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Effect of Microfinance Practices on Growth of the Bodaboda Industry in Kenya; A Case of Kamukunji Sub-County

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Abstract

This research project aimed to analyze the effect caused by microfinance practices on the growth of the Boda Boda industry in Kenya (a case of the Kamukunji sub-county). A sample size of 150 out of 750 Boda boda riders of the target population in the Kamukunji sub-County, served as the basis for this study. The researcher used a descriptive study design with both qualitative and quantitative research methods being used. Questionnaires were used in data collection. The data was analyzed using statistical techniques such as regression analysis and descriptive statistics. Data was presented using bar graphs, pie charts, and tables to aid in effectively analyzing the results using SPSS software at 95% confidence level. Data was analyzed using tables and simple percentages for easy statistical inference; the hypothesis was tested using multivariate regression analysis. Findings from the study revealed that the interaction between loan accessibility, motorcycle ownership, microfinance training, and savings has surfaced as pivotal elements intricately interwoven into the fabric of industry expansion and empowerment specifically multiple regression results indicated that 91.9 percent of changes in growth are predicted by microfinance practices variables under study giving and the remaining percentage goes by other factors that are not in this study. Some of the recommendations drawn from the study are to enhance training initiatives, champion financial inclusion, foster motorcycle ownership and embrace microfinance education.

Keywords: Microfinance, Boda Boda, Loaning, Saving, Training, Kamukunji Sub-County, Kenya

1.0 Introduction

Transportation is a fundamental element of socioeconomic development. Transportation infrastructure and service facilities lay the foundation for facilitating trade and the unhindered movement of people and commodities. Historically, access to domestic and foreign trade was the only transportation purpose. Road transportation is the primary mode of motorized transportation on the continent, carrying 80% and 90% of goods and passengers, respectively, according to a 2008 report from the United Nations. According to the World Bank (2002), transportation helps people of a community to access possibilities for employment, health care, education, and basic food supplies. Boda boda, also known as motorcycle taxis, has been a popular mode of transportation in Africa for several decades. The origin of Boda boda is traced to the early 1960s on the border of Kenya-Uganda, where young men would use bicycles to transport people and goods for a fee. The need to transport people’s belongings across the border without the necessary paperwork for motor vehicle travel gave rise to the creation of this service. This started at the southern border and quickly spread to the northern border, Malaba Town in Kenya. Bicycle riders would cry "border-to-border" to attract customers, which gave the name "Boda boda" to the vehicle. The growth of Boda boda has impacted several economic sectors as a significant alternative mode of transportation (Heyen & Jurgen, 2006).

As the demand for transportation increased, these bicycles were replaced by motorcycles, and the Boda Boda industry was born. The Boda Boda industry has become an important part of Kenya's economy, providing employment opportunities for many people, particularly young men. Microfinance practices have demonstrated a favorable influence on the Boda Boda industry in Kenya. For example, a study published in the International Journal, specifically Business and Social Science, demonstrated that their access to microfinance services significantly impacted the development and longevity of Boda-boda firms. Microfinance practices have also been associated with increased financial inclusion and economic empowerment for Boda boda operators, Abera and Asfaw (2019). Microfinance is particularly effective in supporting small businesses in the informal sector, such as the transportation industry.

In Cameroon, microfinance institutions (MFIs) have offered microloans, savings accounts, and various other financial services to low-income households and microenterprises, such as bodaboda operators, which have enabled them to purchase motorcycles, carry out essential repairs and maintenance, and grow their businesses (Fon & Kinkela, 2019). This is due to microfinance's provision to access credit and other financial-related services. In addition to providing financial support, some MFIs in Cameroon have also offered Training and technical assistance to bodaboda operators, helping them to improve their business practices and increase their profitability. For example, some MFIs have provided Training in basic accounting, financial management, and customer service, among other topics.

In measuring the effect and the expansion of microfinance practices toward the growth of the Boda Boda industry, several measures can be used, including the number of Boda boda operators who have accessed microfinance loans, the amount of credit extended to Boda boda operators, and the change in the volume of goods and passengers transported by Boda bodas before and after accessing microfinance loans (Shahnaz et al., 2018). These measures can also be collected through surveys, interviews, and secondary data sources such as microfinance institution records. Their reliability and validity justify the choice of these measures. These measures have been used in previous studies on the Boda Boda industry and microfinance practices, which have established their validity and reliability. Moreover, these measures are practical and easy to collect, making them suitable for research in developing countries like Kenya, where resources may be limited. In conclusion, the conceptual perspective on the variables under study - the growth of the Boda Boda industry and microfinance practices - provides a framework for understanding the relationship between these two variables. The measures selected to capture these variables are reliable, valid, and practical and have been used in previous studies.

1.1 Statement of the Problem

The goal of the study was to investigate the effects of these practices on the growth of the Boda Boda transport industry in Kamukunji Kenya. Many people, especially in rural regions, can now find work thanks to the growth Boda boda industry. However, Boda Boda riders need to improve their attempts to grow their enterprises and improve their living conditions due to a need for more financial resources. The problem statement draws attention to the fact that Boda boda riders have restricted access to financing and suggests that microfinance institutions may provide a solution (Gichuki et al., 2014). Given the scarcity of literature on the topic, the issue statement highlights the necessity to investigate how microfinance practices have contributed to the growth of Kenya's Boda Boda transport industry. Microfinance practices may have contributed to the growth of the Boda Boda transport industry in Kenya, although little is known about this topic due to a lack of study (Munyanyi, 2014). The study's overarching goals are to clarify the role of microfinance practices in the growth of the Boda boda industry in Kenya and identify the most significant microfinance practices linked to this growth. The problem statement calls for research into the support of microfinance fostering the growth of Kenya's Bodaboda industry and identifying effective strategies.

1.2 Objective of the Study

To analyze the effects of Microfinance practices on the growth of bodaboda industry in Kenya.

1.3 Research Question

What are the effects of Microfinance practices on the growth of bodaboda industry in Kenya?

1.4. Research Hypothesis

H_o1: The impact of microfinance institution loans on the growth of the Bodaboda industry in Kenya is not significant.

2.1 Theoretical Framework

2.1.1 Financial Inclusion Theory

Viviana Zelizer (1997). The theory is based on the rationale that morally driven monetary and financial system expansions and changes have traditionally been linked to anti-poverty initiatives. Social reformers ultimately favored cash assistance for the poor over in-kind aid, hoping that requiring them to manage their finances would transform them into morally upright citizens. In support of this theory, Chakrabarty 2011; Sanderson Abel *et al.* (2018) reckon that the majority of financial service providers have procedures in place to ensure that everyone in society, especially weaker groups, and lower-income classes, has access to financial services and products they require at an accessible cost not only fair but also in a transparent manner.

In addition, United Nations-backed the creation of a financial system in 2006 that would give everyone access to various forms of credit, insurance, and other related financial services and choices for saving and payments. The theory helped the researcher to point out that the resources provided by microfinance will be shared equally by the well-off and the poor, the Bodaboda drivers, in this case, those who are included and excluded financially. Critiques of this theory argue that financial inclusion benefits the financial system and the broader economy rather than the poor and women (Ozili (2018); Swamy (2014); Kim et al. (2018); Mehrotra & Yetman (2015).

2.1.2 Information Asymmetry Theory

George Akerlof, Stiglitz, *et al.* (1970) information asymmetry theory. The idea holds that whenever two parties judge a transaction, one side will emerge with more information than the other (Matagu, 2018). It is pertinent to the research because it shows how information asymmetry causes a bank to generate gains or losses. According to Osan and Languitone (2016), borrowers are more likely to be the primary party involved with knowledge of the risks associated with borrowing, and lenders are likely to receive less information than borrowers. Huang *et al.* (2016) asserted that to lower the risk of possible credit losses; most financial institutions raised their lending rates as a response. EK.Njeru (2014), most banks use a credit rationing strategy that is detrimental to most SMEs by escalating their financial problems. Loan defaulters cause financial institutions to suffer losses due to bad debts that negatively impact their business. Popova *et al.* (2017) shed light on the complexity of market insufficiencies that call for tailored government interventions for the benefit of all stakeholders, and policymakers need to grasp the theory of information asymmetry. Peter & Radelet (2015) cited that everyone would have received the best results possible; only some members of the economy may benefit.

This theory assisted the study in shedding light on the necessity for participants (microfinance organizations and motorcycle owners) to establish a favorable balance for their pecuniary gain and to allow policymakers to formulate policy solutions that will benefit the economy and all parties involved in the transportation sector. However, critiques point out that most banks can get the information they require in the real world and have access to or control over borrowers' behavior. S. Ray *et al.* (2018), Because the paradigm promotes information flow between two parties despite the possibility that other parties could obtain the information, information broking by third parties has also given financial institutions an unfair advantage.

2.1.3 Rational Choice Theory

William Glasser (1998) opined that choices determine how people live, and the desire to meet those requirements motivates their actions. This implies that before choosing a course of action, people weigh the costs and advantages of several options, which results in societal patterns of behavior. The rational choice theory greatly aided the study's analysis of the importance of shareholders in determining the motorcycle-taxi business' triumph or failure. As a result, societal rigidities may make altering the bodaboda riders' culture in Kenya challenging. Alesina et al. (2013) asserted that the environment profoundly influences people's cognition, behavior, and cultural transmission of thought, but not forgetting behavior patterns can occur. Peter (2015) asserted rational choice theory in that each actor in society strives to maximize benefits and minimize costs when making decisions. McCumber (2011) argued that the fundamental tenet of the theory should also be questioned. Jeffrey Nicholas (2011) states that humans are not isolated atoms that occasionally collide. According to Aristotle, we are social beings or social animals; our society is shaped and formed by our identity. Eatrich and List (2013) opined that humans select the best alternative to their goal. He made thoughtful conclusions, but even my reasoning is influenced by our society, which may or may not be what he felt to be reasonable. It helped the research to explain the attitudes, efforts, and responses of participants in the bodaboda industry. To stop traffic accidents, keep things running smoothly, and help the "bodaboda" business grow, customers, pedestrians, operators, traffic law enforcement officers, and other key stakeholders must act logically. When choosing between two options, it makes more sense to get more riches or power. This cannot go without critiques of McCumber et al. (2011), who asserted that it was no longer ethically neutral, rational choice fails as a philosophy, and its supporting theories follow suit. As a result, company executives deplete resources and break the law to enrich them and accomplish their own goals. It may not be moral, but it makes sense.

2.2 Empirical Review

2.2.1 Loaning and Growth of Bodaboda Industry

Eric Nshimirimana (2021) looked at how credit funding affected the financial success of small and medium-sized enterprises (SMEs) at the epicenter of Nairobi, Kenya. During the investigation, a method known as random stratified sampling was utilized. In the capital city-Nairobi, Kenya, which served as the study's focus, there were 1,842 small and medium-sized enterprises (SMEs). Taking extracted sample size of 184 SMEs. Interviews with the top owners or managers of SMEs were conducted to collect primary data for the study using structured questionnaires. The data analysis, which included inferential methods and descriptive statistics, was undertaken with the help of SPSS software. According to the study, credit access is critical for SMEs as they grow into successful business enterprises

Many SMEs are resorting to alternative financing options because it has become increasingly more work for small businesses to obtain traditional bank financing after the financial crunch. The study's findings accord their accessing credit significantly and favorably impacts SMEs' financial outcomes. Small businesses and medium-sized businesses (SMBs) need credit to enable them to expand. These SMEs' management is also recommended to develop and implement entrepreneurial competencies in conducting business, particularly in obtaining credit for company expansion. The report recommends that the government and the finance industry work together on a credit-guaranteed framework plan incorporating a risk-sharing structure to increase the likelihood of financial institutions providing capital to SMEs. The previous study, which centered on the effect of credit financing on the overall financial performance of small and medium-sized businesses, needed to account for how the borrowed amount contributes to SMEs' growth; this new study fills that gap.

It was determined that rules and regulations, competition from other SMES, and entrepreneurial impulses impacted innovation, wealth generation, and employment. Better credit margins can assist businesses in reducing the barriers to SME expansion. This shows the conceptual difference as it dealt with SME growth difficulties in Kenya. At the same time, this topic analyzes the effect of microfinance practices and the growth of the bodaboda industry. MFIs, and analysis was done through the regression method. The percentage of available capital was determined by examining the total number of given borrowers, the percentage of available credit, the type of microfinance institution involved, and the effectiveness of the credit service provided. Interest was assessed depending on the principal borrowed, the time payments were made, the type of business, and the consequences of late payments. A positive correlation was discovered between the two, and many respondents believed that interest rates significantly impact the dynamics of credit availability. Access to financing among young women business owners in Athi River, Machakos County, was investigated by Mwongera (2014). Questionnaires were administered to 214 young women and 18

Loaning is essential for helping firms survive economic downturns, gain more power, leverage, and efficiency from economies of scale, and improve profitability (Plugge et al., 2016). The strength of the business determines its long-term viability. Credit standing, leadership, level of competence, and personnel are some aspects that a business should consider. These aspects are crucial for organizational success and will benefit Bodaboda riders. Although it was discovered that the percentage based on the combination of collateral and interest charged was connected, the researcher made no steps to substantiate it. Hence the study took this gap to establish the impact of microfinance on the bodaboda in the Kamukunji sub-county regarding loaning help growth to them or not.

2.2.2 Savings Behavior and Growth of Bodaboda Industry

The impact of savings on economic growth was analyzed by Artur Ribaj (2020) (the case of Kosovo). The Johansen co-integration tests and Ganger causality tests augmented Dickey-Fuller tests were used to examine the model in 10 commercial banks from 2010 to 2017. The unit root test and regression analysis show that deposits significantly contribute to Kosovo's economic expansion. This is why savings increase employment, manufacturing, and investment, contributing to higher sustained growth. The study found that increasing savings to encourage more investment in domestic financial capital is a key strategy government can use to promote economic development, decrease neediness, and raise national earnings.

An increase in the size of earnings is linked to more savings. People's savings are a key metric indicating the country's living standards. Increasing the number of savings/deposits in commercial banks in developing nations is one of the critical approaches to boost investment, one of the main elements driving economic growth. However, the study targeted the direct effect of saving on the growth of commercial and noncommercial banks in developing economies on commercial banks where else the latter analyzed the microfinance practices on the growth of Boda boda riders, thus the study gap. Kosgei Nehemiah et al. (2014) studied how to improve performance among SMEs by focusing on savings mobilization as well as managerial Training based on evidence from Kenyan MSMEs Research was done in Githurai Market, Kiambu County, Kenya, provides insight into the impact of managerial coaching as well as savings conscription on MSMEs performance in the country. Based on an explanatory design, it involved a target population comprising 429 MSMEs registered under the Kiambu municipality. A total sample of 270 SMEs was chosen in line with stratified sampling from the target demographic. Most respondents to the study expressed high satisfaction with the savings services microfinance companies provide.

As a result, there is the assumption that the savings mobilization services offered by microfinance institutions aim at addressing the lack of savings provisions that causes problems at three levels: the individual, financial institution, and national economy levels, respectively. At the individual level, people are forced to depend on in-kind savings, including those made up of animals, raw commodities, and gold, or on informal financial mediators, like (ROSCAs) or financial stewards, due to the absence of suitable institutional savings provisions. The substitute informal savings services do not guarantee the blend of money security, ease of access, convenience, and a positive real return, which are fundamental necessities of a depositor. Microfinance programs greatly facilitate the mobilization of savings for micro-entrepreneurs. The vast majority of survey takers were content with the consistency of customers' savings and the use of customers' saving habits in deciding whether to extend credit. Therefore, it is probable that the guaranteed subsequent loans will be due to a member's earlier saving behavior, which motivates business owners to maintain their discipline and consistency in saving money, thus the gap.

3.0 Research Methodology

The study employed a qualitative research methodology, utilizing both primary and secondary data sources. The study was conducted in the urban setting of Kamukunji sub-county in Nairobi, Kenya. The target population consisted of registered Boda Boda (motorcycle taxi) riders in nine distinct Boda Boda groups operating within Kamukunji Sub County, totaling 750 riders. Proportional Stratified Random Sampling was employed to select a representative sample of 150 responders from these groups, ensuring a comprehensive representation of the Boda Boda industry. This approach balanced the need for representation with practicality in data collection and analysis. The selection of Kamukunji Sub County was influenced by its urban characteristics, high population density, and diverse economic activities. This study's methodology and sampling procedure were designed to capture the unique characteristics and growth patterns of the Boda Boda industry in this specific context.

4.0 Findings and Discussion

150 questionnaires were distributed to selected participants, and out of these, 145 questionnaires were effectively completed, while 5 questionnaires were left incomplete due to respondents' unwillingness to participate or providing biased information, leading to their exclusion. This resulted in a response rate of 96.7%. This response rate, which exceeded the 70% benchmark deemed favorable by Sauder (2012), indicates that the study's data collection was satisfactory. It's noteworthy that the original dataset encompassed 150 subjects; however, due to the cumulative effect of these data gaps, our final analysis is based on 145 subjects. By transparently addressing these challenges, we aim to provide readers with valuable insights into the intricacies of our data preprocessing endeavors, along with a clear understanding of the potential implications of missing data on the derived outcomes. Through this, we strive to ensure the integrity of our reported response rate and the overall reliability and credibility of our research findings.

4.1 Reliability Test Results

Assessing the reliability of data is pivotal in research endeavors. Taherdoost (2016) highlights that within scientific research, the internal consistency of data evaluates the extent to which various items aimed at measuring a common construct yield a kin score. The alpha coefficient, a widely recognized metric, is employed for this purpose. Attaining an alpha coefficient of 0.7 or beyond is considered indicative of sound reliability. In this study, the computed average alpha coefficient stood at 0.885, surpassing the acceptable threshold and affirming the robustness of the collected data.

Table 1: Reliability analysis for the study

Variable	No of items	Cronbach's coefficient
Loaning	6	0.921
Training	6	0.792
Savings	6	0.943
Average		0.885

Source field Data (2023)

As depicted in the previously presented table, the current batch's alpha coefficient in this investigation markedly exceeds the prescribed threshold of 0.7. This result signifies that the variables being scrutinized within the study exhibited considerable reliability.

4.2 Descriptive Analysis

Throughout this study, we delved into the significant influence of microfinance on empowering bodaboda operators in Kenya. Our analysis encompassed loan access patterns, the relationship between motorcycle ownership and loan types, the role of microfinance training, and the impact of savings on business growth. The study illuminated several noteworthy insights: From a pool of 750 bodaboda operators within the study population, a sample of 150 individuals was chosen for the research. Out of these, 145 respondents provided valuable data, while 5 respondents were omitted due to either unwillingness to participate or the provision of non-relevant information. The sample exhibited a fair representation across gender, age, education levels, and marital status. There was a 4.8% female population while males respondent was 95.2%. Age respondents' were below 30 years 31.72%, 31-39 years 48.28% and 40 and above years 20%. Respondent in terms of education were, primary 28.28%, secondary 47.59%, certificate 8.27%, diploma 9.66% and undergraduate 6.21%. In terms of marital status, 67.7% were married, 27.6% were singles and 4.8% were separated.

On the aspect of loaning, a lower standard deviation indicates that responses are more clustered around the mean, suggesting a higher level of mutual agreement among respondents. With this in mind, the figures for Sufficient Collateral were Mean: 3.0 and Std Dev: 1.6, Loan Repayment Confidence Mean: 4.08, and Std Dev: 1.16, Collateral Impact on Sources Mean: 4.03 and a Std Dev of 1.15, Complex application Perception Mean: 3.87 and Std Dev of 1.54. The transaction Cost Influence had a mean of 3.13 and Std Dev: 1.55 and lastly Loan Amount Discouragement had mean of 4.48 and a Std Dev: 0.81. Bodaboda operators indicate confidence in loan repayment and acknowledge collateral's role in borrowing. The relationship between the microfinance practices was well represented since 88.96% owned a motorcycle and 11.04% did not own, thus showed distinct challenges in terms of loan access and financial resources while acquiring the loan. Microfinance loans emerge as the most prevalent choice, accounting for 33.79% of the responses, closely trailed by personal savings at 31.72%.

Bank loans also hold significance, representing 20% of the preferences. The relatively lower percentages for loans from family (8.97%) and friends (5.52%) suggest that operators primarily depend on formal financial institutions and savings mechanisms. The study's findings revealed that microfinance practices, encompassing lending, training, and saving, have an influence on the development of bodaboda operators. The data shows that lending significantly contributes to bodaboda growth, with a p-value of 0.000 obtained from the regression analysis, indicating statistical significance at a 95% confidence level. This suggests that operators who have access to loans tend to experience more substantial progress in their bodaboda businesses compared to those who do not utilize loans. Conversely, the research results indicate that the impact of training on bodaboda growth is not statistically significant, as the p-value is 0.796, exceeding the conventional significance threshold of 0.05. This implies that while training is associated with bodaboda growth, it does not exhibit a statistically significant influence. Additionally, the study's conclusion underscores the substantial role of saving in fostering bodaboda business growth. The analysis presents a significance value of 0.000 for microfinance practices, which falls below the standard significance level of 0.05, indicating that saving serves as a reliable predictor of growth. Saving empowers bodaboda operators to accumulate resources, thereby bolstering and sustaining their bodaboda enterprises. When taking the loan, the bodaboda operator can save to enable him to repay the loan and have saving which will help them in the future.

The research revealed a substantial overall correlation coefficient of 0.7529 between the variables of Loaning training, saving, and growth. This high correlation suggests a robust and strong relationship among these variables under investigation. Moreover, the analysis determined an R-squared value of 0.752, implying that approximately 75.2% of the variance in the growth of bodaboda businesses can be predicted by the income-earned parameters explored in this study. The study delved deeply into the preferences and trends of loan access among Boda Boda operators, revealing microfinance loans as the bedrock of financing, irrespective of age or educational background. This prevalence underscores the pivotal role of microfinance institutions in effectively addressing the financial needs of operators, thereby fostering their growth and catalyzing economic opportunities. The positive perceptions surrounding microfinance training further underlined its essential role in equipping operators with skills vital for their success. Respondents acknowledged the tangible impact of training on enhancing financial literacy, refining business management acumen, and ultimately contributing to elevated business performance.

The study also established a robust correlation between disciplined savings and business growth. Savings were identified as a catalyst for improved financial performance, leading to enhanced lifestyles and increased access to loans. The role of savings as a stepping stone toward financial resilience and industry advancement became unmistakably apparent. Furthermore, the connection between motorcycle ownership and loan access revealed a symbiotic relationship. Motorcycle ownership was found to be correlated with an increased propensity to seek loans, potentially for purposes such as maintenance, expansion, or business optimization. This nexus underscores the intertwined nature of asset ownership and financial access within the industry. Overall, these findings shed light on the intricate dynamics at play within the Boda Boda industry, highlighting the significance of microfinance, training, savings, and asset ownership in driving its growth and sustainability. As our investigation reaches its culmination, a comprehensive grasp of the intricate dynamics within the Boda Boda industry, coupled with the transformative influence of microfinance, has come into focus. The interaction between loan accessibility, motorcycle ownership, microfinance training, and savings has surfaced as pivotal elements intricately interwoven into the fabric of industry expansion and empowerment.

4.3 Regression analysis

In this particular study, a multiple linear regression approach was adopted to assess the impact of financial literacy aspects like loaning, training and saving in a bid to understand the growth of the Boda Boda industry in Kamukunji. This methodology was chosen to examine the fundamental premise of the research. The outcomes were presented using tables, each containing a summary of the model and regression coefficients displayed in their respective columns.

Table 2: Model summary of Relationship between microfinance practices and bodaboda ownership

Model summary				
Model	R	R square	Adjusted R- square	Std error of estimate
1	0.78867	0.622	0.608	0.282

Table 3: Regression analysis between microfinance practices and bodaboda ownership

	Unstandardized Coefficients		**Standardized coefficients**		
Model	B	std error	Beta	t	sig
Constant	40.00	6.385		6.271	0.000
Loaning	0.800	0.063	0.793	11.968	0.000
Training	-0.300	0.320	-0.147	-0.259	0.796
saving	-0.100	0.043	-0.772	-16.279	0.000

The research revealed a substantial overall correlation coefficient of 0.78867 between the variables of Loaning training, saving, and growth. This high correlation suggests a robust and strong relationship among these variables under investigation. Moreover, the analysis determined an R-squared value of 0.622, implying that approximately 62.2% of the variance in the growth of bodaboda businesses can be predicted by the bodaboda parameters explored in this study. The coefficients table illustrates the individual contributions of each independent variable to the dependent variable, growth. It serves to determine the extent of influence each variable has while accounting for their respective statistical significance. For loaning impact, an increase of 0.800 has a huge effect and is significant, suggesting that loaning as a variable has strong influence bodaboda growth. In the case of the "Training" variable, with a coefficient of -0.300 and a standard error of 0.320, the t-statistic of -0.259 stands as a testament to its substantial impact. The associated p-value of 0.796 further underscores the statistical insignificance. Delving into the interpretation of the "Saving" variable's coefficient within the context of the dependent variable, growth reveals critical insights. With a coefficient of -0.100 and a minimal standard error of 0.043, the analysis warrants careful consideration. The associated t-statistic of -16.279 and the p-value of 0.00 indicate the significance of this variable's impact, albeit in a different manner.

Table 4: Model summary of relationship between microfinance practices and income earned ownership.

Model summary				
Model	R	R - square	Adjusted R- square	Std error of estimate
1	0.752994	0.567	0.551	0.282

Table 5: Regression analysis between microfinance practices and income earned

	Unstandardized Coefficients		Standardized coefficients		
Model	B	std error	Beta	t	sig
Constant	40.00	5		8	0.000
Loaning	0.6	0.05	0.48	9.6	0.000
Training	-0.2	0.3	-0.107	-0.223	0.824
saving	-0.55	0.04	-0.5	-11	0.000

The research revealed a substantial overall correlation coefficient of 0.7529 between the variables of Loaning training, saving, and growth. This high correlation suggests a robust and strong relationship among these variables under investigation. Moreover, the analysis determined an R-squared value of 0.752, implying that approximately 75.2% of the variance in the growth of bodaboda businesses can be predicted by the income earned parameters explored in this study. The coefficients table illustrates the individual contributions of each independent variable to the dependent variable, growth. It serves to determine the extent of influence each variable has while accounting for their respective statistical significance. For loaning impact, an increase of 0.60 has a huge effect and is significant, suggesting that loaning as a variable has strong influence bodaboda growth. In the case of the Training variable, with a coefficient of -0.2 and a standard error of 0.3 and an associated t-statistic of -0.223. The associated p-value of 0.824 further underscores the need for further review. Delving into the interpretation of the saving variable's coefficient within the context of the dependent variable, growth reveals critical insights. With a coefficient of -0.200 and a remarkably low standard error of 0.04, the analysis warrants careful consideration. The associated t-statistic of -11.00 stands as a testament to its substantial impact and the p-value of 0.00 indicate the significance of this variable's impact.

5.0 Conclusion

It is concluded that lending significantly contributes to bodaboda growth, while training showed no statistically significant influence. Saving was identified as a reliable predictor of growth. The regression analysis further confirmed the strong relationship between these variables and their substantial impact on bodaboda business growth, with R-squared values of 0.622 and 0.752 for different aspects of the business. These findings underscore the pivotal role of microfinance, savings, and asset ownership in driving the growth and sustainability of the Boda Boda industry in Kenya. Microfinance institutions play a pivotal role in bolstering the growth and empowerment of bodaboda operators in Kenya. This is evident in the discernible inclination toward microfinance loans, highlighting their efficacy in addressing diverse financial needs among operators, irrespective of age or educational disparities. Moreover, a noteworthy connection exists between motorcycle ownership and access to loans, indicating that ownership translates into heightened financial capabilities and a propensity to seek loans for advancing business interests.

6.0 Recommendations

The study recommends the responsible stakeholders to enhance training initiatives, champion financial inclusion, foster motorcycle ownership, embrace microfinance education, prioritize prudent savings and venture into financial diversification. Microfinance institutions should continue to provide accessible and tailored financial products to bodaboda operators, as these loans have shown a significant positive impact on business growth. In addition, while microfinance training may not have exhibited a statistically significant influence in this study, it should not be discounted entirely; further research and refinement of training programs could potentially yield more beneficial results. Additionally, promoting a culture of disciplined savings among bodaboda operators is crucial, as it has been identified as a reliable predictor of business growth. Microfinance institutions and relevant stakeholders should explore initiatives to encourage and facilitate regular savings. The policymakers and industry stakeholders should consider strategies to improve collateral availability, simplify loan application processes, and reduce transaction costs, as these factors play significant roles in enhancing loan accessibility for bodaboda operators.

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