decisions based on a comparison of the costs and gains of various social

missions. It is important to note that most of these missions have impacts beyond what was initially conceptualized. This research covers the implications of social missions from various perspectives. Influence on social missions on social and financial performance is important for practitioners in the microfinance sector as it provides actionable insights that can improve the operations of the organization, inform strategic decision-making, and contribute to the overall success and sustainability of the microfinance institutions in Kenya.

There is a need for businesses to adopt new frameworks for analysing the success of social missions. The new approach entails balancing input from various stakeholders. The current research lays a foundation for this framework. It entails an examination of both the financial and social implications to create a rich perspective that can be used to make better decisions around social missions in microfinance institutions.

1.6.1 Researchers and Academicians

The outcome of the study is important in helping researchers understand how socially conscious business models affect the performance of an organization. Kenya's microfinance sector is permeating the economy as new institutions are set up to fill the gap left by commercial banks and mortgage finance companies. Each of the businesses that advance into the market under this category would like to outcompete others and establish itself in its respective niche. Social missions have been considered a possible viable approach to this goal. Studying the influence of social missions on the social and financial performance of microfinance institutions in Kenya is also significant for researchers and theory development as it contributes to refining theoretical frameworks, advancing existing knowledge, and informing future research directions in the dynamic evolving field of microfinance.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter covers the literature review on the impact of the social mission on the financial position of MFIS. This includes theoretical review, empirical review, research gaps, and conceptual framework.

2.2 Theoretical Review

The study was guided by the stakeholder, institutional, and legitimacy theories in explaining the influence of social missions on the performance of MFIs.

2.3.1 Stakeholder Theory

In 1983 Edward Freeman introduced the concept of stakeholder theory, which is a management theory that advocates for treating all stakeholders with fairness, honesty, and even generosity (Freeman, 1983). The stakeholder theory suggests that the purpose of a business is to create as much value as possible for its stakeholders. A stakeholder can be defined as a party that has an interest in a company and can either affect or be affected by the business. The primary stakeholders in a typical corporation are its investors, employees, customers, and suppliers. Also, the community and government form part of the stakeholders. Stakeholder theory emphasizes the importance of considering the interests of all stakeholders; it holds that organizations should strive to create value for all stakeholders, not just shareholders, and that doing so will ultimately lead to long-term sustainability and success (Freeman, 1983).

Stakeholder theory holds significant relevance to corporate responsibility literature. As Mahajan et al. (2023) point out, “stakeholder theory is related to sustainable business practice because it takes into account the benefits of various stakeholders, not just shareholders, and aims to avoid exploitation.” In so doing, it emphasizes ethical, fair, and sustainable business practices in favor of all stakeholders. Xiao (2023) adds that, by taking into accounts and balancing the interests of all stakeholders, the theory ensures “that stakeholder management is alignment with the growing demand for accountability, responsibility, and sustainability” in the modern business environment.

Stakeholder theory has been supported by multiple researchers since its development. In particular, it has been used to examine various aspects of organizational behavior, including CSR, sustainability, and stakeholder engagement. In one study, Ivanova-Gongne et al. (2014) aimed to examine the impact of stakeholder management on social missions in Finnish firms. They found that firms that engaged in stakeholder management were more likely to adopt socially responsible practices. The theory was foundational in theorizing how the people who participated in the research viewed the symbiotic nature of the relationship with different stakeholders. Similarly, in an aim to examine the relationship between stakeholder orientation and firm performance, Abdullah and Tursoy (2023) observed that firms with higher levels of stakeholder orientation tended to have higher levels of financial performance and social performance.

Financial inclusion is a critical element of social mission; therefore, stakeholder theory was pertinent to this research. This notion was proven by Olugbade et al. (2022) who used the theory as a framework to examine how financial inclusion correlates with shareholder value among deposit money banks (DMB) in Nigeria. The research found that financial inclusion exerted a significant positive effect on shareholder value with other stakeholders such as customers, creditors, depositors, and government and its agencies benefiting as well. Therefore, the study supported the principles of the stakeholder theory.

Stakeholder theory was relevant to this study because it sought to establish the influence of Social Missions on MFI performance in Kenya. It, therefore, provided a lens through which to explore the first objective of the study, the effect financial inclusion has on MFIs in Kenya.

2.3.2 Institutional Theory

Institutional theory holds that the institutional environment can strongly influence corporate governance often more profoundly than market pressures (Brammer et al. 2012). The origins of this theory can be traced back to the scholarly works of John Meyer and Brian Rowan who argued that “institutional myths” are often accepted to gain or maintain legitimacy in the institutional environment (Brammer et al. 2012). Since its development, the interest in institutional theory has grown among CSR scholars, coinciding with its growing influence on management and organizational behavior research.

The proponents of institutional theory seek to place explicit emphasis on social responsibility as part of broader economic governance rather than seeing it purely as a realm of voluntary action. This is because, as Al-Mamun and Seamer (2022) explain, the theory offers a framework for understanding the relationship between CSR and the broader institutional context. Usually, the adoption of social and environmental practices is voluntary in nature and institutional theory, according to Al-Mamun and Seamer (2022), steps in to provide possible explanations for why firms take up these practices.

The intersection between institutional theory and social responsibility has widely been explored (Matten & Moon, 2008; Campbell, 2007; Aguilera & Jackson, 2003). These researchers agree that organizations are “embedded in wider societal arrangement and further take part in local politics” (Brammer et al. 2012). Therefore, because of the “institutional embeddedness and corporate governance mechanisms with which business and society are mutually interdependent,” social responsibility should serve as the interface between business and society (Brammer et al. 2012). In his publication, Pilato (2019) claims that “management practices are a product of social rather than economic pressure”, since, according to institutional theory, “organizations must conform to their institutional environment to become legitimate”.

The relevance of institutional theory in social missions and larger CSR strategies has been supported by various researchers. Using institutions theory as a framework, Cha et al. (2023) confirmed that corporate philanthropy is a significant predictor of firm performance. According to the scholars, philanthropic activities elicit positive responses from stakeholders. Institution theory-based philanthropy can help with market entry strategies.

Institutional theory was pertinent to this study since it sought to determine how healthcare missions adopted by MFIs influence their performance. It provided the basis for examining and explaining the relationship between these variables, as outlined in the second objective of the study.

2.2.4 Legitimacy Theory

Legitimacy theory focuses on the interactions between companies and societies. According to Schiopoiu Burlea and Popa (2013), legitimacy theory maintains that a company’s management practices in adopting “voluntary social and environmental disclosure of the

information is part of the social contract that enables stakeholders to recognize its objectives and survive the turbulent environment.” In other words, firms disclose their sustainability goals and practices to present a responsible image to legitimize their decisions and actions to their stakeholders. Therefore, the perception of a firm’s practices is based on the expectations of society, whereby the firm earns legitimacy based on its ability to meet these expectations.

Legitimacy has been likened to the stakeholder theory by Mahmud (2019) who clarifies that they both stem from the framework of political economy theory. Since the wider community influences where an organization chooses to channel its resources, firms tend to use environmental practices and sustainability reports to justify their operations. However, the difference between the two models is that whereas stakeholder theory focuses on fulfilling the interests of various stakeholders, legitimacy theory is concerned with the interaction between a company and society. As Deegan (2019) explains, passing the legitimacy test, which is equivalent to gaining the community’s approval, is crucial to ensuring business efficiency and overall company success.

In a simpler explanation, Azizul Islam (2017) thinks “legitimacy theory provides insights into how organizations navigate societal expectations, ensuring their actions align with broader norms.” This is because for organizations to earn legitimacy from the general public and other key stakeholders, its business practices must align with societal norms, which is why many firms invest in CSR initiatives. As Azizul Islam (2017) further clarifies, they engage in sustainable business practices to demonstrate their commitment to social and environmental responsibilities, thus enhancing their legitimacy.

The theory has extensive application in business sustainability literature. For instance, Crossley et al.’s (2021) study which utilized the legitimacy theory framework to analyze the case of social and environmental practices (SEPs) among SMEs confirmed that environmental embeddedness, among others, served as evidence SMEs use to maintain their legitimacy positions. These sentiments were also shared by Benvenuto et al. (2023) who were of the opinion that the model is instrumental in analyzing and understanding a company’s sustainability reporting systems.

Therefore, the theory held significant relevance to this research and provided the framework for examining sustainable business practices among MFIs and how they influence their performance as highlighted in the third objective of the study.

2.3 Empirical Review

This section is a discussion of empirical literature related to social missions and performance. The review takes note of the objectives of previous empirical research, methodologies used, findings, conclusions, and knowledge gaps.

2.3.1 Financial Inclusion and Performance

A notable insight into the correlation between financial inclusion and MFI performance was an elaborate study by Bharti and Malik (2022). The researchers sought to determine whether focusing on social outputs impacts the efficiency of MFIs. Efficiency was assessed using Data Envelopment Analysis (DEA) and the Gutman Scale used to measure social outputs. Efficiency was calculated with and without social outputs and the resulting scores were compared to determine the effect of social performance on MFI efficiency. The results showed that with the inclusion of social output, the efficiency of MFIs improves across various categories. While this study offers valuable insights into the topic, it was not without limitations. It focused on efficiency as the outcome variable, an issue that the present study addressed by focusing on social and financial performance.

The notion that financial inclusion is a positive predictor of firm performance as observed above was disputed by Bhattacharyya and Khan's (2023) research. This study looked into “the interactive relationship of CSR with financial inclusion and firm performance” using “simultaneous equations, three-stage regression model, and generalized method of moments (GMM)” (Bhattacharyya & Khan, 2023). It was observed that while CSR reflects positively on firm performance, financial inclusion has an adverse impact on firm performance. Not only that, but its moderating role between CSR and firm performance is also negative. It is worth noting that contextual and conceptual limitations were apparent in the study. The findings were not contextualized to MFI performance, and it included CSR as a factor of analysis. The present study addressed this gap by focusing on financial inclusion and MFI performance.

Elsewhere in Nigeria, Sajuyigbe's (2017) focus was on determining the influence of financial inclusion and social inclusion on the performance of women-owned businesses in Lagos State. The population comprised all 40,633 women owned MSMEs registered with SMEDAN. The data collection instruments for the study were structured questionnaires and personal interviews. Data was analyzed with the aid of multiple regression (ordinary least square estimation) and Pearson product-moment correlation coefficient. Results showed that financial inclusion and social inclusion have a positive and significant influence on women-owned business performance. The study builds up the idea that financial inclusion is a significant predictor of MFI performance. However, Sajuyigbe's (2017) study was limited in that it was based in Nigeria and focused on women owned MSMEs. Findings cannot be inferred from MFI performance in Kenya.

In Kenya, Odero (2017) contributed to the literature by studying the effect of financial inclusion on the financial performance of banks listed at the Nairobi Securities Exchange (NSE) in Kenya. He focused on financial literacy programs, usage of agents and representatives, proliferation of ATMs, and Mobile banking services as well as bank branch spread. The study adopted a descriptive research design, and the study population included management and operational-level employees of the 11 NSE-listed banks. A census study was conducted with primary data being collected using questionnaires. The analysis of data based on SPSS software and regression analysis was presented using charts and tables. The results showed that financial inclusion elements have a positive and strong impact on the financial performance of banks in terms of ROE.

Most of the studies reviewed on the phenomenon produce evidence suggesting a significantly positive correlation between financial inclusion and firm performance except for Bhattacharyya and Khan's (2023) research.

2.3.2 Healthcare Missions and Performance

An empirical study by Inegbedion et al. (2022) is valuable contribution to the healthcare social missions and firm performance. It sought to determine the relationship between corporate philanthropy and charitable giving and firm performance by focusing on Dangote Group of Companies. In particular, the study examined the company's infrastructural development interventions, social contribution during the pandemic with entrepreneurship and innovation programs serving as moderating variables. Inegbedion et al. (2022) found

that “corporate philanthropy activities and social interventions significantly impacted on performance”. However, despite the contribution of the study, it is worth noting that it was limited in that it was based in Nigeria and not contextualized to MFI performance.

In another investigation, Lin et al. (2021) sought to “examine the effect of social mission on service quality and brand image”. Data was collected from 316 customers by Come True Coffee in February 2018. A structural equation model (SEM) was used to examine the relationships among the research variables and identify the final model. The results showed that the social mission improves the service quality and brand image. Moreover, the social mission of a social enterprise is an important issue in terms of encouraging consumers to feel concerned. Finally, service quality is a moderating factor for a social mission in regard to brand image. Despite the valuable contribution of the study, it fails to sufficiently demonstrate the correlation of the two variables in the context of microfinance. The present study addressed this gap by focusing on healthcare social missions and MFI performance in Kenya.

Mas-Machuca et al. (2023) researched “the social mission works: internalizing the mission to achieve organizational performance in social enterprises”. The study examined how mission internalization (MI) by employees impacts employee mission engagement (EME) and how EME is related to perceived social mission achievement (PSMA) and perceived organization performance (POP) within the social enterprise setting. A sample of 143 social enterprises was used to confirm the scale and validate the model using structural equation modeling. The findings reveal that MI impacts EME and that EME, as expected, is related to organizational outcomes: PSMA and POP. This study is also not without limitations as far as the topic under investigation is concerned. It was based on social enterprises implying that findings cannot be inferred to MFI performance in Kenya.

Following a wave of solidarity and unprecedented philanthropy during the COVID-19 pandemic, a number of studies emerged looking into how such missions impacted their firm performance. One such study was conducted by Galan-Ladero and Sánchez-Hernández (2022) who looked into donation behavior during the pandemic and how this impacted brand reputation. The study drew from the tenets of ethics of care, legitimacy, and stakeholder theories and adopted a desk research approach. The study found that corporate philanthropy improves brand reputation among stakeholders. Despite the

significance of these findings, it is worth noting that the study failed to directly focus on healthcare missions and MFI performance.

Based on the studies reviewed, empirical evidence suggests a positive correlation between healthcare social missions and firm performance. However, previous research lacks the context of MFI performance in Kenya which was be the focus of this study.

2.3.3 Sustainable Business Practices and Performance

Deb et al. (2023) studied the impact of environmental management accounting (EMA) on environmental and financial performance in Bangladesh. The quantitative approach was used. The study model was tested through the “Partial Least Square-Structural Equation Modeling” (PLS-SEM) technique using Smart PLS v3.3 software. Results showed that EMA is positively and significantly associated with EP and FP. The study also finds a substantial relationship between recognized factors with EMA and EP. However, since the study was based in Bangladesh, the findings cannot be generalized to the performance of MFIs in Kenya. This study addressed this gap by focusing on environmental practices on MFI performance in Kenya.

Ayayi and Wijesiri (2022) investigated whether there is a trade-off between environmental performance and financial sustainability in MFIs in South and Southeast Asia. Using a panel of 587 MFI-year observations for the 2007–2014 period, the study investigated whether pursuing proactive environmental strategies, individually and in aggregation, can improve the financial sustainability of MFIs. The study demonstrated that environmental performance adversely influences financial performance. This provides support for the trade-off hypothesis that predicts that higher levels of environmental practices worsen firms' financial sustainability. Results also show that the relationship between the individual environmental performance dimensions and financial performance of MFIs varies with the individual dimension of green practice being considered. There was a significant variation in this relationship across MFI ownership types.

While some studies find a positive correlation between the variables and others a negative one, research by Horváthová (2012) is not on either spectrum of the findings. Instead, this study suggests a negative correlation between environmental performance and firm performance in the short run but a positive correlation in the long run, confirming Porter’s

hypothesis. Horváthová (2012) arrived at this finding by “weighing pollutants according to their dangerousness to the environment” and using “approved measures of environmental performance applied at firm-level data”. Notwithstanding the plausibility of the evidence, the study suffers a major shortcoming as far as the topic under investigation is concerned. It was based in the Czech Republic and was not contextualized to MFI performance.

Muchiri (2019) researched the effect of environmental CSR activities on the financial performance of financial institutions in Kirinyaga County. The study population was 300 employees working in the financial institutions in Kirinyaga County and a sample of 171 employees was used for the study. A causal research design was adopted while carrying out the research. Primary data was gathered through the administration of questionnaires to the selected respondents in the financial institutions while Secondary data was sourced from journals, libraries, e-books, and the websites of the financial institutions. Financial performance was assessed on the basis of the net profit after tax for the firms. The data was analyzed using the SPSS version 23 software. The study found a strong positive relationship between environmental CSR practices and the financial performance of financial institutions.

The evidence on the relationship between sustainable business practices and firm performance remains inconclusive as demonstrated above, hence this study sought to address this gap.

2.4 Summary of Literature and Knowledge Gaps

Table 2.1 is a summary of the reviewed empirical literature on the topic. It highlights the goals the studies sought to achieve, findings, gaps identified in the studies, and how the present study addressed each of these gaps.

Table 2. 1: Summary of Literature and Knowledge Gaps

Researcher	Objective	Findings	Knowledge Gaps	Focus of this study
Bharti & Malik (2022)	To determine whether focusing on social outputs impacts the efficiency of MFIs.	The results showed that with the inclusion of social output, the efficiency of MFIs improves across various categories.	This study focused on efficiency as the outcome variable as opposed to social and financial performance.	The present study addressed this gap by focusing on social and financial performance.
Bhattacharyya & Khan (2023)	To study the interactive relationship of CSR with financial inclusion and firm performance.	It was observed that while CSR reflects positively on firm performance, financial inclusion has an adverse impact on firm performance. Also, its moderating role between CSR and firm performance is also negative.	It is worth noting that contextual and conceptual limitations were apparent in the study. The findings were not contextualized to MFI performance, and it included CSR as a factor of analysis.	The present study addressed this gap by focusing on financial inclusion and MFI performance.
Sajuyigbe (2017)	To determine the influence of financial inclusion and social inclusion on the performance of women-owned	Results showed that financial inclusion and social inclusion have positive and significant influence on women-owned	The study is limited in that it was based in Nigeria and focused on women owned MSMEs. Findings cannot be inferred to MFI	The present study was based on MFIs as the topic and scope suggest.

Researcher	Objective	Findings	Knowledge Gaps	Focus of this study
	businesses in Lagos State.	businesses performance.	performance in Kenya.	
Odero (2017)	To examine the effect of financial inclusion on the performance of banks listed at the Nairobi Securities Exchange (NSE) in Kenya.	The results showed that financial inclusion elements have a positive and strong impact on the financial performance of banks in terms of ROE.	It is worth noting that the context of the study was NSE-listed banks which differ from MFIs.	The present study addressed this gap by focusing on MFIs.
Inegbedion et al. (2022)	Corporate philanthropy and firm performance	Corporate philanthropy activities and social interventions significantly impacted on performance	The study as limited in that it was based in Nigeria and not contextualized to MFI performance.	The present study was based in Kenya and focused on MFI.
Lin et al. (2021)	To examine the effect of social mission on service quality and brand image.	The results showed that the social mission improves the service quality and brand image.	The study fails to sufficiently demonstrate the correlation of the two variables in the context of microfinance.	The present study addressed this gap by focusing on healthcare social missions and MFI performance in Kenya.

Researcher	Objective	Findings	Knowledge Gaps	Focus of this study
Mas-Machuca et al. (2023)	The social mission works: internalizing the mission to achieve organizational performance in social enterprises	The findings reveal that MI impacts EME and that EME, as expected, is related to organizational outcomes: PSMA and POP.	The research was based on social enterprises implying that findings cannot be inferred to MFI performance in Kenya.	The present study was based in Kenya.
Galan-Ladero & Sánchez-Hernández (2022)	To examine the effect of donation behavior during the pandemic on brand reputation.	The study found that corporate philanthropy improves brand reputation among stakeholders.	The study failed to directly focus on healthcare missions and MFI performance	This study brought out the element of healthcare missions and their effect on MFI performance.
Deb et al. (2023)	To study the impact of environmental management accounting (EMA) on environmental and financial performance in Bangladesh.	Results showed that EMA is positively and significantly associated with EP and FP.	The study was based in Bangladesh, the findings cannot be generalized to the performance of MFIs in Kenya.	This study addressed this gap by focusing on environmental practices on MFI performance in Kenya.
Ayayi & Wijesiri (2022)	To unravel whether there is a trade-off between environmental performance and financial	The results demonstrate that environmental performance adversely influences	This study was based in Asia and was not contextualized to MFI performance.	This study was based on MFIs in Kenya.

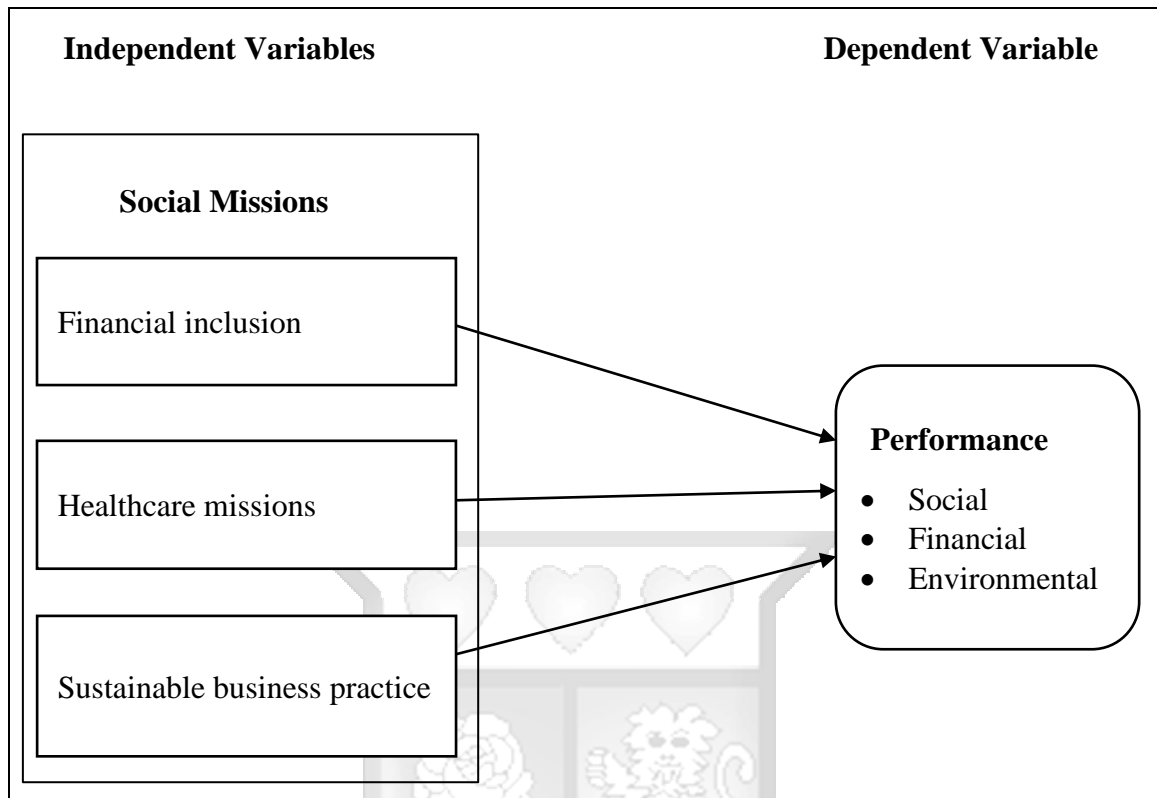
Researcher	Objective	Findings	Knowledge Gaps	Focus of this study
	sustainability in MFIs in South and Southeast Asia.	financial performance.		
Horváthová (2012)	To determine the impact of environmental performance on firm performance.	The study found a negative correlation between environmental performance on firm performance in the short run but a positive correlation between the variables in the long run.	The study was based in the Czech Republic and was not contextualized to MFI performance.	The present study focused on environmental practices and the performance of MFIs in Kenya.
Muchiri (2019)	To determine the influence environmental CSR has on the performance of financial institutions in Kirinyaga County.	The study found a strong positive relationship between environmental CSR practices and financial performance.	The study was based in Kirinyaga County and focused on financial institutions.	The present study focused on MFI performance in Kenya.

Source: Researcher (2024)

2.5 Conceptual Framework

The conceptual framework shows the relationship between the independent and dependent variables. The independent variables are financial inclusions, healthcare social mission, and sustainable business practices while the dependent variable is social and financial performance. The conceptual framework is shown in Figure 2.1.

Figure 2. 1: Conceptual Framework



Source: Researcher (2024)

2.6 Operationalization of Variables

The study variables are operationalized as shown in Table 2.2

Table 2. 2: Conceptual Framework

Variable	Constructs	Measurement	Source
Independent variables			
Financial inclusion	<ul style="list-style-type: none"> Affordable credit Interest on savings Easy payment methods Agency banking MSMEs financing 	Five-point Likert scale	(Gathondu et al., 2018; Odero, 2017)
Healthcare missions	<ul style="list-style-type: none"> Medicine donations Sponsorship of healthcare missions 	Five-point Likert scale	(Kadongo, 2018;

	<ul style="list-style-type: none"> • Donations of supplies, equipment, and facilities. • Health education outreach programs • Supporting medical research and development in critical areas. 		Kakabadse et al., 2007)
Sustainable business practices	<ul style="list-style-type: none"> • Clean energy initiatives • Promotion of recycling best practices • Choosing green suppliers and partners. • Promoting a paperless system • Partnership with nonprofit entities 	Five-point Likert scale	(Muhumed, 2018; Parry, 2012)
Dependent variable			
Social, Financial & Environmental Performance	<ul style="list-style-type: none"> • Financial inclusivity • Health impact • Alleviation of poverty • Profitability • Operational sustainability • Greenhouse gas emissions • Waste generations. • Energy efficiency 	Five-point Likert scale	(Gichuki, 2014; Egbeleke, 2014)

Source: Researcher (2024)

2.7 Chapter Summary

This chapter covers the theoretical underpinnings of the study accompanied by an in-depth review of empirical literature on the topic. The study drew from the stakeholder, institutional, and legitimacy theories which served as the theoretical framework for each of the specific objects. According to the reviewed literature, the general notion is that social missions are predictors of firm performance. However, there is inconclusiveness of findings with scope, conceptual, and methodological limitations apparent in the current body of empirical work. Also covered is the definition of the study's conceptual framework

and the operationalization of variables which highlight the expected relationships between the variables and how they were measured.



CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter contains the research design, target population, sample size and sampling frame, sampling technique used, and data collection instruments that were used. It also goes ahead to explain the sample size that was used, research quality so as to determine their reliability and validity, and the data analysis.

3.2 Research Philosophy

The study was anchored on the positivist research paradigm. The positivist paradigm views the researcher as independent of the study they are conducting. They viewed reality as objective and measurable, human beings are assumed to be rational; research emphasizes facts and predictions to explain cause and effects (Heenetigala, 2011; Bryman & Bell, 2007). Through positivism and deduction, scientists routinely collect data for both quantitative and qualitative variables in an attempt to interpret, understand, and explain social life (Sekaran, 2009). They place a high priority on identifying causal linkages between and amongst variables (Amin, 2005; Cooper & Schindler, 2006). This research adopted the social scientist view in line with other studies on the performance of MFIs (Bennan, 2006; Monem, 2008; Zheka, 2006).

3.3 Research Design

This study used descriptive research design. Descriptive research emphasizes explaining a phenomenon by providing factual and accurate information. Also, the design aims to observe, document, and describe the characteristics, behaviors, or phenomena of a subject or population without manipulating variables (Creswell, 2014). Descriptive research design is beneficial because it allows the researcher to analyze facts and helps you develop an in-depth understanding of the research problem. It assists in determining the behavior of people in a natural setting, and it allows for the utilization of both qualitative and quantitative research methods for gathering facts (Kothari, 2014). Hence, the descriptive design was appropriate to analyze the impact of the social mission on the financial position of microfinance institutions in Kenya.

3.4 Population and Sampling

3.4.1 Population of the Study

In the study, the target population was the entire set of units for which the study data were to be used to make inferences; the target population thus defined those units for which the findings of the study were meant to generalize (Sarason, 2013). A population included all elements that met certain criteria for inclusion in a research study. It was the entire set of individuals or objects sharing some common characteristics as defined by the sampling criteria established for the study (Burns & Grove, 2013). McLeod (2014) noted that a research population was generally a large collection of individuals or objects that were the focus of a scientific query. It was for the benefit of the population that research was done.

In this study, the population consisted of the 43 MFIs that were registered as members of the Association of Microfinance Institutions (AMFI) as of 31st December 2023 (AMFI, 2023). They comprise two banks, three wholesale microfinance institutions, 37 microfinance banks, and one development institution. The study targeted management-level employees in these MFIs. The management employees were targeted because they understood the social mission of their institutions.

3.4.2 Sampling and Sample Size

3.4.2.1 Sampling Technique

The study planned to employ a purposive sampling technique. Purposive or purposeful sampling is a non-probability sampling technique whereby research participants are identified and selected based on their knowledge of or experience with the phenomenon of interest. In this technique, the researcher chose samples deliberately to ensure the objective of the study was sufficiently achieved. In this study, the management-level employees of the targeted MFIs had full knowledge and insights into their organizations' social missions and the various impacts of those missions. This view was supported by Marchisotti et al. (2018), who clarified that higher-level members of an organization had decision-making capacity with access to critical organizational information that empowered the formulation and execution of strategies. Therefore, management-level employees would be a suitable sample for this study and what it sought to achieve.

3.4.2.1 Sample Size

The study planned to identify and select 20 management-level employees from each of the two banks, 10 management-level employees from each of the three wholesale MFIs, and five management-level employees from each of the 38 microfinance banks and development institutions. Therefore, the final sample size for the study targeted was 260 management-level employees, as illustrated in Table 3.1.

Table 3. 1: Sample Size

Type of MFI	Number of MFIs	Sample	Total
Banks	2	20	40
Wholesale MFI	3	10	30
Microfinance banks	37	5	185
Development institution	1	5	5
Sample Size			260

Source: Researcher (2024)

3.5 Data Collection Methods

The study collected primary data from the respondents using structured questionnaires with closed-ended questions. A close-ended question is a type of survey question that limits respondents to a fixed set of predetermined responses (Kothari, 2014). Questionnaires are suitable for cost-effective data collection due to their ability to reach a large number of respondents at a relatively low cost. The questionnaires were structured into five sections. Section one covered the demographic information of respondents, sections two to four covered questions on independent variables, and section five covered questions on dependent variables. The questionnaires were distributed to the respondents electronically (via Google Forms) and using the drop-off/pick-up (DOPU) method. The purpose of leveraging both online and offline methods of data collection was to elicit a high response rate and to provide the respondents the freedom to choose how to participate in the study.

3.6 Data Analysis

The completed questionnaires were collected, processed, and organized for analysis. Before then, the questionnaires were checked for completion to ensure their eligibility for analysis. Those that did not meet the eligibility criteria were disregarded. Then, they were coded and cleaned and then input into SPSS Version 22.0 for analysis. The study incorporated descriptive and inferential statistics to analyze the data collected.

3.6.1 Descriptive Statistics

The study utilized the statistical techniques of “descriptive statistics to summarize, organize, and present the main characteristics of the data set in a logical, meaningful, and efficient manner” (George & Mallery, 2018). In particular, the measures of central tendency, measure of frequency, and measure of dispersion were used to summarize and describe respondents’ demographic profiles and show how the participants answered the questions (George & Mallery, 2018).

3.6.2 Inferential Statistics

While descriptive statistics summarize the main qualities of a data set, inferential statistics use data obtained from a sample to make inferences, generalizations, or conclusions about the entire population. Inferential statistics was essential to the study as it sought to infer how social missions influence the performance of MFIs in Kenya based on data drawn from a much smaller subset of the population. The types of inferential statistics the study employed include correlational analysis and ordinal regression analysis.

Correlation analysis was used to check for the presence of correlation between variables. In this case, the analysis was instrumental in checking for the relationship between each of the independent variables and the dependent variable, as indicated in objectives 1, 2, and 3. According to Sheard (2018), the “presence of correlation is denoted by a correlation coefficient value that falls in the -1 to +1 range,” whereby a positive coefficient signifies a positive correlation, a negative coefficient denotes a negative correlation, and zero (0) indicates lack of correlation between the variables”.

As Sheard (2018) points out, “multiple regression analysis aims to analyze the relationship between a single dependent variable and several independent variables”. Regression analysis was used to determine the collective relationship between independent variables (financial inclusion, healthcare missions, and sustainable business practices) and dependent variable (Performance). Regression Model was as follows:

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + e$$

Where the variables are defined as:

Y- Performance

X₁- Financial inclusion

X₂- Healthcare missions

X₃- sustainable business practices

e- Error term

3.7 Validity and Reliability Tests

A pilot study was conducted since it enabled the researcher to detect any anomalies in the questionnaire so that they could be corrected before the real data collection exercise. In order to ascertain the reliability and validity of the questionnaires, it was necessary for the study to undertake a pilot study on the questionnaires by administering them to some respondents who would not be sampled for the real research.

3.7.1 Validity of the Research Instrument

Validity refers to the extent to which your study accurately measures what it intends to measure. This study used the content analysis method to determine the validity of the questionnaire. Content validity was a measure of the degree to which data collected using a particular instrument represented a specific domain or content of a particular concept (Sekeran, 2014). To ensure content validity, the items on the questionnaire were derived from the conceptual framework. Supervisors were consulted to provide expert opinions on the quality and accuracy of the research instrument and necessary adjustments made before proceeding to collect data. For the purpose of eliminating response bias, participants were assured of the voluntariness of their participation and privacy of their responses.

3.7.2 Reliability of the Research Instrument

Reliability is the consistency of measurement or the degree to which an instrument measures the same way each time it is used under the same condition with the same subjects. The internal consistency Cronbach Alpha co-efficient was used to determine the reliability of the research instrument. The value of Cronbach Alpha co-efficient ranges from 0 to 1. Cooper and Schindler (2014) asserted that a research instrument is considered reliable if its Cronbach Alpha coefficient value is 0.70 or more. Therefore, the study used 0.70 as a threshold for this study.

3.8 Ethical Considerations

The study sought ethical approval from the Strathmore University review board to undertake the research. After obtaining the approval, the researcher applied for a research permit from the National Council for Science, Technology and Innovation (NACOSTI) for the collection of data. These two were presented to the management of the MFIs to allow the research to be conducted within their premises. The respondents were assured of anonymity and that the information they disclosed would not be used for any other purposes other than the research itself. An introduction letter was obtained from Strathmore University that helped introduce the study to the respondents. The respondents who were willing to participate in the study were provided with a consent form to sign that clearly stated that participation in the study was purely voluntary and no one would be coerced to take part. To ensure anonymity, the names of the respondents did not appear anywhere in the research instrument. The respondents were also informed that the study was purely academic and that their information would be kept confidential.

CHAPTER FOUR

PRESENTATION OF FINDINGS

4.1 Introduction

The goal of the study was to determine the influence of social missions on the performance of microfinance institutions in Kenya. As described in the previous chapter, the study was based on primary data, and quantitative statistical techniques – descriptive and inferential statistics – were used for data analysis. The focus of this chapter is to present the findings using tables and figures.

4.2 Response Rate

This research targeted and selected 260 managerial staff of 43 MFIs for the survey. Out of a total of 260 questionnaires distributed to the respondents, 203 were completed and returned on time for analysis, translating to a sufficient response rate of 78.08%. However, five questionnaires were ruled out for errors and incomplete responses, implying that 198 (or 76.15%) of the completed questionnaires were eligible for analysis as shown in Table 4.1.

Table 4. 1: Response Rate

Category	Frequency	Percentage
Responded	198	76.15%
Non-response	62	23.85%
Total	260	100.0%

Source: Primary data 2024

4.3 Respondents Demographic Profile

This section describes the demographic characteristics of the respondents to take part in the survey. As illustrated in Table 4.2, the majority of the respondents were female (53%), were aged 31-40 years (67.7%), the highest level of education attained was undergraduate (58.1%), were middle-level managers (82.3%), and were from microfinance bank (40.4%)

and credit only MFI (40.4%). 113 (57.1%) respondents disclosed their respective MFI and the rest failed to disclose.

Table 4. 2: Respondent Demographic Profile (n=198)

Characteristics	Distribution	Frequency	Percentage
Gender	Male	93	47.0%
	Female	105	53.0%
Age (years)	<30	10	5.1%
	31-40	134	67.7%
	41-50	50	25.3%
	50>	4	2.0%
Level of education	Certificate	5	2.5%
	Diploma	15	7.6%
	Undergraduate	115	58.1%
	Masters	38	19.2%
	Postgraduate MS certificate	5	2.5%
Management level	Low-level management	15	7.6%
	Middle-level management	163	82.3%
	Top-level management	20	10.1%
Experience (years)	<5	33	16.7%
	5-10	75	37.9%
	10-15	65	32.8%
	15>	25	12.6%
Type of MFI	Bank	33	16.7%
	Wholesale MFI	5	2.5%
	Microfinance bank	80	40.4%
	Credit only MFI	80	40.4%

Source: Primary data (2024)

4.4 Reliability Tests

The Cronbach's Alpha test was performed to check for the reliability of the research instrument. The data collection tool is expected to hit a certain threshold of internal consistency for a research study to be considered reliable. The acceptable threshold on the Cronbach's Alpha scale is a minimum value of 0.7. As illustrated in Table 4.3, all the constructs in this research achieved this requirement.

Table 4. 3: Reliability Test

Constructs	Cronbach's Alpha	N of Items
Financial inclusion	.701	5
Healthcare missions	.955	5
Sustainable business practices	.908	5
Microfinance performance	.920	10

Source: Primary data (2024)

4.5 Descriptive Statistics

Descriptive statistics, including measures of central tendency, measures of frequency, and measures of distribution were performed to summarize and describe the main qualities of the data set.

4.5.1 Financial Inclusion

The study sought to collect data on financial inclusion practices among MFIs in Kenya using various indicators. Respondents were required to indicate the extent to which they agreed or disagreed with the statements about financial inclusion on a five-point Likert scale where 1 = strongly disagree; 2 = disagree; 3 = neither agree nor disagree; 4 = agree; 5 = strongly agree. Table 4.4 summarizes the main characteristics of the responses.

Table 4. 4: Financial Inclusion

	1	2	3	4	5	Mean	SD
	f (%)	f (%)	f (%)	f (%)	f (%)		
I am of the view that my organization offers affordable credit to its clients.	5 (2.5)	10 (5.1)	45 (22.7)	88 (44.4)	50 (25.3)	3.848	.9437
From my perspective, clients in my organization benefit from interest on savings.	15 (7.6)	25 (12.6)	25 (12.6)	88 (44.4)	45 (22.7)	3.621	1.185
I am of the opinion that my organization offers easy and convenient payment options.	0 (0)	5 (2.5)	23 (11.6)	65 (32.8)	105 (53.0)	4.364	.7864
In my opinion, my organization has a robust network of agents that enhances the accessibility of financial services.	5 (2.5)	10 (5.1)	58 (29.3)	55 (27.8)	70 (35.4)	3.884	1.033
I believe that my organization is actively involved in disbursing loans and financing micro, small, and medium enterprises.	0 (0)	0 (0)	20 (10.1)	98 (49.5)	80 (40.4)	4.303	.6445
Overall Mean						4.004	.9185

Source: Primary data (2024)

The results revealed an overall mean value of 4.004 at a .6445 standard deviation for the financial inclusion construct. The finding shows that the respondents, in general, were in agreement that financial inclusion practices were apparent in their respective MFIs. The item, “I am of the opinion that my organization offers easy and convenient payment options.” had the highest mean score of 4.364 at .7864 standard deviation. This implies that most (85.8%) of respondents believed MFIs offer easy and convenient payment options. However, the item, “From my perspective, clients in my organization benefit from interest

on savings” had the lowest mean score of 3.621 at 1.185 standard deviation suggesting neutrality among the participants on the idea that clients benefit from interest on savings.

4.5.2 Healthcare Missions

Data on healthcare missions adopted by MFIs in Kenya was collected using various indicators. Respondents were required to indicate the extent to which they agreed or disagreed with the statements on healthcare missions on a five-point Likert scale where 1 = strongly disagree; 2 = disagree; 3 = neither agree nor disagree; 4 = agree; 5 = strongly agree. Table 4.5 summarizes the main characteristics of the responses.

Table 4. 5: Healthcare Missions

	1 f (%)	2 f (%)	3 f (%)	4 f (%)	5 f (%)	Mean	SD
In my opinion, the medical donations my organization makes to society are sufficient.	50 (25.3)	43 (21.7)	85 (42.9)	15 (7.6)	5 (2.5)	2.404	1.027
I strongly believe that my organization’s sponsorship and support for medical missions are sufficient.	45 (22.7)	63 (31.8)	70 (35.4)	15 (7.5)	5 (2.5)	2.354	.9956
I think that the donations in the form of medical supplies, equipment, and facilities from my organization towards healthcare missions are sufficient.	50 (25.3)	68 (34.3)	50 (25.3)	20 (10.1)	10 (5.1)	2.354	1.116
As I see it, my organization’s involvement in health education outreach programs on nutrition, exercise, substance abuse, etc. is sufficient.	45 (22.7)	63 (31.8)	60 (30.3)	15 (7.6)	15 (7.6)	2.455	1.115
The funding and general support from my organization towards	50 (25.3)	58 (29.3)	60 (30.3)	20 (10.1)	10 (5.1)	2.404	1.121

medical research and development in critical areas is sufficient.

Overall Mean **2.394 1.081**

Source: Primary data (2024)

The overall mean for the healthcare mission variable was 2.394 at 1.081, meaning respondents generally disagreed with the idea that healthcare missions are adopted and sufficient. For instance, they disagreed on the notions of the sufficiency of medical donations (M=2.404, SD=1.027), sponsorships and support towards medical missions (M=2.354, SD=.9956), donations in the forms of medical supplies, equipment, and facilities (M=2.354, SD=1.116), involvement in health education outreach programs (M=2.455, SD=1.115), and general support towards medical research (M=2.404, SD=1.121).

4.5.3 Sustainable Business Practices

Data on the sustainable business practices adopted by MFIs in Kenya was collected using various indicators. Respondents were required to indicate the extent to which they agreed or disagreed with the statements regarding sustainable business practices on a five-point Likert scale where 1 = strongly disagree; 2 = disagree; 3 = neither agree nor disagree; 4 = agree; 5 = strongly agree. Table 4.6 summarizes the main characteristics of the responses.

Table 4. 6: Sustainable Business Practices

	1	2	3	4	5	Mean	SD
	f (%)	f (%)	f (%)	f (%)	f (%)		
In my judgment, clean energy initiatives adopted by my organization are sufficient.	10 (5.1)	53 (26.8)	45 (22.7)	45 (22.7)	45 (22.7)	3.313	1.231
According to me, the best practices for reuse and recycling promoted by my organization are sufficient.	5 (2.5)	43 (21.7)	50 (25.3)	55 (27.8)	45 (22.7)	3.465	1.138

From my standpoint, the measures my organization takes to ensure it chooses and works with green suppliers and partners are plausible.	10 (5.1)	43 (21.7)	45 (22.7)	60 (30.3)	40 (20.2)	3.389	1.177
It seems to me that our organization is going paperless for the purpose of minimizing waste and conserving natural resources.	5 (2.5)	30 (15.5)	13 (6.6)	80 (40.4)	70 (35.4)	3.909	1.118
It is my belief that my organization partners with nonprofit organizations that align with its sustainability goals.	5 (2.5)	20 (10.1)	68 (34.3)	50 (25.3)	55 (27.8)	3.657	1.068
Overall Mean						3.546	1.147

Source: Primary data (2024)

The overall mean for the sustainable business practices variable was 3.546 at a 1.147 standard deviation, denoting neutrality among the respondents on sustainability strategies among MFIs in Kenya. However, the statement, “It seems to me that our organization is going paperless for the purpose of minimizing waste and conserving natural resources” had the highest mean of 3.909 at a 1.118 standard deviation. This shows that most respondents (75.8%) were of the opinion that MFIs are going paperless to minimize waste and conserve natural resources. However, the item “In my judgment, clean energy initiatives adopted by my organization are sufficient” had the lowest mean score of 3.313 at a 1.231 standard deviation, suggesting neutrality on the sufficiency of the adoption of clean energy solutions.

4.5.4 Microfinance Performance

The study sought to collect data on the performance of MFIs in Kenya using social, financial, and environmental indicators. Respondents were required to indicate the extent to which they agreed or disagreed with the statements about microfinance performance on a five-point Likert scale where 1 = strongly disagree; 2 = disagree; 3 = neither agree nor

disagree; 4 = agree; 5 = strongly agree. Table 4.7 summarizes the main characteristics of the responses.

Table 4. 7: Microfinance Performance

	1 f (%)	2 f (%)	3 f (%)	4 f (%)	5 f (%)	Mean	SD
As I see it, my organization plays an active role in promoting financial inclusivity, especially women empowerment.	0 (0)	15 (7.6)	28 (14.1)	55 (27.8)	100 (50.5)	4.212	.9535
From my point of view, my organization contributes to improving community healthcare outcomes as part of its social mission.	20 (10.1)	23 (11.6)	75 (37.9)	50 (25.3)	30 (15.2)	3.237	1.115
I strongly believe that my organization makes a substantial impact in alleviating poverty in society.	5 (2.5)	10 (5.1)	33 (16.7)	70 (22.7)	80 (40.4)	4.061	1.000
I think that the incorporation of social missions positively influences the return of assets in my organization.	0 (0)	10 (5.1)	73 (36.9)	75 (37.9)	40 (20.2)	3.732	.8394
In my understanding, the inclusion of social missions impacts the return on equity in my organization.	5 (2.5)	5 (2.5)	78 (39.4)	70 (35.4)	40 (20.2)	3.682	.9095
I am of the strong opinion that social missions enhance the profitability of my organization.	5 (2.5)	5 (2.5)	53 (26.8)	75 (37.9)	60 (30.3)	3.909	.9462
I believe that the integration of social missions influences the	5 (2.5)	15 (7.6)	38 (19.2)	100 (50.5)	40 (20.2)	3.783	.9389

operational sustainability of my organization.

I am of the opinion that our sustainable practices have helped minimize the emissions of greenhouse gases.

15	13	40	85	45	3.667	1.127
(5.1)	(6.6)	(20.2)	(42.9)	(22.7)		

I am under the impression that my organization's commitment to sustainability has seen a reduction in waste generation.

5	23	55	75	40	3.616	1.015
(2.5)	(11.6)	(27.8)	(37.9)	(20.2)		

I can ascertain that our commitment to social missions has helped us become more energy efficient.

20	5	53	75	45	3.606	1.165
(10.1)	(2.5)	(26.8)	(37.9)	(22.7)		

Overall Mean **3.751 1.005**

Source: Primary data (2024)

The overall mean for the microfinance variable was 3.751 at 1.005 standard deviation, indicating a notion of neutrality among the respondents regarding the social, financial, and environmental performance of MFIs in Kenya. Regarding social performance, respondents were of the view that MFIs promote financial inclusivity (M=4.212, SD=.9535) and poverty alleviation (M=4.061, SD=1.000) but were neutral on the improvement of healthcare outcomes (M=3.237, SD=1.115). Neutrality among respondents on financial performance, including ROA (M=3.732, SD=.8394), ROE (M=3.682, SD=.9095), profitability (M=3.909, SD=.9462) with most responses leaning towards the agreement, and operational sustainability (M=3.783, SD=.9389). A similar sentiment was observed on the indicators of environmental performance, including greenhouse gas emissions (M=3.667, SD=.1.127), reduction in waste generation (M=3.616, SD=1.015), and becoming more energy efficient (M=3.606, SD=1.165).

4.6 Inferential Statistics

The study proceeded to perform inferential statistics to allow for generalization, estimation, approximation, conclusion, or drawing inferences about the population based on the sample data. The study carried out correlational and multiple regression analyses. But first, a normality test was performed to determine whether to proceed with parametric or nonparametric tests.

4.6.1 Normality Test

A normality test was conducted to determine whether data was normally distributed. Usually, when the dataset follows a normal distribution, parametric tests apply. On the other hand, nonparametric tests are used when data is not normally distributed. Because of the size of the sample (i.e., >100), the normality test performed was a Kolmogorov–Smirnov test. Table 4.8 shows that all the constructs are not statistically significant (Sig. < .05); therefore, they were not normally distributed. Further analysis also reveals that all the constructs were skewed. Therefore, the study proceeded with nonparametric tests.

Table 4. 8: One-Sample Kolmogorov–Smirnov Test

	N	Mean	Std. Deviation	Skewness	Kurtosis	K-S	Asmp. Sig.
Financia inclusion	198	4.004	.63276	-.575	.640	.155	.000
Healthcare missions	198	2.394	.99764	.200	-.843	.107	.000
Sustainable business practices	198	3.547	.98092	-.228	-.842	.111	.000
Performance	198	3.751	.77097	-.442	-.185	.132	.000

Source: Primary data (2024)

4.6.2 Correlation Analysis

Correlational analyses were performed to determine the strength and direction of the relationship between each independent variable (financial inclusion, healthcare missions, sustainable business practices) and the dependent variable (microfinance performance). In particular, the study conducted Spearman's rank correlation analysis, a type of nonparametric test because data was not normally distributed as ascertained above.

4.6.2.1 Financial Inclusion and Microfinance Performance

Spearman's rank correlation analysis was performed to determine the strength and direction of the association between financial inclusion and microfinance performance in Kenya. Table 4.9 shows the strength and direction of the correlation between the variables.

Table 4. 9: Financial Inclusion and Microfinance Performance

			Microfinance performance	Financial inclusion
Spearman's rho	Microfinance performance	Correlation Coefficient	1.000	.761**
		Sig. (2-tailed)	.	.000
		N	198	198
	Financial inclusion	Correlation Coefficient	.761**	1.000
		Sig. (2-tailed)	.000	.
		N	198	198

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

Source: Primary data (2024)

A very strong and positive correlation ($r=.761$) was established between financial inclusion and microfinance performance. The correlation was also statistically significant. The findings suggested that financial inclusion translated positively to the performance of MFIs in Kenya.

4.6.2.2 Healthcare Missions and Microfinance Performance

Spearman's rank correlation analysis was performed to determine the strength and direction of association between healthcare missions and microfinance performance in Kenya. Table 4.10 shows the strength and direction of the correlation between the variables.

Table 4. 10: Healthcare Missions and Microfinance Performance

			Microfinance performance	Healthcare missions
Spearman's rho	Microfinance performance	Correlation Coefficient	1.000	.644**
		Sig. (2-tailed)	.	.000
		N	198	198
	Healthcare missions	Correlation Coefficient	.644**	1.000
		Sig. (2-tailed)	.000	.
		N	198	198

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

Source: Primary data (2024)

A strong and positive correlation ($r=.644$) was discovered between healthcare missions and microfinance performance. The correlation is also statistically significant. This implied that a unit improvement in healthcare missions would improve microfinance performance by .644 units. As such, the study rejected the null hypothesis and approved an alternate hypothesis at a 95% confidence level and 5% level of significance.

4.6.2.3 Sustainable Business Practices and Microfinance Performance

Spearman's rank correlation analysis was performed to determine the strength and direction of the association between sustainable business practices and microfinance performance in Kenya. Table 4.11 shows the strength and direction of the correlation between the variables.

Table 4. 11: Sustainable Business Practices and Microfinance Performance

			Microfinance performance	Sustainable business practices
Spearman's rho	Microfinance performance	Correlation Coefficient	1.000	.761**
		Sig. (2-tailed)	.	.000
		N	198	198
	Sustainable business practices	Correlation Coefficient	.761**	1.000
		Sig. (2-tailed)	.000	.
		N	198	198

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

Source: Primary data (2024)

A very strong and positive correlation ($r=.761$) was discovered between sustainable business practices and microfinance performance. The correlation is also statistically significant. The findings suggested that sustainable business practices translate positively to the performance of MFIs in Kenya. In other words, a unit increase in sustainability improves the performance of MFIs in Kenya by .761. Therefore, the study rejected the null hypothesis and supported the operational hypothesis at a 95% confidence level and 5% level of significance.

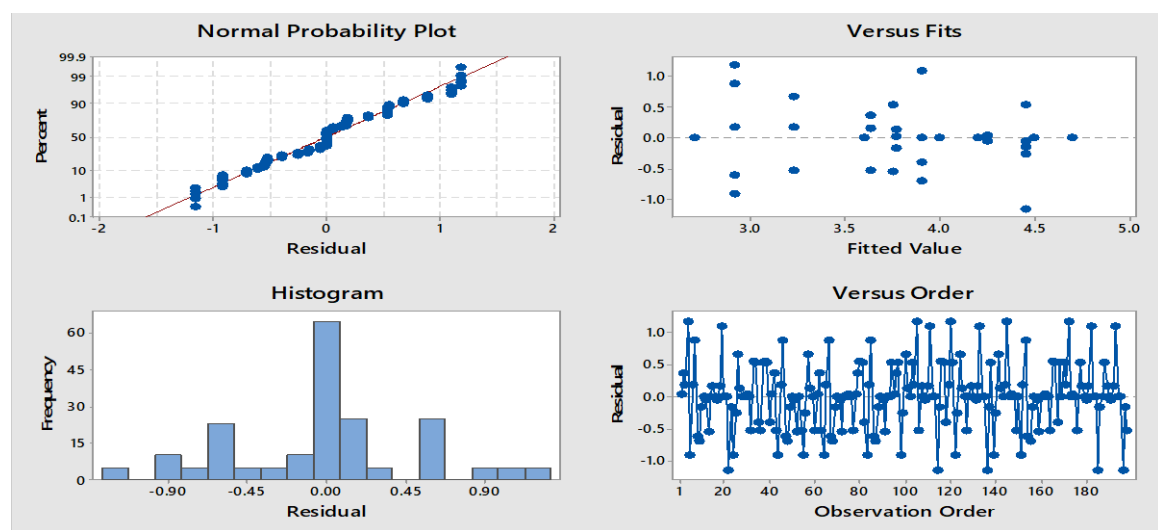
4.6.3 Diagnostic Tests

Diagnostic tests were performed before proceeding to regression analysis. The purpose of these tests was to check for the appropriateness of regression analysis, i.e., if the underlying assumptions regression model holds. These assumptions include the variance of residuals being unknown but the same, residuals being normally distributed, independent variables not being highly correlated, and the absence of multicollinearity. The following diagnostic tests were performed to check whether these assumptions hold: test for heteroscedasticity, test for normality, test for autocorrelation, and test for multicollinearity.

4.6.3.1 Test for Heteroscedasticity

The test for heteroscedasticity was performed to check for whether the variance of residuals (or errors) is unknown but the same or homoscedasticity holds. When this assumption is violated, it can affect the validity and efficiency of the regression estimates. The results of the test for heteroscedasticity are shown in Figure 4.1, which confirms that the variance of the residuals is constant. Therefore, heteroskedasticity (LM stat = .05, $p > .05$) was not a concern.

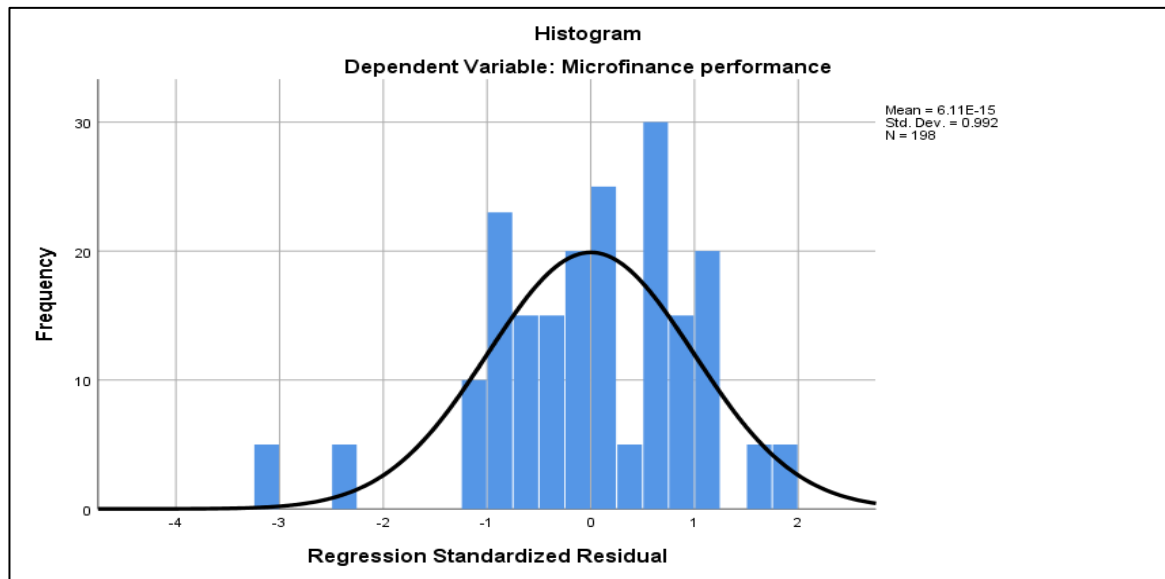
Figure 4. 1: Residual Plots for Microfinance Performance



4.6.3.2 Test for Normality

The test for normality was carried out to check if the following assumption holds that residuals (errors) are normally distributed. This assumption must not be violated for the purpose of obtaining the best linear unbiased estimator. A histogram (P-P plot) was generated to have a visual representation of the distribution of the residuals. Usually, the assumption holds if the histogram is covered by the normality curve which was the case with the study as illustrated in Figure 4.2. In other words, the residuals follow a normal distribution.

Figure 4. 2: Test for Normality



4.6.3.3 Test for Autocorrelation

The test for autocorrelation was performed to detect if the residuals are autocorrelated since the presence of autocorrelation invalidates the regression model. The test performed was the Durbin-Watson (D-W) static test which produces a value ranging from 0 to 4. It should be noted that values below 2.0 denote a positive autocorrelation and above 2.0 indicates negative autocorrelation. As shown in Table 4.12, a DW statistic value of 2.013.

Table 4. 12: Test for Autocorrelation

Alpha	.05
D-stat	2.01357
D-lower	1.8401
D-upper	2.375
Sig	No autocorrelation

4.6.3.4 Test for Multicollinearity

The study also performed the test for multicollinearity to check whether the independent variables were related. As mentioned above, regression analysis works under the

assumption that the independent variables are not highly correlated with one or more of the other independent variables in a multiple regression equation. In other words, there is the absence of multicollinearity. The test performed was the variance inflation factor (VIF), which helped detect multicollinearity and its statistical significance. The general rule is that if the VIF value is less than 10, the presence of multicollinearity is not statistically significant. With that said, as shown in Table 4.13, $VIF < 10$ implies that multicollinearity is not statistically significant.

Table 4. 13: Test for Multicollinearity

Model	Collinearity Statistics	
	Tolerance	VIF
1 (Constance)		
Financial inclusion	.555	1.793
Healthcare missions	.551	1.816
Sustainable business practices	.565	1.769

a. Dependent Variable: Microfinance performance

4.6.4 Regression Analysis

Multiple regression analysis was conducted to determine the functional relationship between the independent variable and the dependent variable. Multiple regression analysis is performed when there is the need to predict a dependent variable based on two or more independent variables; therefore, the analysis was relevant to this study since it featured multiple independent variables: financial inclusion, healthcare missions, and sustainable business practices. The results of the regression analysis are presented below.

A model summary was generated to determine the extent to which the variation of the dependent variable can be attributed to the independent variables. As shown in Table 4.14, a significant portion of variance (R Square = .718) in microfinance performance was attributed to social missions. To elaborate, financial inclusion, healthcare missions, and

sustainable business practices collectively explain 71.8% of the performance of MFIs in Kenya.

Table 4. 14: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.847 ^a	.718	.713	.41284	2.013

a. Predictors: (Constant), financial inclusion, healthcare missions, and sustainable business practices

b. Dependent Variable: Microfinance performance

The study also performed the analysis of variance (ANOVA) to model the relationship between the variables and determine the strength of the relationship between the dependent variable and the series of predictor variables. Put in another way, to determine if the relationship is statistically significant. As shown in Table 4.15, ANOVA analysis confirms that the relationship between the dependent variable and the dependent variables is proven by ($F(3,194) = 164.344, P < 0.01$).

Table 4. 15: ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	84.03	3	28.010	164.344	.000 ^b
	Residual	33.065	194	.170		
	Total	117.095	197			

a. Dependent Variable: Microfinance performance

b. Predictors: (Constant), financial inclusion, healthcare missions, and sustainable business practices

Moreover, the regression coefficients (or the β parameters) were determined to statistically measure the functional relationship between the dependent variable (microfinance performance) and the three independent variables (financial inclusion, healthcare missions, and sustainable business practices). In other words, the analysis sought to determine the amount by which the change in each independent variable must be multiplied to give a

corresponding change in the dependent variable. Table 4.16 shows the regression coefficient of the variables.

Table 4. 16: Coefficients^a

Model	Unstandardized Coefficients			
	β	Std. Error	t	Sig.
1 (Constant)	.280	.196	1.426	.155
Financial inclusion	.502	.062	8.067	.000
Healthcare missions	.089	.040	2.237	.026
Sustainable business practices	.352	.040	8.820	.000

a. Dependent Variable: microfinance performance

As demonstrated above, social missions have a positive influence on microfinance performance. In particular, the effect of financial inclusion on the performance of MFIs is positive and statistically significant as shown by ($\beta = .502, t = 8.067, p < .05$). A unit improvement in financial inclusion practices would improve microfinance performance by 0.502 units. The effect of healthcare missions was also positive and statistically significant ($\beta = .089, t = 2.237, p < .05$), meaning a unit increase in healthcare missions would improve microfinance performance by 0.089 units. Lastly, sustainable business practices were also found to have a positive and statistically significant impact on microfinance performance ($\beta = .352, t = 8.820, p < .05$), meaning a unit increase in sustainability measures would improve the performance of MFI by 0.352 units.

Therefore, the final regression equation for the study is as follows:

$$\text{Microfinance performance} = 0.280 + .502X_1 + .089X_2 + .352X_3$$

Where;

X_1 = Financial inclusion

X_2 = Healthcare missions

X_3 = Sustainable business practices

From the equation above, if the values of the independent variables (financial inclusion, healthcare missions, and sustainable business practices) are all zero (0), microfinance performance would only be 0.280. This observation further emphasizes the contribution of these three social missions to the performance of MFIs in Kenya.

4.7 Chapter Summary

The findings of the study were presented in this chapter. Descriptive statistics show that respondents are in agreement with the adoption of financial inclusion among MFIs in Kenya but remain neutral on the adoption of healthcare missions, sustainable business practices, and the performance of MFIs. Inferential statistics reveal that financial inclusion, healthcare missions, and sustainable practices all have significant positive influence on the performance of MFIs in Kenya.



CHAPTER FIVE

SUMMARY, DISCUSSION, CONCLUSION, AND RECOMMENDATIONS

5.1 Introduction

This section of the study focuses on the interpretation and detailed discussions of findings presented in the previous chapter. Other aspects of the chapter include the conclusion of the study, recommendations, the shortcomings experienced during the study, and suggestions for future research.

5.2 Summary of the Study

The research aimed to determine the influence social missions have on the performance of MFIs in Kenya. In particular, the study sought to determine how financial inclusion, healthcare missions, and sustainable practices influence microfinance performance, which was measured using social, financial, and environmental performance indicators. This research was anchored by the tenets of stakeholder, institutional, and legitimacy theories which made for its theoretical framework and followed the philosophy of social scientists. A cross-sectional research design was adopted, and management-level employees of the selected MFIs were targeted as the population of the study. A sample size of 260 respondents was recruited using a purposive sampling technique.

A total of 260 questionnaires were distributed to the selected respondents but only 203 questionnaires were completed and returned for analysis, translating to a 72.5% response rate. However, out of these questionnaires, only 198 were usable. The demographic characteristics of the respondents were as follows: the bulk of them were female (53%), were aged 31-40 years (67.7%), attained undergraduate as the highest level of education (58.1%), were middle-level managers (82.3%), and were from microfinance bank (40.4%) and credit only MFI (40.4%). 113 (or 57.1%) of the respondents disclosed their respective MFI and the rest failed to disclose.

The overall mean values and standard deviations for the variables were as follows: financial inclusion ($M=4.004$, $SD=.91857$), healthcare missions ($M=2.394$, $SD=1.081$), sustainable business practices ($M=3.546$, $SD=1.147$), and microfinance performance ($M=3.751$, $SD=1.005$). Correlation analysis suggests a very strong positive association between

financial inclusion and performance ($r=.761$), a strong positive association between healthcare missions and performance ($r=.644$), and a very strong positive association between sustainable business practices ($r=.761$) and performance. Regression analysis suggests that all the variables, financial inclusion ($\beta = .502, t = 8.067, p<.05$), healthcare missions ($\beta = .089, t = 2.237, p<.05$), and sustainable business practices ($\beta = .352, t = 8.820, p<.05$) have a positive and significant effect on the performance of MFIs in Kenya.

5.3 Discussion

In the discussion section, the findings are described, analyzed, and interpreted and accompanied by an in-depth explanation of the significance of those results and how they are tied to research questions. Discussion is organized according to the specific objectives of the study.

5.3.1 Financial Inclusion and Microfinance Performance

The first objective of the study was to determine the effect of financial inclusion on the performance of MFIs in Kenya. The results of descriptive statistics suggest that, in general, respondents confirmed the prevalence of financial inclusion practices in Kenya's MFIs. On the specific parameters of financial inclusion, they indicated that MFIs are involved in disbursing loans to MSMEs and offer easy and convenient payment options. However, a significant number of respondents being unsure about MFIs providing affordable credit, clients benefiting from interest on savings, and MFIs having robust networks of agents to enhance accessibility was noted.

Results from inferential statistics confirm that financial inclusion has a very strong and significant effect on the performance of MFIs in Kenya. Put simply, the uptake and acceleration of financial inclusion measures translate positively on microfinance's overall performance. Therefore, this research rejected the null hypothesis. In addition, the findings are in support of the tenets of the stakeholder theory which posits that the purpose of a business enterprise is to create value for its stakeholders. As Ivanova-Gongne et al. (2014) point out, proper stakeholder management leads to increased adoption of social responsibility practices which in turn, produce higher levels of firm performance. This research validates the notion above—the uptake of financial inclusion improves the performance of MFIs.

Furthermore, the results also corroborate findings from previous literature (Bharti & Malik, 2022; Sajuyigbe, 2017; Odero, 2017) who found a positive relationship between financial inclusion and firm performance. Financial inclusion translates positively into MFI performance in many ways. However, the main strengthening factor behind the correlation is that financial inclusion measures aim at capital accumulation (Bharti & Malik, 2022). The acceleration of financial inclusion means that people and business entities have increased access to affordable financial services, including payments, savings, investment, credit, and insurance. Higher saving and investment rates, resulting from an expanded customer base, lead to higher capital accumulation.

5.3.2 Healthcare Missions and Microfinance Performance

The second objective of the study was to determine the influence healthcare missions have on the performance of MFIs in Kenya. Results from descriptive statistics indicate the inadequacy of healthcare missions among MFIs in Kenya. In other words, according to the participants, medical donations, sponsorships and support towards medical missions, donations of medical supplies and equipment, involvement in educational and outreach programs, and general support towards medical research and development were all insufficient. This result suggests that healthcare missions are not common among MFIs in Kenya, an observation Leatherman et al. (2013) confirm to be true. According to the researchers, despite being a new-find role of MFIs, the pursuit of healthcare-related missions is underwhelming.

Inferential statistics suggest a positive and significant correlation between healthcare missions and microfinance performance. In other words, seeking healthcare-oriented practices translates positively into the performance of MFIs in Kenya. This finding is in support of the institutional theory which holds that the institutional environment can strongly influence corporate governance often more profoundly than market pressures. Previous researchers incorporated the theory such as Brammer et al. (2012) and Pilato (2019) opine that social responsibility should serve as the interface between business and society. Others like Cha et al. (2023) confirmed that corporate philanthropy is a significant predictor of firm performance. Therefore, findings from this research further support institutional theory.

Moreover, the results of the study are consistent with previous literature (Inegbedion et al., 2022; Lin et al., 2021; Mas-Machuca et al., 2023; Galan-Ladero & Sánchez-Hernández, 2022) who all observed that healthcare initiatives improved firm performance. Healthcare missions benefit MFIs in multiple ways. For instance, they enhance brand image and reputation which plays a critical role in attracting customers, investors, employees, and other key stakeholders. Secondly, adopting health-related philanthropy activities improves community relations, contributing to creating a favorable business environment. Thirdly, these missions help cultivate stronger relationships with customers leading to improved revenues and profitability in the long run. Overall, according to Porter and Kramer (2012), charitable contributions towards improving community well-being are essential for a firm's competitive advantage both from social impact and economic fronts.

5.3.3 Sustainable Business Practices and Microfinance Performance

The third objective of the study was to determine the effect sustainable business practices have on the performance of MFIs in Kenya. Descriptive statistics indicated that research participants were unsure about the adoption of sustainability missions. In particular, they remained neutral on the adoption of clean energy initiatives, reuse and recycling practices, partnering with green suppliers, and collaborating with nonprofit entities that are aligned with their goals. However, the majority of them suggest the gradual transition towards going paperless for the purpose of minimizing waste and natural resources. Amid the ongoing climate change movement, many firms are deciding to go green. However, according to Allet (2014), many MFIs, due to their unique business model, refrain from engaging in sustainable practices because the decision would imply too many trade-offs on social and economic bottom lines.

Inferential statistics show that sustainable business practices have a positive and significant impact on microfinance performance. In other words, encouraging the adoption of the best practices for sustainability has a strong financial, social, and environmental impact. Therefore, this research rejected the null hypothesis. Further, the findings are in support of the legitimacy theory which proposes that a company's management practices in adopting "voluntary social and environmental disclosure of the information is part of the social contract that enables stakeholders to recognize its objectives and survive the turbulent

environment” (Schiopoiu Burlea & Popa, 2013). Put simply, strong environmental embeddedness reflects positively on microfinance performance.

The study’s results further correspond with those from previous researchers (Deb et al., 2023; Ayayi & Wijesiri, 2022; Horváthová, 2012; Muchiri, 2019). The dynamics between sustainability and MFI performance vary. Generally, as the likes of Ayayi and Wijesiri (2022) and Deb et al. (2023) suggest, firms enjoy various benefits of adopting environmental sustainability such as enhanced brand image, lower operational costs, higher stakeholder engagement, and improved employee satisfaction. For example, promoting energy efficiency solutions, waste reduction, and renewable resources have long been proven to save huge sums of money on materials, utilities, and disposal costs, translating positively to profitability. A stronger brand image can also attract and retain investors, customers, and employees who can immensely contribute to the organization in the long run.

5.4 Conclusion

The study sought to determine the influence of social missions on the performance of MFIs in Kenya. Findings show that financial inclusion, healthcare missions, and sustainable business practices all have significant positive effects on the performance of MFIs. However, the degree of impact varies between the three social mission types; financial inclusion has the strongest effect of the three. It was also observed that financial inclusion, healthcare missions, and sustainable business practices explain 71.8% of microfinance performance in Kenya which is substantial. This research, therefore, concludes that financial inclusion, healthcare missions, and sustainable business practices are significant predictors of the performance of MFIs in Kenya.

5.5 Recommendations

The interest in microfinance as an instrument of poverty alleviation and its role in economic development has grown in the last few decades. It has widely been believed that the microfinance sector reduces poverty and helps elevate the socioeconomic status of the less privileged populations. However, in many cases, MFIs fail to live up to this promise due to a number of factors such as poor-quality loan portfolio, lack of sufficient and affordable capital, high operating costs, and high credit risks, issues emanating from the business

model these institutions adopt. Fortunately, this research contributes to the ongoing microfinance performance literature by demonstrating ways MFIs can turn their situations around for the better.

This research study confirms that investing in social missions reflects positively on microfinance's overall performance. In other words, financial inclusion, healthcare missions, and sustainable practices have a significantly favorable effect on MFI's triple bottom line. This is important because the pursuit of social missions essentially aligns with the strategic role of MFIs in society. Therefore, MFIs with the goal of producing stronger overall performance should strategize around financial inclusion, healthcare missions, and sustainable business practices needs. It is also worth noting that due to the varying degree of impact between the three social missions, MFIs should focus more on financial inclusion goals because of its effect.

5.6 Limitations of the Study

A major shortcoming experienced in completing the study was accessing the target participants, i.e., employees who hold managerial positions in the 43 MFIs. Therefore, due to their expanded responsibilities, expectations, and workplace dynamics, they have extremely busy schedules. It was difficult to access and get them to participate in the survey. As such, the data collection process involved a frustrating process of appointment cancellations and often repeated rescheduling of appointments to make sure a sufficient response rate was achieved.

5.7 Areas for Further Research

This research is a remarkable contribution to microfinance literature. However, there are still areas for further research. For instance, this research only focused on three social missions: financial inclusion, healthcare missions, and sustainable business practices. Even though these three explain 71.8% of microfinance performance, it is important to explore other social missions and how they interact with the performance of MFIs in Kenya. It is also worth noting that this research took into consideration the trends of social missions at the time of the study. Since the dynamics of financial inclusion and sustainability are always changing, it would be wise to explore emerging trends in the future.

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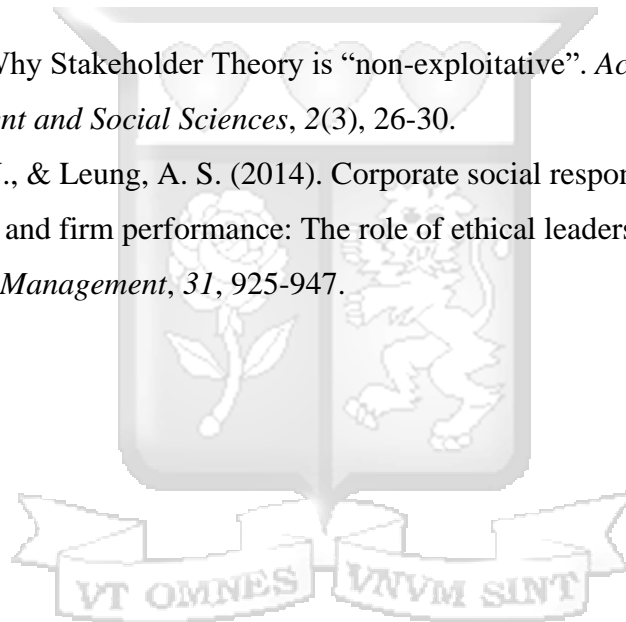
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APPENDICES

Appendix I: Letter of Introduction

I am the undersigned, currently undertaking a master's degree in business administration. at Strathmore Business School. I am conducting a study that involves collecting data for writing and compiling the final thesis as a partial requirement for the award of the degree. The research entails a study of the influence of Social Missions on the social and financial performance of Microfinance Institutions. The information collected will be used solely. for academic purposes and will be handled with utmost confidentiality. Please direct any enquiries to: Catherine Wangui at katewanguig@gmail.com



Appendix II: Letter of Consent

Dear Respondent,

I am reaching out to you to request your participation in my research project titled Investigating the Influence of Social Missions on the Performance of Microfinance Institutions in Kenya. All information collected during this research will be kept strictly confidential. Your identity will be anonymized, and the data will be used solely for the purpose of this research project.

Your cooperation will be highly appreciated.

Kind regards

Catherine Wangui



Appendix III: Questionnaire

This questionnaire aims to collect data on the effect of social missions on the performance of microfinance institutions in Kenya. This survey is being conducted as part of the fulfillment of the degree of Master of Business Administration (MBA) at Strathmore University. As such, it is purely for academic purposes. Your participation is voluntary and the responses you provide shall remain confidential. The survey shall not collect any personally identifiable information.

Read each question carefully and answer by ticking against the most appropriate answer.

PART A: GENERAL INFORMATION

1. What is your gender?

Male

Female

2. What is your age?

Under 30 years

21-40 years

41-50 years

Above 50 years

3. What is your highest level of Education?

Certificate

Diploma

Undergraduate

Postgraduate

Other

4. What is your management level

Top Level Management

Middle Level Management

Low-level Management

5. How many years of experience do you have in the microfinance industry?

Less than 1 year

1-5 years

6-10 years

11 years and above

6. Name of the Microfinance Institution (optional).....

7. Type of Microfinance Institution

Wholesale Microfinance Institutions

Microfinance Bank

Credit-only microfinance institution

Bank

PART B: FINANCIAL INCLUSION

This section seeks your opinion regarding financial inclusion in your organization. Indicate your level of agreement on the following statement on financial inclusion in your organization. Note: 1=Strongly disagree, 2=disagree, 3=neutral, 4=agree, 5=strongly agree.

	1	2	3	4	5
I am of the view that my organization offers affordable credit to its clients.					
From my perspective, clients in my organization benefit from interest in savings.					
I am of the opinion that my organization offers easy and convenient payment options.					
In my opinion, my organization has a robust network of agents that enhances the accessibility of financial services.					
I believe that my organization is actively involved in disbursing loans and financing micro, small, and medium enterprises.					
Other _____					

PART C: HEALTHCARE MISSION

This section seeks your opinion regarding the healthcare mission of your organization. Indicate your level of agreement on the following statement on the healthcare mission in your organization. Note: 1=Strongly disagree, 2=disagree, 3=neutral, 4=agree, 5=strongly agree.

	1	2	3	4	5
--	---	---	---	---	---

In my opinion, the medical donations my organization makes to society are sufficient.					
I strongly believe that my organization's sponsorship and support for medical missions are sufficient.					
I think that the donations in the form of medical supplies, equipment, and facilities from my organization towards healthcare missions are sufficient.					
As I see it, my organization's involvement in health education outreach programs on nutrition, exercise, substance abuse, etc. is sufficient.					
The funding and general support from my organization towards medical research and development in critical areas is sufficient.					
Other _____					

PART D: SUSTAINABLE PRACTICES

This section seeks your opinion regarding sustainable business practices in your organization. Indicate your level of agreement on the following statement on sustainable business practices in your organization. Note: 1=Strongly disagree, 2=disagree, 3=neutral, 4=agree, 5=strongly agree.

	1	2	3	4	5
In my judgment, clean energy initiatives adopted by my organization are sufficient.					
According to me, the best practices for reuse and recycling promoted by my organization are sufficient.					

From my standpoint, the measures my organization takes to ensure it chooses and works with green suppliers and partners are plausible.					
It seems to me that our organization is going paperless for the purpose of minimizing waste and conserving natural resources.					
It is my belief that my organization partners with nonprofit organizations that align with its sustainability goals.					
Other _____					

PART E. PERFORMANCE OF MICROFINANCE INSTITUTION

This section seeks your opinion regarding the performance of your organization. Indicate your level of agreement on the following statements on social, financial, and environmental performance in your organization. Note: 1=Strongly disagree, 2=disagree, 3=neutral, 4=agree, 5=strongly agree.

	1	2	3	4	5
As I see it, my organization plays an active role in promoting financial inclusivity, especially women empowerment.					
From my point of view, my organization contributes to improving community healthcare outcomes as part of its social mission.					
I strongly believe that my organization makes a substantial impact in alleviating poverty in society.					

I think that the incorporation of social missions positively influences the return of assets in my organization.					
In my understanding, the inclusion of social missions impacts the return on equity in my organization.					
I am of the strong opinion that social missions enhance the profitability of my organization.					
I believe that the integration of social missions influences the operational sustainability of my organization.					
I am of the opinion that our sustainable practices have helped minimize the emissions of greenhouse gases.					
I am under the impression that my organization's commitment to sustainability has seen a reduction in waste generation.					
I can ascertain that our commitment to social missions has helped us become more energy efficient.					
Other _____					

Thank you for your time and input.

Appendix IV: List of Microfinance Institutions

Banks

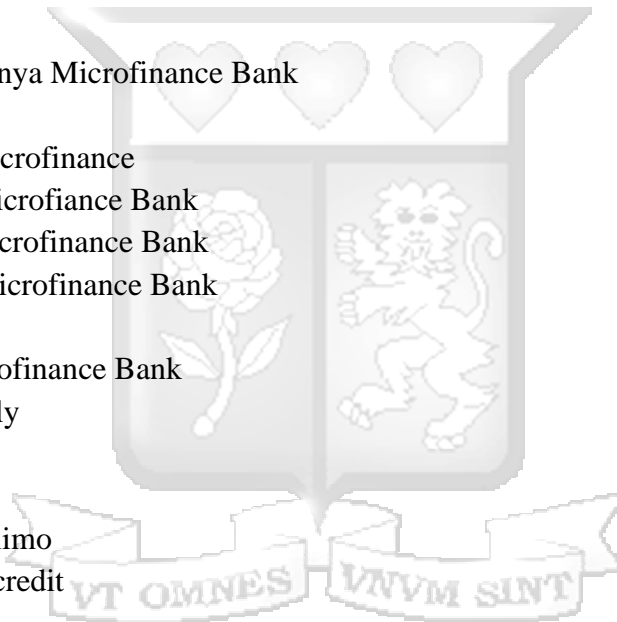
1. Cooperative
2. Postbank

Wholesale MFIs

1. MESPTY
2. Soluti Finance East Africa
3. Oiko Credit

Microfinance Banks

1. Kwft Microfinance
2. Rafiki
3. Faulu
4. LOLC Kenya Microfinance Bank
5. Branch
6. Sumac Microfinance
7. Caritas Microfiance Bank
8. Daraja Microfinance Bank
9. Maisha Microfinance Bank
10. Sanlam
11. U&I Microfinance Bank
12. Credit Only
13. Zenka
14. Yehu
15. Juhudi Kilimo
16. Platinum credit
17. Musoni
18. Habitat for Humanity
19. Select Financial Services
20. Real people
21. Fincredit
22. Greenland Fedha
23. Neema Heep
24. Hazina Trust
25. Moneyworth Investmets Ltd
26. Premier credit
27. Spiring board capital
28. Progressive credit
29. Longitude Finance



-
30. Jiweze
 31. Asa international
 32. Kipepeo solutins
 33. Liberty afrika
 34. Diversity Microcredit Ltd
 35. Mycredit
 36. Pawdep
 37. Momentum credit

Sacco-Non

Development institutions

1. Swiss contact

Source: (AMFI, 2023)



Appendix V: Ethics Approval



23rd April 2024

Mrs Wangui Catherine,
catherine.wangui@strathmore.edu

Dear Mrs Wangui,

RE: Social Mission for Microfinance Institutions: Influence of Social Missions on Social and Financial Performance of Microfinance Institutions in Kenya

This is to inform you that SU-ISERC has reviewed and approved your above SU-masters research proposal. Your application reference number is SU-ISERC2126/24. The approval period is from 23rd April 2024 to 22nd April 2025.

This approval is subject to compliance with the following requirements:

- i. Only approved documents including (informed consents, study instruments, MTA) will be used.
- ii. All changes including (amendments, deviations, and violations) are submitted for review and approval by SU-ISERC.
- iii. Death and life-threatening problems and serious adverse events or unexpected adverse events whether related or unrelated to the study must be reported to SU-ISERC within 72 hours of notification.
- iv. Any changes anticipated or otherwise that may increase the risks or affected safety or welfare of study participants and others or affect the integrity of the research must be reported to SU-ISERC within 72 hours.
- v. Clearance for the export of biological specimens must be obtained from relevant institutions.
- vi. Submission of a request for renewal of approval at least 60 days prior to the expiry of the approval period. Attach a comprehensive progress report to support the renewal.
- vii. Submission of an executive summary report within 90 days of completion of the study to SU-ISERC.

Before commencing your study, you will be expected to obtain a research license from National Commission for Science, Technology, and Innovation (NACOSTI) <https://research-portal.nacosti.go.ke/> and obtain other clearances needed.





Yours sincerely,

A handwritten signature in blue ink, appearing to read "Ambrose Rachier".

Mr Ambrose Rachier,
Chairperson; SU-ISERC



Appendix VI: Nacosti License

 REPUBLIC OF KENYA	 NATIONAL COMMISSION FOR SCIENCE, TECHNOLOGY & INNOVATION
RefNo: 141584	Date of Issue: 06/May/2024
RESEARCH LICENSE	
	
This is to Certify that Ms. Catherine Wangui Wangui of Strathmore University, has been licensed to conduct research as per the provision of the Science, Technology and Innovation Act, 2013 (Rev. 2014) in Nairobi on the topic: INFLUENCE OF SOCIAL MISSIONS ON THE PERFORMANCE OF MICROFINANCE INSTITUTIONS IN KENYA for the period ending : 06/May/2025.	
License No: NACOSTI/P/24/35166	Director General
Applicant Identification Number 141584	NATIONAL COMMISSION FOR SCIENCE, TECHNOLOGY & INNOVATION
	Verification QR Code
	
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