ABSTRACT
Women, unlike men, earn smaller amounts of income which are mostly utilized to address day-to-day household expenditures. Women have for a long time been marginalized despite the significant role they play in the socio-economic development. Countries which have laid down and implemented strategies on empowering women have witnessed great improvements in their development and growth. However, in Kenya, women marginalization has resulted in their financial disempowerment. The study sought to analyze the influence of financial risk management on financial empowerment of women. The Ford financial empowerment model and the theory of planned behaviour guided the study. A descriptive survey research design was adopted. The study employed a quantitative approach. The target population constituted members of registered women self-help groups (SHGs) in Kenya. The accessible population comprised 150 registered WSHGs in Nakuru East Sub-County. A sample of 74 respondents was drawn from the sampling frame using stratified random sampling technique. A structured questionnaire was used to aid data collection. The questionnaire was subjected to both validity and reliability tests. The data collected were analyzed with the assistance of the Statistical Package for Social Sciences (SPSS) Version 24 software. Data analysis involved both descriptive and inferential statistics. The results of the analysis were presented in tables and were duly interpreted in line with the study objective. The study revealed that 17.1% of the variance in financial empowerment was as a result of financial determinants. It was concluded that financial risk management was an important determinant of financial empowerment of women.


INTRODUCTION
According to Revenga and Shetty (2012), a couple of years ago, women faced myriad of challenges and socio-economic barriers that hindered them from competing and approaching to issues on an equal footing as men. However, around the world, the place of women and girls in the society has tremendously improved. Yet, regardless of the aforementioned gains, there still exists huge gender gaps. It is stated that virtually everywhere in the world, women earn less and are also less economically and financially empowered than men. A report by the Word Bank (2011) on gender equality and development states that the mentioned gender gaps can only be bridged through requisite policy formulation and implementation. This is due to the assertion that
when there is greater gender equality, economic productivity is bound to be enhanced (Revenga & Shetty, 2012).

According to Adema et al (2014), there is global evidence particularly, from OECD countries that supports the hypothesis that when economic empowerment of women is enhanced through improvement of leadership and entrepreneurship, the effect would be economic growth, job creation and prosperity. In OECD (Organization for Economic Co-operation and Development) countries such as China, the government has taken the initiative of ensuring that the pool of women graduating with degrees in sciences, technology, entrepreneurship, and management (STEM) is increased. The foretasted specialties are relatively in high demand in the labour market and are among the best paying fields. Therefore, they are critical to the economic empowerment of women.

In South Africa, there are microfinance-based interventions that have been adopted to empower women (Kim et al., 2007). These interventions are popularly christened Intervention with Microfinance for AIDS and Gender Equity (IMAGE). In this regard, microfinance is aimed at advancing credit facilities and savings services to the poor, especially women in rural areas, for income-generating activities and projects. It is asserted that besides providing economic benefits, microfinance is likely to be an avenue for empowering women financially and socially. In concurrence with Kabeer’s (2001) assertion, the nexus between microfinance and women empowerment is quite complex. As such, the benefits accruing from microfinance cannot be assumed in all contexts. This argument is founded on the fact that, for instance, advancing credit facilities to women does not necessarily guarantee their control on how to use it, and the pressure to service the loans could aggravate the hitherto burden on shoulders of impoverished women.

In Kenya, much of financial empowerment of women is through microfinance with the Kenya Women Finance Trust (KWFT) being the leading financial institution that empowers women by lending them affordable loans (Mjomba, 2011). It is further postulated by the DAC Network on Gender Equality (GENDERNET) that in Kenya the United States Agency for International Development (USAID) has a kitty of approximately US$ 12.9 million which stimulates lending in the small and medium enterprises (SME) sector specifically targeting the undeserved clientele who ordinarily lack collateral to secure credit facilities from mainstream lending institutions. In relation to the USAID facility, there is strong emphasis on extending credit to women-owned and/or women-run businesses (GENDERNET, 2011).

**Statement of the Problem**

Empowerment of the local population particularly women, has dominated the agenda of the United states for a very long time as highlighted by the third millennium development goals (United Nations, 2000) The Millennium Development Declaration has put into charge the member countries to promote gender equality and the empowerment of women as an effective way of eradicating poverty, hunger and diseases in order to stimulate development that is truly sustainable. Globally, 50% of women are in vulnerable jobs that pay little and can disappear without warning and gender wage gaps are still on average between 10% and 30% (World Economic Forum, 2010). According to the World Bank (2017), women play a crucial role in
economic development since they enhance the growth and create jobs especially for the poorest, 40% of the global populace. Putting women in special categories separates them from men and this is a form of marginalization (Wade, 2011). Marginalization and lack of empowerment are discussed in the same context. The marginalization of women in Kenya is justified by the fact that they (women) are categorized alongside other marginalized groups such as the youth and the persons living with disabilities (Republic of Kenya, 2010). Countries which have laid down and implemented strategies on empowering women have witnessed great strides in their development and growth. However, in countries like, Kenya, women marginalization has resulted in their disempowerment especially, financial disempowerment.

The fact that most elective leadership positions seem to be a preserve of men, largely indicates the incapacity of women to marshal requisite financial resources that could otherwise enable them effectively compete for the aforementioned positions. Moreover, women run far fewer businesses compared to their male counterparts, and their enterprises are mostly small and micro. The foregoing is a clear indication of lack of financial empowerment among women. Women own fewer assets which they can use as collateral when applying for credit facilities. This implies that women face greater challenges in accessing secured loan facilities; a fact that compounds their financial disempowerment. Against this backdrop, therefore, this study is necessitated with the ultimate objective of examining various financial determinants that influence financial empowerment of women in Nakuru East Sub-County.

Objective of the Study
The objective of the study was to examine the influence of financial risk management on financial empowerment of women in Nakuru East Sub-County

Research Hypothesis
H$_0$: There is no statistically significant influence of financial risk management on financial empowerment of women.

Theoretical Review
This section presents theories and models pertinent to financial determinants and financial empowerment. The theory of planned behaviour and Ford financial empowerment model and theory of planned behaviour are reviewed.

**Ford Financial Empowerment Model**
The Ford financial empowerment model (FFEM) was developed by Ford alongside his compatriots, Baptist and Archuleta (Ford, Baptist & Archuleta, 2011). The model is an integrative approach to financial therapy whereby it brings together renowned theoretical models that employed in family therapy with basic financial counseling methods, with the intent of facilitating the development of financial success and empowerment. The model is founded on two premises. These two theoretically-driven psychotherapy approaches include cognitive-behavioural and narrative therapies. These approaches are integrated with both financial education and skill development (Ford, 2014).

It is asserted that in spite of the fact that financial therapy has been conceptualized as the integration of cognitive, behavioural, emotional, relational, and economic facets of financial
health, it is quite difficulty for people with financial needs to get assistance from financial planners (Ford, Baptist & Archuleta, 2011). This is founded on the assertion that such planners have very minimal, if any, training in respect of emotional and relational factors related to finances (Klontz, Kahler & Klontz, 2008). It is further postulated that financial professionals may lack requisite theoretical grounding in dealing with clients who have financial behavioural challenges (Archuleta & Grable, 2010). In the same vein, it is postulated that mental health professionals trained to deal with emotional and relational issues may lack training on financial issues.

In respect of financial empowerment among women, the FFEM could be employed to illustrate the requirements of County Government officials tasked with inculcating financial training in women. This implies, the said officials are supposed to be well equipped with both conventional financial professionalism and mental health understanding of their women clients. This will in turn enable them to impart the necessary financial understanding amongst women and ultimately result in enhanced women empowerment at county levels.

**Theory of Planned Behaviour (TPB)**

The theory was proposed by Ajzen (1985). It emerged from the theory of reasoned action which was developed by Ajzen and Fishbein (1980). The theory of planned behavior opines that the individual’s behavioral intentions and behavior are pegged on attitude toward behavior, subjective norms and perceived behavioral control. According to Ajzen (1991), the individual’s behavior is predicted by individual’s intentions, subjective norms and individual perception of their control. Individual’s intentions are determined by the attitudes about the behavior. The subjective norms are a person’s perception of other people’s beliefs that should or should not perform the behavior. Therefore, the theory explains the behavior over which people have the behavioral control to exert self-control. The behavioral achievement is dependent on intention which is called motivation and behavioral control which is called the ability.

According to LaMorte (2018), TPB has six variables that explain a person’s actual control over the behavior. These are attitude; which is extent to which a person has a favorable or unfavorable evaluation of the behavior of interest, behavioral intention; that represent the drive or motivation towards a given behavior, subjective norms; which are the beliefs about whether a particular behavior will be approved by peers or people, social norms; these are the codes of behavior characterized by a particular group in a given culture, perceived power; which are the perceived factors that may enhance or impede execution of a behavior, perceived behavioral control; which is considered as the perception of an individual of the ease or difficulty of performing a behavior.

The theory of planned behavior has been applied in various disciplines such as academic misconduct in educational institutions (Kisamore, Jawahar & Stone 2010) and health sector in understanding hormone replacement therapy (Quine & Rubin, 1997). The theory has had its share of criticisms and assumptions. The theory assumes that an individual has acquired the opportunities and resources to be successful in performing the behavior of interest regardless of the intention. The theory does not incorporate other factors into behavioral intentions such as threat or past experience, normative influences such as environmental or economic factors.
Furthermore, it does not give time frame between intent and behavioral action and does not expound on actual control over behavior (LaMorte, 2018). Theory of planned behavior explains on the motivation behind performing a behavior. The theory can be used to ensure financial literacy among women. The perceived power postulated in TPB can motivate more women to be financially literate and therefore, be more empowered. The attitude towards women who are financially literate can influence behavior and intention of more women to be financially literate.

Empirical Review
This section presents past empirical studies that have been conducted in light of various financial interventions and financial empowerment. In particular, the reviewed studies revolve around financial risk management in line with women financial empowerment.

Financial Risk Management and Financial Empowerment of Women
Early and Carli (2007) explain that the demands of family life, leading to underinvestment in social capital at the higher tiers of the office, acts as a barrier to entry for women to leadership and management. They also add that stereotypical perceptions of male and female leadership hinder. For instance, more people consider men to be better than women at negotiating profitable deals and taking risks.

Within the context of effective management, Gandz and Seijts (2013) explain that being able to handle risk well is one of the qualities of a good leader. Executives are increasingly considering risk management to be significant in today’s dynamic world (KPMG, 2013). In addition, several studies have found a positive and significant relationship between effective risk management and firm performance (Damodaran, 2007; McShane et al., 2014; Walls, 2005).

Men and women have been found to assess risk differently, with women being, on average, more risk-averse than men due to factors like discrepancies in confidence levels and emotional responses (Byrnes et al., 1999). Nevertheless, studies show that such gender differences in risk perception and behavior is small or non-existent between men and women in management and other professional roles (Atkinson et al., 2003; Johnson and Powell, 1994). These differences might have been due to discrepancies in economic opportunities like education, experience, wealth and so on.

Conceptual Framework
A conceptual framework as shown in Figure 1 is an expression that seeks to explain the study variables and their presumed relationships in a diagrammatic illustration and/or through a narrative. The conceptual framework (Figure 1) depict independent (predictor) variable which is financial risk management. The framework also illustrates financial empowerment of women as the dependent variable. The framework hypothesizes that the mentioned predictor variable is one of the financial determinants that would potentially influence financial empowerment among women.
RESEARCH METHODOLOGY

Research Design
A research design creates a platform upon which the study is carried out. According to Kothari (2008), it is the roadmap that guides the entire research. This implies that outcome of a given study are subject to the type of research design adopted. In the context of this study a descriptive survey research design was adopted. This was informed by the assertion that the study was conducted at a particular point in time or over a stipulated period of time and included a relatively large number of respondents. The study in addition employed a quantitative approach whereby the data collected and subsequently analyzed were numerical.

Target Population
According to Kothari (2004), target population describes an aggregate of subjects that share similar or related character traits. It is also the population to which the findings of the study are always intended to apply. In the present context, the target population constituted members of registered women self-help groups (SHGs) in Kenya. Accessible population is defined as a subset of the target population which a researcher can practically manage to reach with the limited logistics. In the same vein, the study was narrowed down to an accessible population that comprised the one representative of each of the registered 150 self-help groups in Nakuru East Sub-County.

Sampling Technique
Sampling technique refers to the method that is applied to obtain the sampled respondents from the study population or sampling frame. In this study and subject to the number and distribution of respondents, simple random sampling technique was adopted. According to Kothari (2004) simple random sampling technique is used when the sampled respondents are homogeneous in their nature or number. In the context of the present study, there was equal distribution of membership of registered WSHGs across Nakuru East Sub-County since only representative was picked in each group. Therefore, simple random sampling was used.

A sample is defined as a subset of the study population and is ordinarily necessitated when the study population is relatively large as it is the case in the present study (Kothari, 2004). In this
study, the formula by Nassiuma (2008) was employed to determine the sample size as outlined below.

\[ n = \frac{NC^2}{C^2 + (N - 1) e^2} \]

Where:

- \( n \) = Sample size
- \( N \) = Study population
- \( C \) = Coefficient of variation (21% ≤ C ≤ 30%)
- \( e \) = Precision level (2% ≤ e ≤ 5%)

Therefore;

\[
n = \frac{150 \times 0.3^2}{0.3^2 + (150 - 1) 0.025^2} \\
n = 73.72 \\
n = 74 \text{ respondents}
\]

According to the calculation shown above, the sample population constituted 74 respondents who will equal WSHGs.

**Research Instrument**

A research instrument is described as a tool that aids in data collection. There are various tools that can be used in various studies depending on the research design, research approach, distribution of respondents, and literacy level of respondents among other key facets. According to Mugenda and Mugenda (2003), in survey studies, the most suitable data collection tools are research questionnaires. In this respect and given that this study adopted a survey research design, a structured questionnaire was employed to facilitate data collection. The questionnaire was structured as supported by the fact that the study adopted a quantitative approach where the data collected were numerical.

**Pilot Testing**

A pilot study is a minor feasibility study that is purposed to determine the practicability of carrying a given research study in addition to establishing probable weaknesses in the data collection tool. The pilot study was conducted in Nakuru West Sub-County where about 8 respondents (10% of n) were randomly selected from registered WSHGs. In the context of the present study, the rationale of carrying out a pilot test was to identify whether or not the research questionnaire was having any weaknesses and to take the necessary measures to address them. This latter procedure of establishing the presence, if any, of weakness in the questionnaire was achieved by conducting both validity and reliability tests on the instrument.

According to Kimberlin and Winterstein (2008), validity testing is conducted in order to assess the extent to which a given data collection tool is able to facilitate collection of the purported data. In this study, the content validity was determined by consulting the university supervisor whose opinion was considered sufficient in determining the instrument’s validity. It was postulated that content validity could not statistically be determined; rather expert opinion was sought to determine the validity of an instrument. Reliability is a test of the internal consistency of a research instrument. This implies that a
reliable instrument is able to facilitate collection of consistent data when administered on similar respondents drawn from different study populations. The study adopted the Cronbach’s alpha coefficient (α) to test the reliability of the research questionnaire. The use of this method was largely informed by the fact that research instrument was employed to aid in collection of data on a Likert scale. The study sought to ensure that all the study constructs constituting the research questionnaire returned alpha coefficient at least equal to 0.7 (α ≥ 0.7). As shown in Table 1 all the study constructs were found to be reliable since the alpha coefficients were greater than 0.7.

Table 1: Reliability Testing

<table>
<thead>
<tr>
<th>Variable</th>
<th>No of Items</th>
<th>Cronbach’s Alpha Coefficient</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial risk management</td>
<td>6</td>
<td>0.81</td>
</tr>
<tr>
<td>Financial empowerment</td>
<td>5</td>
<td>0.78</td>
</tr>
</tbody>
</table>

**Data Processing and Analysis**

The first step involved cleaning the data collected from the field. Data cleaning encompassed elimination of outliers which were often occasioned by non-responses or inappropriately filled data collection instruments. In this respect, therefore, the research scrutinized all the filled questionnaires to ensure that only the ones that were completely filled (have no non-responses) and filled according to instructions were used in the data processing and analysis. With the assistance of the Statistical Package for Social Sciences (SPSS) Version 24 software, the data collected were analyzed using both descriptive and inferential statistics. Descriptive statistics included frequencies, percentages, means, and standard deviations. On the other hand, inferential statistics encompassed Pearson’s correlation analysis and multiple regression analysis. The regression model that was adopted is as shown below. The results of the analysis were presented in tables and were duly interpreted in line with study objectives. The regression model was used to establish the relationship between the independent variable (financial challenges) and dependent variable (financial empowerment). The regression model was illustrated as follows:

\[ Y = \beta_0 + \beta_1 X_1 + \epsilon \]

Where

- \( Y \) represents ‘Financial Empowerment’
- \( \beta_0 \) represents Constant
- \( X_1 \) represents ‘Financial risk management’
- \( \epsilon \) represents ‘Error Term’
- \( \beta_1 \) represents ‘Regression Coefficient of the Independent Variable’

**RESULTS**

**Response Rate**

A total of 74 questionnaires were administered on the sampled representatives of registered women self-help groups in Nakuru East Sub-County. Sixty-four questionnaires were filled and
returned. This was equivalent to 86.49% questionnaire return rate. This rate was considered to be suitable since it was above the recommended threshold of 75% (Nulty, 2008).

**Descriptive Results**

The views of the respondents in relation to financial literacy or training and financial empowerment were sought and critically analyzed.

**Descriptive Results for Financial Risk Management**

The descriptive results indicated in Table 2 are in relation to financial risk management.

**Table 2: Descriptive Statistics for Financial Risk Management**

<table>
<thead>
<tr>
<th></th>
<th>n</th>
<th>SA</th>
<th>A</th>
<th>NS</th>
<th>D</th>
<th>SD</th>
<th>Mean</th>
<th>Std. Dev.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Most women in our group only have informal savings mainly with</td>
<td>64</td>
<td>25.0</td>
<td>37.5</td>
<td>3.1</td>
<td>18.8</td>
<td>15.6</td>
<td>3.38</td>
<td>1.438</td>
</tr>
<tr>
<td>the group</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>There are no women in our group who keep internal controls in</td>
<td>64</td>
<td>9.4</td>
<td>40.6</td>
<td>25.0</td>
<td>21.9</td>
<td>3.1</td>
<td>3.31</td>
<td>1.019</td>
</tr>
<tr>
<td>their business operations</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Women in our group know the practices and procedures to apply in</td>
<td>64</td>
<td>12.5</td>
<td>37.5</td>
<td>9.4</td>
<td>25.0</td>
<td>15.6</td>
<td>3.06</td>
<td>1.328</td>
</tr>
<tr>
<td>the mitigation of risk in their businesses</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Most women in our group have diversified their savings in</td>
<td>64</td>
<td>12.5</td>
<td>15.6</td>
<td>15.6</td>
<td>40.6</td>
<td>15.6</td>
<td>2.69</td>
<td>1.268</td>
</tr>
<tr>
<td>different financial institutions</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Most women in our group are aware of the importance of</td>
<td>64</td>
<td>3.1</td>
<td>25.0</td>
<td>18.8</td>
<td>37.5</td>
<td>15.6</td>
<td>2.62</td>
<td>1.117</td>
</tr>
<tr>
<td>maintaining adequate liquidity in their businesses</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Most women in our group have maintained investment guidelines</td>
<td>64</td>
<td>6.3</td>
<td>15.6</td>
<td>21.9</td>
<td>43.8</td>
<td>12.5</td>
<td>2.59</td>
<td>1.091</td>
</tr>
<tr>
<td>to increase their business growth</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The study sought the views of members of registered women self-help groups in relation to financial risk management, and also in the context of financial empowerment of women in registered women self-help groups in Nakuru East Sub-County. Their responses are summarized in Table 4.8. It was discovered that most (62.5%) of the respondents acceded that most women in the groups only had informal savings mainly with the groups. Despite that 65.6% of the respondents agreed that there were no women in the groups who kept internal controls in their business operations, 25.0% disagreed with the opinion. More so, 50.0% consented that women in the groups knew the practices and procedures to apply in the mitigation of risk in their businesses, although, 40.6% disputed the assertion. It was also noted that 28.1% admitted that most women in the groups had diversified their savings in different financial institutions whilst 56.2% were in disagreement with the view. A substantial number (18.8%) of respondents were indifferent of the argument that most women in the groups were aware of the importance of maintaining adequate liquidity in their businesses. On the same line, 53.1% disagreed with the view while 28.1% concurred with the opinion. The study altogether noted that majority (56.3%)
of the respondents disagreed that most women in the groups had maintained investment
guidelines to increase their business growth, similarly, 21.9% admitted to the claim. A similar
number (21.9%), however, were unsure of this assertion.

It was furthermore demonstrated that, generally, respondents were indefinite of the notions that
most women in the groups only had informal savings mainly with the groups (mean = 3.38); and
that there were no women in the groups who kept internal controls in their business operations
(mean = 3.31). The respondents showed differing pattern in their responses regarding the
aforesaid notions (std dev > 1.000). Moreover, the respondents were unsure of the arguments that
women in the groups knew the practices and procedures to apply in the mitigation of risk in their
businesses (mean = 3.06); and that most women in the groups had diversified their savings in
different financial institutions (mean = 2.69). The respondents’ views on the stated opinions were
diverse (std dev > 1.000). Moreover, respondents were ambiguous of the statements that most
women in the groups were aware of the importance of maintaining adequate liquidity in their
businesses (mean = 2.62); and that most women in the groups had maintained investment
guidelines to increase their business growth (mean = 2.59). Their opinions in respect of the
aforementioned assertions were also divergent (std dev > 1.000).

Descriptive Results for Financial Empowerment
The results for financial empowerment depicted in Table 3 below indicate that most (71.9%) of
the respondents admitted that women in the groups enjoyed high degree of financial security.
Further, it was further 56.3% concurred that the general financial wellbeing of the groups’
members had significantly improved over the past one year, nonetheless, 25.0% disagreed with
the opinion. Additionally, more than half (56.3%) of the study respondents agreed that most of
the groups’ members were able to finance most of their personal and households needs and
obligations, though, 34.4% disagreed on the proposition. The majority (43.7%) of respondents
also agreed that the group members had successfully purchased vast assets over the past one
year, nevertheless, 21.9% disputed the notion. A number of respondents (28.1%) concurred that
women from the group were hardly able to make strong financial decisions, in contrast, 56.9%
disagreed with the foregoing view.

The study discovered that respondents were in agreement that women in the groups enjoyed high
degree of financial security (mean = 3.91). The respondents, however, also displayed
dissimilarity in responding to the stated assumption (std dev > 1.000). In addition to the
foregoing, respondents were unclear regarding the views that the general financial wellbeing of
the groups’ members had significantly improved over the past one year (mean = 3.47); and that,
most of the group members were able to finance most of their personal and households needs and
obligations. In the same vein, their responses to the opinions put forward were heterogeneous (std
dev > 1.000). Study respondents were generally indifferent of the assertions that the groups’
members had successfully purchased vast assets over the past one year (mean = 3.34); and that
women from the group were hardly able to make strong financial decisions (mean = 2.84). More
so, the responses views on the stated opinions were also diverse (std dev > 1.000).

Table 3: Descriptive Statistics for Financial Empowerment
Women in our group enjoy high degree of financial security

The general financial wellbeing of our group members has significantly improved over the past one year

Most of our group members are able to finance most of their personal and household's needs and obligations

Our group members have successfully purchased vast assets over the past one year

Women from our group are hardly able to make strong financial decisions

### Inferential Analysis

The inferential analysis relates to both correlation and regression techniques to determine the relationships between the independent and dependent variables. The correlation analysis was used to determine the existing relationship between financial literacy/training and financial empowerment. The multiple regression analysis was adopted to unearth the direction, extent of the relationship between the said variables on financial empowerment. The effect of the independent on dependent variable was also established.

### Results of correlation analysis

The study correlated the independent variable against the dependent variable to ascertain the existing relationship. Pearson Product Moment correlation was used. The related interpretations and discussions in respect of the foregoing were also provided.

### Relationship between Financial Risk Management and Financial Empowerment

The correlation between financial risk management and financial empowerment was ascertained. The results in Table 4.13 illustrated that the relationship between financial risk management and financial empowerment was positive and statistically significant at 99% confidence level ($r = 0.275; p < 0.05$). Therefore, enhancing financial risk management in self-help groups would potentially improve financial empowerment, more so, the improvement would be notable. To some extent, the nexus between risk averseness and lack of women empowerment has previously been addressed (Atkinson et al., 2003). This is contrary to the present study which investigated and established a significant relationship between financial risk management and financial empowerment of women.
Table 4: Correlation between Financial Risk Management and Financial Empowerment

<table>
<thead>
<tr>
<th>Financial Risk Management</th>
<th>Pearson Correlation</th>
<th>Sig. (2-tailed)</th>
<th>n</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>.275**</td>
<td>.007</td>
<td>64</td>
</tr>
</tbody>
</table>

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

Results of Regression Analysis

The study further established the extent of the influence of financial risk management on financial empowerment. The pertinent results are illustrated in Table 5, Table 6, and Table 7.

Table 5: Model Summary

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.275a</td>
<td>.076</td>
<td>.066</td>
<td>.60554</td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), Financial Risk Management

The results shown in Table 5 ($r^2 = 0.076$) indicate that only 7.6% of financial empowerment of women could be explained by financial risk management. The remaining proportion (92.4%) could be attributed to other factors which did not constitute the present study.

Table 6: Analysis of Variance

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Regression</td>
<td>2.818</td>
<td>1</td>
<td>2.818</td>
<td>7.686</td>
</tr>
<tr>
<td></td>
<td>Residual</td>
<td>34.468</td>
<td>94</td>
<td>.367</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>37.286</td>
<td>95</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), Financial Risk Management

b. Dependent Variable: Financial Empowerment

The results shown in Table 6 illustrated that the simple linear model which linked financial risk management to financial empowerment of women was statistically significant ($F = 7.686; p < 0.05$). The results underlined the fact that the model was suitable in analysing the influence of financial risk management on financial empowerment.

Table 8: Regression Coefficients

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
</tr>
<tr>
<td>1 (Constant)</td>
<td>2.704</td>
<td>.265</td>
</tr>
<tr>
<td>Financial Risk Management</td>
<td>.243</td>
<td>.088</td>
</tr>
</tbody>
</table>
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<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 (Constant)</td>
<td>2.704</td>
<td>.265</td>
<td>.</td>
<td></td>
</tr>
<tr>
<td>Financial Risk Management</td>
<td>.243</td>
<td>.088</td>
<td>.275</td>
<td>2.772</td>
</tr>
</tbody>
</table>

a. Dependent Variable: Financial Empowerment

The findings shown in Table 8 were employed to substitute the following simple linear regression model.

\[ Y = \beta_0 + \beta_1 X_1 + \varepsilon \]

\[ Y = 2.704 + 0.243 X_1 \]

The above results meant that if financial empowerment of women were to be increased by a single unit, then financial risk management was supposed to be raised by 0.243 unit while holding other factors constant as represented by \( \beta_0 = 2.704 \). The results of the t-statistics were used to test the null hypothesis which stated: There is no statistically significant influence of financial risk management on financial empowerment of women. The results of the t-statistics as shown in Table 8 indicated that the influence of financial risk management on financial empotement was statistically significant (t = 2.772; p < 0.05). Therefore, the null hypothesis was rejected.

DISCUSSION

In relation to financial risk management, it was observed that most women in the groups only had informal savings mainly with the groups and there were no women in the groups who kept internal controls in their business operations. However, it was revealed that women in the groups knew the practices and procedures to apply in the mitigation of risk in their businesses. It was disagreed that most women in the groups had diversified their savings in different financial institutions. It was also disputed that most women in the groups were aware of the importance of maintaining adequate liquidity in their businesses and that most members in the groups had maintained investment guidelines to increase their business growth. Further, it was observed that the relationship between financial risk management and financial empowerment was positive and statistically significant. Enhancing financial risk management in self-help groups would potentially improve financial empowerment in a significant way.

CONCLUSIONS AND RECOMMENDATIONS

It was concluded that no women in the surveyed groups kept internal controls in their business operations despite being cognizant with practices and procedures to apply in the mitigation of risks in their businesses. Notably, most women did not diversify their savings in different financial institutions, they had informal savings with the self-help groups. It was also concluded that the women members were not abreast of the essence of maintaining adequate liquidity in...
their business. The foregoing evidenced that woman members were exposed to financial risks in the businesses. It was further inferred for financial empowerment to be attained, financial risk management had to be fully incorporated by members of self-help groups in their businesses. It was recommended that it is paramount for the groups in Nakuru East Sub-County to assess probable financial risks that could affect the group in general and individual members. By so doing, the survival of member businesses would be enhanced and, therefore, enhancing financial empowerment of the members in the long run.

REFERENCES


