

# Psychological Well-Being of Women Entrepreneurs in Njoro Sub-County, Kenya

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**Abstract:-** The study used the 42 item version of Ryff's Psychological Well-Being Scales (Ryff, 1989) to determine the psychological well-being of women entrepreneurs in Njoro Sub-County, Nakuru County, Kenya. A stratified random sample of 190 participants was used. Descriptive (frequency distributions, means and standard deviation) and inferential (regression analysis, *t*-test and chi-square) statistics were used to analyse the data at 95 % level of confidence. The psychological wellbeing for the women entrepreneurs was found to be of medium level (2.50 to 3.69) with a mean of 3.91 on a scale of 1 to 6. The loan defaulters were found to have a lower psychological wellbeing when compared to the non-defaulters and these results were statistically significant ( $t = - 5.578$ ,  $df = 187$ ,  $p = .001$ ). This implies that people with debt problems have a potential risk of reduced mental well-being and need psychological counseling. The inclusion of financial counselling services in the WEF loaning procedures was recommended.

**Keywords:-** *Indebtedness, Psychological Well-Being, Mental Wellbeing, Financial Health.*

## I. INTRODUCTION

Psychological well-being refers to the individual's evaluation of their universal human needs and effective functioning psychologically (Ryff and Singer, 1996). It is the combination of feeling good and functioning effectively (Huppert, 2009). The concept measures states of how well people perceive aspects of their functioning; for example the extent to which they feel they are in control of their lives, having a sense of purpose (working towards valued goals), feeling what they do is meaningful and worthwhile and they have good relationships with others. This description is similar to the World Health Organization (WHO) definition of positive mental health as "a state of well-being in which the individual realizes his or her own abilities, can cope with the normal stresses of life, can work productively and fruitfully, and is able to make a contribution to his or her community" (WHO, 2001).

Studies have shown that personality traits (Steel, Schmidt and Shultz, 2008), environmental features (Mazzucchelli & Purcell, 2015) affect life situations of individual citizens and in turn their sense of Psychological well-being. Dolan, Peasgood and White (2008) noted that higher levels of income and socioeconomic factors influenced psychological well-being positively. Bergman and Daukantaite (2006) concluded that social circumstances such as access to credit, marital status, unemployment, education, household income, ill-health and personal traits had an influence on the wellbeing of Swedish women. Psychological well-being has also been found to be influenced by life circumstances and external environmental influences such as marital status, culture (Oishi & Schimmack, 2010) and income (Diener, Ng, Harter & Arora, 2010; Kahneman & Deaton, 2010). It is therefore possible to assess and predict outcomes of social change on the well-being of the people using the concept of psychological well-being.

## II. METHOD

A stratified random sample of 190 participants was selected from women who had received women enterprise fund (WEF) loans, 95 of the women were current in their loan repayment, while the remaining 95 who were unable to repay their loans. Ryff's psychological well-being scales (Ryff, 1989; Ryff and Singer, 1996) was used. It has 42 items arranged in six dimensions including; Autonomy, Environmental Mastery, Personal Growth, Positive relations with others, Self-Acceptance and Purpose in life. The data was analysed using Descriptive (frequency distributions, means and standard deviation) and inferential (regression analysis, *t*-test and chi-square) statistics at 95 % level of confidence in the Statistical Package for the Social sciences (IBM SPSS version 26). Cronbach alpha was used to determine the reliability of the instrument.

### III. RESULTS

The characteristics of the participants (age, marital status, and formal education level) are shown in Table 1.

**Table 1: Characteristics of the Participants**

Characteristics	Frequency	Percent
<b>Age Categories</b>		
20-30 years	25	13.2
31-40 years	66	34.7
41-50 years	49	25.8
51-60 years	37	19.5
61-70 years	8	4.2
Above 71 years	5	2.6
<b>Marital Status</b>		
Married	124	65.3
Singles	30	15.8
Widowed	27	14.3
Divorced/Separated	9	4.7
<b>Level of Formal Education</b>		
Never Went To School	9	4.7
Lower Primary 1 – 4	20	10.5
Upper Primary 5-8	65	34.2
K.C.S.E. (Form 4)	70	36.8
Teacher (P1)	6	3.1
College Diploma	14	7.4
Undergraduate Degree	6	3.2

#### Psychological Wellbeing of Women Entrepreneurs

The psychological wellbeing for the women entrepreneurs who had received WEF loans in Njoro Sub County was found to be 3.91 on a scale of 1 to 6 as indicated in Table 2. The dimensions consisted of multiple indicators

and Cronbach's alpha was used to indicate their reliability and as shown in Table 2 all the dimensions had an alpha of above 0.6 which was considered the accepted minimum (Cohen, 1988)

**Table 2: Mean Scores for the Different Dimensions of the Psychological Wellbeing of Women Entrepreneurs**

Dimensions	Grand Mean	Defaulter	Non-defaulter	Cronbach alpha
Autonomy	3.84	3.28	4.13	.735
Environmental mastery	3.91	3.68	4.02	.880
Personal growth	3.96	3.49	4.20	.714
Positive relations	3.92	3.56	4.10	.695
Purpose in Life	3.98	3.56	4.19	.752
Self-Acceptance	3.87	3.61	4.00	.812
Psychological wellbeing grand score	164	148	172	.822
<b>Mean Psychological wellbeing</b>	<b>3.91</b>	<b>3.53</b>	<b>4.11</b>	<b>.822</b>

The mean scale was then categorized into five (5) groups as follows: 1-1.2 as very low category; 1.3 – 2.4 low category; 2.5-3.6 as medium category; 3.7-4.8 as high category and 4.9

– 6 as very high category explaining the levels of psychological wellbeing and a Chi-square test was performed to determine the equality of the groups. Based on this categorization, the scores for the women entrepreneurs were distributed as shown in Table 3.

**Table 3: Chi-square Test for Equality of the Level of Categories**

Categories	Observed N	Expected N	Residual	Statistics
1-1.29 (Very low)	1	47.5	-46.5	$\chi^2=104.02$
2.50-3.69 (Medium)	91	47.5	43.5	$df= 3$
3.70-4.89 (High)	70	47.5	22.5	$p=.001$
4.90-6.0(Very high)	28	47.5	-19.5	
<b>Total</b>	<b>190</b>			

The psychological wellbeing for the women entrepreneurs mean score was 3.91 rated as High. The chi-square test indicates that the majority of the women had a psychological wellbeing mean score that was at the level of medium. This result was found to be statically significant ( $\chi^2 104.02, df 3, p .001$ ).

**Differences in the Psychological wellbeing between the**

**Loan Defaulters and Non-defaulters**

A comparison was done between the levels of psychological well-being of the women entrepreneurs who had defaulted in their loan payments and non-defaulters. The psychological wellbeing of the Non-defaulters (4.11) was found to be higher than the one of the defaulters (3.54). These results were found to be statistically significant ( $t = - 5.578, df=187, p=.001$ ).

**Table 4: Mean Psychological Wellbeing of the WEF Beneficiaries in Njoro**

Loan Status	N	Mean	Std. Deviation	Std. Error Mean
Defaulters	95	3.54	0.448	0.056
Non-Defaulters	95	4.11	0.748	0.066
Total	190			

**IV. DISCUSSION**

The negative relationship between debts and psychological well-being found in this study agrees with a large body of literature describing the association between various indicators of financial distress and psychological ill-health (Weich & Lewis, 1998). Fitch, Hamilton, Bassett, & Davey (2011) systematically evaluated evidence on the extent to which personal debt impacts on mental health and concluded that there was a potential risk of reduced mental wellbeing or increased mental disorder. A longitudinal study undertaken by Xiang, Tan, Kang, Zhang, & Zhu, (2019) concluded that debt and financial stress cause negative psychological wellbeing to occur. Individuals in the highest debt-to-wealth quartile were particularly at risk of lower mental wellbeing, that is, a higher number of depressive symptoms and lower quality of life (Hiilamo, 2020). After a review of studies, Richardson, Elliott, Roberts (2013) showed that there was a strong relationship between unsecured debt and health, which is strong for mental health in particular depression. Amit, Ismail, Zumrah, Nizah, Muda, Meng, Ibrahim, & Din (2020) concluded that there was evidence to support that being in debt is related to Asian participants experiencing depression, anxiety, stress, or suicide ideation. Choi (2009) stated that it is difficult to imagine that one would naturally have happiness when they are unable to pay their bills and debts. Not having the money to meet one’s obligations causes individuals to experience emotional havoc and stress on the psyche. Most people when confronted with the problem of increasing debt respond by borrowing more money to meet their obligations, and this in turn causes more strain as the inability to meet obligations becomes more obvious. In their study, Dobbie & Song (2015) found that individuals in debt reported higher symptoms of lack of sleep, change in eating habits, fluctuating weight and difficulty in concentrating at work and home. All

these symptoms cause changes and stress on the psyche. It is common for individuals in debt to feel overwhelmed and despair at the possibility of never getting their finances in order again.

**V. CONCLUSION**

The study determined the psychological well-being of women entrepreneurs and compared the scale for defaulters and non-defaulters. The defaulting women entrepreneurs’ were found to have lower psychological well-being when compared to the non-defaulters. The findings of the study give an indication that the Ryff scale of psychological well-being can be used to assess the well-being of entrepreneurs and the need for financial counseling services.

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