



The Ugandan Journal of Management and Public Policy Studies (UJMPPS)

December 2023, Vol. 24, No. 1, pp. 64-82

ISSN: 2078-7049 (Print), 2959-4316 (Online)

Copyright © The Author(s). All Rights Reserved.

Published by Uganda Management Institute

Self-efficacy and Financial Inclusion of Working Women in Uganda

^{1,2}Joseph Kampumure, ²Nixon Oluoch Omoro & ²Luther Odhiambo Otieno

¹School of Business and Management, Uganda Management Institute

²School of Business, University of Nairobi

Corresponding Email: kampumure@gmail.com

Article History

Received: October 05, 2023

Revised: November 28, 2023

Accepted: December 20, 2023

Abstract

Financial inclusion has emerged as the primary driver of inclusive economic growth even in developing countries and women are critical to the financial inclusion strategy due to their numerical significance and typically living longer than men. Though literature supports the notion that self-efficacy in financial matters promotes financial inclusion, little is known as to whether such a link exists among women in a developing country. Guided by the social cognitive theory, this article examines the level of self-efficacy and financial inclusion, and the relationship between self-efficacy and financial inclusion among working women in Uganda. The inquiry used a correlational cross-sectional design, a sample size of 384 from a population of 327,930 working women in Kampala district, Uganda, and a structured questionnaire to obtain primary data. Exploratory factor analysis, correlation analysis and regression analysis were used to answer the study objectives. The results found that the level of financial self-efficacy and financial inclusion among working women in Uganda is 51% and 56% respectively. Additionally, the results confirm that self-efficacy positively and significantly ($B=0.187$, $\beta=0.232$, $p<0.05$) affected financial inclusion. Therefore, the null hypothesis, 'Self-efficacy has no significant effect on financial inclusion among working women in Uganda' was rejected.



© 2018 the Author(s). Creative Commons CC-BY: This open-access article is distributed under the terms of the Creative Commons Attribution 4.0 License. This permits anyone to share, use, reproduce, and redistribute the work without further permission, provided the person gives due credit to the work.

We thus recommend that more empirical work needs to be done to clearly understand those unique factors that enhance financial self-efficacy of women in a developing country so that Government of Uganda and the other stakeholders in financial inclusion can design evidence-based initiatives that strengthen the financial self-efficacy of women so as to enhance their financial inclusion.

Keywords: *Self-Efficacy, Financial Inclusion, Working Women And Uganda*

Introduction

Policymakers in economies, particularly in developing nations are paying attention to financial inclusion which has emerged as the primary driver of inclusive economic growth. Focusing on the demand side, women are critical to the financial inclusion strategy for many countries due to their numerical significance and typically living longer than men (Montford & Goldsmith, 2016). Several scholars have advanced self-efficacy as one way forward of improving performance of individuals, but self-efficacy is task-specific and not generalizable across multiple contexts (Chaffin, 2018). This study focuses on the financial self-efficacy. In the urban and rural areas of Uganda, financial self-efficacy (FSE) is a predictor of financial inclusion among individual financial consumers without segregating them on the basis of gender (Mindra et al., 2017). Sweida and Reichard (2013) amplify that increasing Australian women's high-growth entrepreneurship self-efficacy can increase women's intention to engage in high-growth venture creation, and Farrell et al.(2016) elucidate that financial self-efficacy among the Australian women emerges as a significant predictor of the type and number of financial products that a woman holds. Montford and Goldsmith (2016) show that low levels of FSE among USA women might account for their frequently observed low financial risk taking. Albeit there exists a growing body of proof, mainly from developed countries, that supports the notion that self-efficiency improves financial inclusion, little is known as to how financial inclusion is affected by self-efficacy among women in a developing country.

Working women have been chosen for this investigation for various reasons. First, women in Uganda are the majority working adult population (Uganda Bureau of Statistics, 2018), yet 23% have remained financially included for five years, from 2013 to 2018 (FinScope Uganda, 2018). Secondly, working women in Uganda, as is in many other countries, generally outlive men (National Population Council, 2018) and as a result will assume financial management tasks when widowed. Thus, in the long term, financial sustainability among women is contingent on their financial inclusion. Moreover, most research on financial inclusion has used either individual (male and female) or heads of household as the unit of analysis without desegregating the respondents for targeted policy formulation. Hence targeting working women is a timely consideration. This study sought to close the identified knowledge gap by examining the level of self-efficacy and financial inclusion among working women in Uganda, and the effect of the former on the latter.

Study Objectives

The specific study objectives were to:

- i) Examine the level of self-efficacy among working women in Uganda;
- ii) Examine the level of financial inclusion among working women in Uganda;
- iii) Examine the relationship between self-efficacy and financial inclusion among working women in Uganda.

Literature Review

Theoretical orientation

The social cognitive theory as advanced by Bandura (1986) stresses that human inspiration and deed are expansively controlled by forethought, and this cognitive expectant control mechanism is dominated by beliefs of personal efficacy (Bandura, 1995; Bandura, 1999) within a social-cognitive framework, a critical review of research on the motivational impact of different psychological climates in physical activity. Motivational, cognitive, affective and behavioural outcomes are considered in sport, school physical education and exercise. We first review laboratory and field studies that tried to manipulate the perceived structures of motivational environments and to examine the subsequent outcomes on participants' cognitive and affective responses. Then we discuss studies influenced by the work of Ames in classroom settings and involving questionnaires to measure individuals' perceptions of 'motivational climates'. The impact of mastery and performance climates on various indices of motivation is narratively reviewed, and statistically estimated effect sizes from 14 studies (n = 4484). The social cognitive theory (SCT) hypothesizes that individuals who distrust their capabilities either attempt less, stop altogether, or go for options that are not the best; but those with a resolute belief in their abilities are resilient, put extra effort to find better methods of overcoming their challenges (Bandura, 1999) within a social-cognitive framework, a critical review of research on the motivational impact of different psychological climates in physical activity. Motivational, cognitive, affective and behavioural outcomes are considered in sport, school physical education and exercise. We first review laboratory and field studies that tried to manipulate the perceived structures of motivational environments and to examine the subsequent outcomes on participants' cognitive and affective responses. Then we discuss studies influenced by the work of Ames in classroom settings and involving questionnaires to measure individuals' perceptions of 'motivational climates'. The impact of mastery and performance climates on various indices of motivation is narratively reviewed, and statistically estimated effect sizes from 14 studies (n = 4484). Beliefs in coping efficacy are situational specific, and self-efficacy's predictive power is domain-specific (Bandura, 1986; Amatucci & Crawley, 2011) it is increasingly important to understand the factors which contribute to their success. While entrepreneurship research identifies access to human and financial capital as being important, fewer studies explore the role of sociocognitive factors such as self-efficacy or confidence in one's abilities to perform a particular task. This paper aims to examine gender-related attitudes toward financial management drawing from existing studies

education, cognitive psychology, and entrepreneurship. Design/methodology/approach – The empirical study creates a measure of financial self-efficacy (FSE) thus the SCT and the concept of financial self-efficacy are compatible (Mindra & Moya, 2017) financial literacy and financial inclusion (FI). Moreover, Bandura postulates that people assess their ability to deal with hard situations relying more on their knowledge, skills and strategies than solely on how much effort they will apply. As a result, SCT serves as an explanation framework to shed light on how much confidence women have in their abilities and how this perceived self-efficacy can prompt their financial inclusivity.

Self-efficacy

Self-efficacy is the belief in one's own capacity to complete a task (Bandura, 1982). Generally speaking, self-efficacy dictates whether or not someone will pursue a particular course of action and how tenaciously they will pursue a challenging task (Bandura, 1986). Chaffin (2018) postulates that beliefs in coping efficacy are situation-specific, and self-efficacy's predictive power is domain-specific. Self-efficacy in the setting of finance, more particularly, financial self-efficacy (FSE) is the level of confidence an individual has on his ability to access, use financial products or services, undertake a financial decision, and deal with the complex financial situation (Noor et al., 2020). The concept of financial self-efficacy is one-dimensional (Lown, 2011). The study adopted the rigorously verified Lown's proposed Financial Self-Efficacy Scale to operationalize self-efficacy. Though some scholars from the developed world have studied the self-efficacy among women (e.g. Calcagno & Monticone, 2011; Amatucci & Crawley, 2011; Farrell et al., 2016; Montford & Goldsmith, 2016), none has assessed the level of financial inclusion among women. This study shines light on the level of self-efficacy on working women in Uganda, a developing country.

Financial Inclusion

The definition of financial inclusion is not agreed upon by academics. Sethi and Acharya (2018), for example, define financial inclusion as an endeavour that integrates many groups into a financial system, especially the underprivileged, low-income earners, and disadvantaged individuals. Truc and Nguyen (2020) postulate that financial inclusion is an endeavour that makes it possible for people to quickly, adequately, and affordably use formal financial services that are readily available, especially for those who are financially vulnerable. This article adopts the definition as proposed by Kasaija and Tumusiime-Mutebile (2017) in the Ugandan National Strategy as having access to and using a broad range of quality and affordable financial services which help ensure a person's financial security. Drawing from the empirical grounding and the fact that this investigation is demand biased, this investigation measures financial inclusion in terms of welfare, usage, access and quality as proposed by Bongomin et al. (2018).

The World Bank's Global Findex Database reveals that 65% of women owned a bank account in 2021 as cited by Financiera (2023), but financial inclusion is not restricted to having a bank account. FinScope Uganda (2018) provides that 77% of women have been financially

formally and informally included from 2013 to 2018. However, the FinScope survey only considered adult women of 16 years or above that were financially included in the period of 30 days prior to the survey. There is a need to extend the knowledge on financial inclusion to cover all adult women (+15 years) who have utilised financial services in the last 12 months as per the guidance of Uganda Bureau of Statistics (2018). This study closes that gap in knowledge using working women in Uganda.

Self-Efficacy and Financial Inclusion

From the classical works of Bandura, the father of social cognitive theory, there is supportive empirical evidence to the effect that self-efficacy improves performance. However, self-efficacy in the financial domain that focuses on women as a research area is relatively limited. For instance, a study by Calcagno and Monticone (2011) determined that in Italy, women's readiness to delegate investment decisions is due to absence of self-confidence in financial matters. This was validated by empirical findings by Amatucci and Crawley (2011) it is increasingly important to understand the factors which contribute to their success. While entrepreneurship research identifies access to human and financial capital as being important, fewer studies explore the role of sociocognitive factors such as self-efficacy or confidence in one's abilities to perform a particular task. This paper aims to examine gender-related attitudes toward financial management drawing from existing studies education, cognitive psychology, and entrepreneurship. Design/methodology/approach – The empirical study creates a measure of financial self-efficacy (FSE) which concludes that lack of confidence among businesswomen in the US contributes to their low involvement in financial management, and Farrell et al. (2016) who augment that financial self-efficacy, among Australian women, emerges as a significant predictor of the type and number of financial products that a woman holds. In addition, Montford and Goldsmith (2016) many women invest too conservatively. This finding is of particular concern as women typically live longer than men do, and thus, rely on accumulated savings for longer periods of time. This study extends work in the psychology of investing by examining the relationship between gender and investment risk and the role of financial self-efficacy (FSE) which shows that low levels of FSE among USA women might account for their frequently observed low financial risk-taking. Albeit there exists a growing body of proof, mainly from developed countries, that supports the notion that self-efficacy improves financial inclusion, little is known as to how financial inclusion is affected by self-efficacy among women in a developing country.

None of all the above-mentioned scholarly works focuses on women in a developing country. This empirical work sought to expand extant research by incorporating the mobile money indicator as part of the financial inclusion index while focusing on women in Uganda. And since self-efficacy is important in motivating a person to perform (Bandura, 1999) within a social-cognitive framework, a critical review of research on the motivational impact of different psychological climates in physical activity. Motivational, cognitive, affective and behavioural outcomes are considered in sport, school physical education and exercise. We first review laboratory and field studies that tried to manipulate the perceived structures of motivational environments and to examine the subsequent outcomes on participants' cognitive

and affective responses. Then we discuss studies influenced by the work of Ames in classroom settings and involving questionnaires to measure individuals' perceptions of 'motivational climates'. The impact of mastery and performance climates on various indices of motivation is narratively reviewed, and statistically estimated effect sizes from 14 studies ($n = 4484$, the social cognitive theory will help to explain the influence of financial self-efficacy on financial inclusion.

Thus, we hypothesise, H_0 : *Self-efficacy has no significant effect on financial inclusion among working women in Uganda.*

Methodology

A correlational cross-sectional design was deployed as it allows for the testing of the hypothesis and works well with questionnaires and ideal for large sample inquiries. Primary data was gathered using a closed-ended questionnaire with a 6-point Likert scale ranging from (1) strongly disagree to (6) strongly agree.

From a population of 327,930 working women (+15 years) in all five divisions of Kampala district in Uganda (Uganda Bureau of Statistics, 2018), a sample size of 384 was obtained using Krejcie and Morgan (1970) at a 5% level of significance. The unit of study and inquiry was the working woman.

The level of self-efficacy and financial inclusion were examined using exploratory factor analysis. The association between the study variables was analysed using correlation analysis. The hypothesis was subjected to empirical validation through the utilization of regression analysis.

Results and Findings Discussion

Demographic Results

The key demographic characteristics of working women in Uganda in terms level of income, and Financial Service used are presented in Table 1 and Table 2 respectively.

Table 1: Level of Income

Monthly net income	Frequency	%	Cumulative %
Less than Ugx 50,000	26	7.0	7.0
Ugx 50,000 - Ugx 500,000	192	51.3	58.3
Ugx 500,001- Ugx 1,000,000	99	26.5	84.8
Ugx 1,000,001-Ugx 1,500,000	24	6.4	91.2
Ugx 1,500,001- Ugx 2,000,000	10	2.7	93.9
Ugx 2,000,001 – Ugx2,500,000	10	2.7	96.5
Ugx 2,500,001 and above	13	3.5	100.0
Total	374	100.0	

The expressive statistics detailed in Table 1 show that the level of income after all deductions

among working women was skewed to the right with more than a half of the respondents (51.3%) earning from Ugx 50,000 to Ugx 500,000 per month. A small portion of working women (15.2%) earn more than one million shillings in a month. This net income distribution is not normal, and more needs to be done to bring more working women into the national targeted income per capita under current prices of 954 USD (equivalent of about Ugx 305,000 per month) (UBOS, 2021).

Table 2: Financial Service used

Service	Frequency	Percentage
Bank or Microfinance Institution	162	27.5
Savings and Credit Cooperatives (Saccos)	81	13.7
Mobile Money Service	248	42.0
Insurance Service	43	7.3
Pension Funds (E.g. employment-based pension funds, NSSF, etc.)	18	3.1
Capital Markets	2	0.3
Forex Bureaus	16	2.7
Money Transfer Institutions such as Western Union and Money-Gram.	15	2.5
Other (specify, e.g., savings groups, money leaders and Village Savings and Loan associations)	5	0.8
Total	590	100

Table 2's descriptive statistics show mobile money services as the most popular financial services (42.0%), followed by the Bank or Microfinance Institution (27.5%) and Saccos (13.7%). The more advanced financial services like Insurance Service (7.3%), Pension Funds (3.1%), Capital Markets (0.3%), Forex Bureaus (2.7%) and Money Transfer Institutions (2.5%) are not commonly used by working women. This trend could be due to the not fully developed financial markets in the country and the relatively low levels of income among most working women. In addition, the country has just come out of the 2-year lockdown due to Covid-Pandemic. This could have affected the way working women utilised the advanced financial services.

Exploratory Factor Analysis

Exploratory Factor Analysis (EFA) was used to examine the level of self-efficacy and financial inclusion so as to answer objective (i) and (ii).

Examining Self-Efficacy using EFA

The first study objective was to examine the level of self-efficacy among working women in Uganda. The results of the EFA on self-efficacy as detailed in Table 3 show that four factors substantially correlate to each other with sample adequacy KMO of 0.702, determinant > 0 which shows a non-identity of the correlation matrix of the factors /items; homogeneity of factors is confirmed by the Bartlett's test sig = 0.000. Therefore, the sample was suitable for factor analysis.

Using Principal Component Analysis (PCA), Varimax rotation method, 4 items were extracted explaining 51% of self-efficacy as detailed in the component matrix in Table 3. Two (2) items were excluded in the final factor analysis on the basis of not loading well with the other factors with absolute value below 0.50 and Eigen values of less than 1.

Table 3: EFA for Self-Efficacy Component Matrix

Item	Self-efficacy
When faced with a financial challenge, I have the ability to figure out a solution.	.790
I have ability to manage my finances.	.752
I can appropriately use credit to finance the unexpected expenses.	.655
I am confident that I will not run out of money for my future needs.	.650
Eigen value	2.041
% of Variance Explained	51.036
Cumulative % of variance explained	51.036
KMO	0.702
Bartlett's test	App. Chi-square = 236.611, Df = 6, Sig.= 0.000
Determinant	0.535

Source: Research Data, 2022

Examining the level of Financial Inclusion

The second study objective was to examine the level of financial inclusion among working women in Uganda. The results of the EFA on financial inclusion as demonstrated in Table 4 show that the sample was appropriate for factor analysis with KMO of 0.840, determinant > 0 indicating the correlation matrix of 17 items was not an identity. Moreover, the Bartlett's sig. of 0.000 shows homogeneity of the factors. Using principal component analysis (PCA), each component of financial inclusion was evaluated. With Eigen values over 1, the PCA generated three factors. The validity of the items in the instrument were assessed using Exploratory Factor Analysis (EFA).

From the testing, it emerged that three factors of access to financial services (15%), welfare impact (29%) as well as quality of financial services (12%) accounted for 56% of the overall change in financial inclusion. The EFA outcome revealed that nine items of welfare impact had significant loadings on factor 1 as 0.840, 0.832, 0.796, 0.778, 0.710, 0.696, 0.686, 0.640 and 0.582, which explicated 29% of the change in financial inclusion. Five items of access to financial services had significant loadings on factor 2 as 0.729, 0.726, 0.709, 0.687 and 0.584 that accounted for 15% of the change in financial inclusion. Additionally, three items of quality of financial services had significant loadings on factor 3 as 0.830, 0.810 and 0.804, which accounted for 12% of the change in financial inclusion.

Conversely, a total of 22 items were excluded in the final factor analysis. The items were excluded simply because they could not load well with the other factors with absolute value below 0.50 and Eigen values of less than 1. Among the 22 excluded items were all

the 7 items of Usage as a dimension of financial. As a result, it was determined that welfare impact, at 29%, and access to financial services at 15%, were responsible for the majority of financial inclusion. At 12%, the quality of financial services came in last. According to Table 4, the Principal Component Analysis (PCA) as well as Varimax Rotation Method were used to extract a total of 17 items from three components.

Table 4: Rotated Component Matrix for Financial Inclusion

Item	Financial Inclusion		
	Welfare Impact	Access to Financial services	Quality of Financial services
The services provided by the financial service provider(s) have enabled me acquire more assets.	.840		
The services provided by the financial service provider(s) have improved my housing condition.	.832		
The services provided by the financial service provider(s) have enabled me improve my nutrition.	.796		
The financial advice from the financial service provider(s) has enabled me to reduce my costs and/ or increase my revenues.	.778		
The services provided by the financial service provider(s) have improved my access to amenities like Wi-Fi, health clubs and clean water.	.710		
The services provided by the financial service provider(s) have increased my income.	.696		
The services provided by the financial service provider(s) have improved my access to healthcare services.	.686		
The services provided by the financial service provider(s) have provided me with self-employment opportunities.	.640		
In the last 12 months, I have used the financial advice obtained from the financial service provider(s) to make an informed financial decision.	.582		
I have the documents required by the financial service provider(s) to open an account.		.729	
I find the initial account opening fees by a financial service provider(s) affordable.		.726	
I can easily find an agent of a financial service provider(s) to carry out a transaction.		.709	
I find the cost of making a trip to a financial service provider(s) affordable.		.687	
I can easily make a financial transaction using a mobile device like a mobile phone.		.584	
The loan fees charged (e.g., interest rate) by the financial service provider(s) are fair.			.830

Account related charges such as monthly fees, transaction fees including Mobile money charges are fair to the users of the service.			.810
The cost of sending or receiving mobile money is fair.			.804
Eigen value	4.879	2.487	2.066
% of Variance Explained	28.697	14.632	12.153
Cumulative % of variance explained	28.697	43.329	55.482
KMO	.840		
Bartlett's test	App chi-square = 2430.875 Df = 136, Sig= 0.000		
Determinant	0.001		

Diagnostic tests

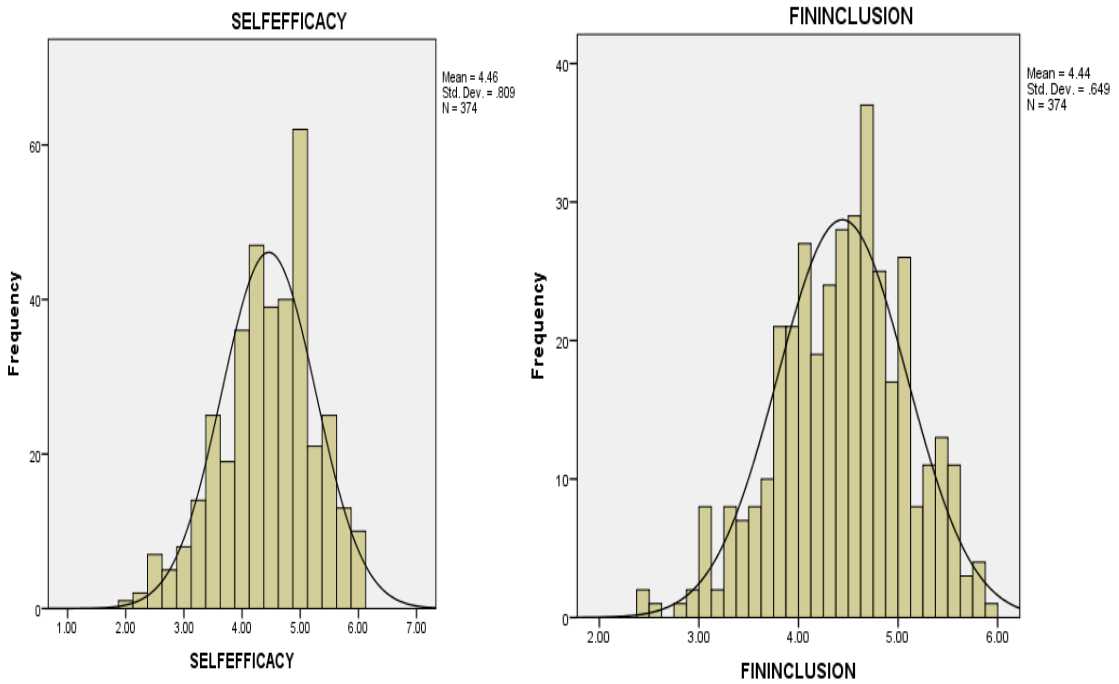
According to Cooper & Schindler (2014a), parametric tests can only be performed if the actual data meets the parametric assumptions. Thus, before carrying our correlational and regression analysis, the variables were subjected to the diagnostic tests on the parametric assumptions of normality, linearity and homoscedasticity (homogeneity) as suggested by Davison & Garcia(2019), Schindler(2019) and Cleff (2019).

Normality Test

Normality was assessed using histograms, P-P plots, Skewedness and Kurtosis test, and the Kolmogorov-Smirnov test.

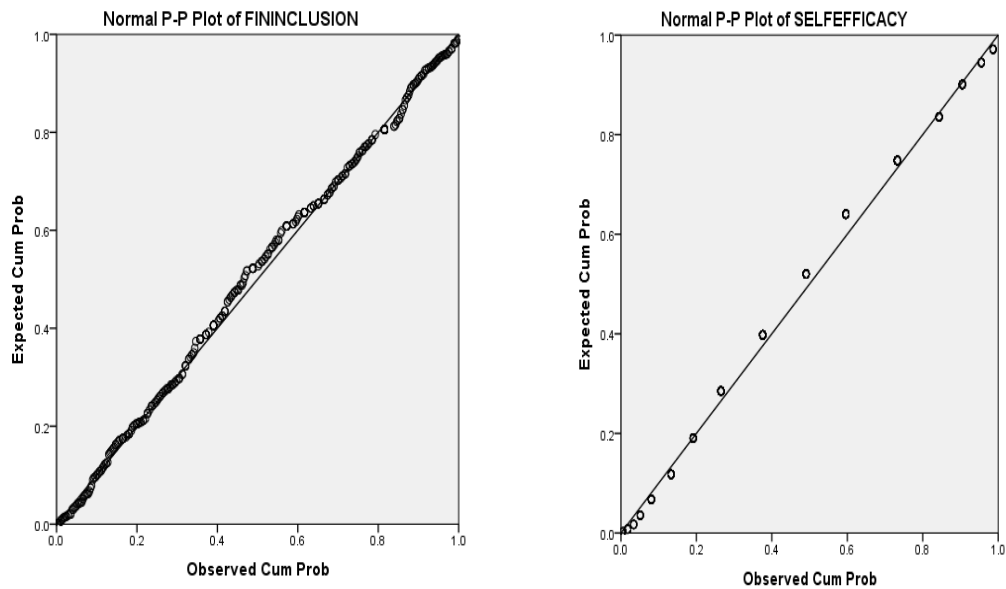
All histograms in Figure 1 showed a fairly normal distribution as most of the area is under the curve in the histogram.

Figure 1: Normality test– Histogram for Self-efficacy and Financial Inclusion



In regard to the P-P plots, the results are in Figure 2. In all the graphs, the line signifying the actual data resembles the diagonal Plot P-P plots having many points on and close to straight diagonal line, thus an indication of a moderate level of adherence to normal data distribution.

Figure 2: Normalitytest–NormalP-PPlot of self-efficacy and Financial Inclusion



In Table 5 are the findings of the statistical test used in the investigation to assess whether the data was skew and kurtosis-free, which shows that the data was. Since SPSS uses a standard kurtosis of zero (Cleff, 2019) and all the values in Table 5, lie between -1 to +1, then there is a proof of a fair normal distribution of data.

Table 5: Tests of Normality, Skewedness and Kurtosis

	N	Mean		Std. Deviation	Skewness		Kurtosis	
	Statistic	Statistic	Std. Error	Statistic	Statistic	Std. Error	Statistic	Std. Error
Self-Efficacy	374	4.4592	.04184	.80911	-.420	.126	-.103	.252
Financial Inclusion	374	4.4403	.03357	.64929	-.274	.126	-.053	.252

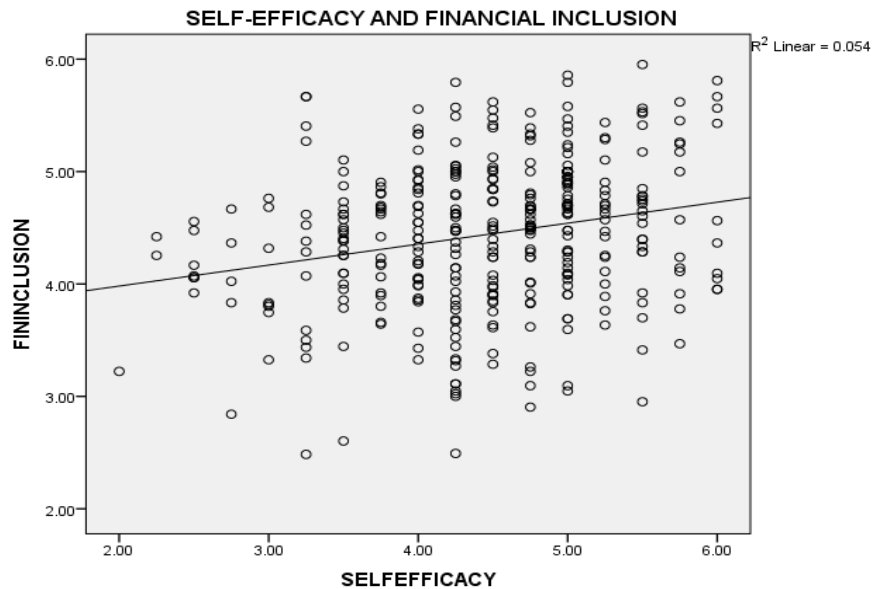
Lastly, Kolmogorov Smirnov (KS)-test was employed to see if the distribution significantly deviates from a normal distribution. The outcome from the Kolmogorov-Smirnov test as detailed in Table 6 attest that each variable has mixed results as to the normality distribution. According to Saunders et al. (2019) and Davison and Garcia (2019) when dealing with considerable sample sizes, significant differences between a sample variable and a comparable normal distribution when actually the differences are tiny are highly probable. As such, Saunders et al. and Davison & Garcia recommend a graph to make an informed decision. Thus, considering the study's very large sample size (374) and results from the histograms (Figure 1& 2) these small departures from normality in the Kolmogorov-Smirnov test would not prevent us from employing parametric statistical methods.

Table 6: Tests of Normality, Kolmogorov-Smirnovtest

	A1	Kolmogorov-Smirnov		
		Statistic	df	Sig.
Self-Efficacy	Makindye Division	.143	71	.001
	Central Division	.085	75	.200*
	Nakawa Division	.129	78	.003
	Kawempe Division	.099	74	.067
	Rubaga Division	.128	76	.004
Financial Inclusion	Makindye Division	.073	71	.200*
	Central Division	.079	75	.200*
	Nakawa Division	.112	78	.017
	Kawempe Division	.074	74	.200*
	Rubaga Division	.059	76	.200*

Linearity Tests

Linearity of the data was evaluated using the probability plots (P-P) and the results in Figure 3 show that self-efficacy and financial inclusion have a linear relationship.

Figure3: Linearity between Self-efficacy and Financial Inclusion

Homogeneity

Homogeneity of variance is hinged on the presupposition that the variances should be the same throughout the data. The Levene test determines how closely their variances match. Since deviations from normality, which is common weakness in regression, less affects the Levene test, the latter is highly recommended (Hair et al., 2014). The criterion mandates that if the Levene's test does not attain statistical significance (i.e. if the p-value exceeds the predetermined alpha level), then a homogeneity of variance assumption is met. The results in Table 7 show that the homogeneity assumption is considered appropriate because it can be inferred from the statistical significance level ($p > 0.05$) that the variances have about equal values.

Table 7: Homogeneity Test of Variance

		Levene Statistic	df1	df2	Sig.
Self-Efficacy	Based on Mean	1.354	4	369	.249
Financial Inclusion	Based on Mean	1.002	4	369	.407

Testing the hypothesis of Self-Efficacy and Financial Inclusion

The third objective of the study was to examine the relationship between self-efficacy and financial inclusion among working women in Uganda. Since the parametric assumptions on the data set were upheld, more statistical analysis could be performed using the data. Correlational and regression analysis were used to test the third objective and the hypothesis thereof.

Correlational Analysis

A bivariate correlation study was conducted. The link between self-efficacy and financial

inclusion was specifically established using the Pearson product moment correlation coefficient method. Table 8 gives the results that show that financial inclusion and self-efficacy have a positive and significant relationship ($r = 0.232, p < 0.01$).

Table 8: Pearson Correlation matrix for Self-Efficacy and Financial Inclusion

Correlations			
		Self-efficacy	Financial Inclusion
Self-Efficacy	Pearson Correlation	1	
	Sig. (2-tailed)		
	N	374	
Financial Inclusion	Pearson Correlation	.232**	1
	Sig. (2-tailed)	.000	
	N	374	374

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

Regression Analysis of Self-efficacy and Financial Inclusion

Regression was used to test the hypothesis H_0 : Self-Efficacy has no significant effect on financial inclusion among working women in Uganda derived from the third objective, and to explain the contribution of self-efficacy on financial inclusion of working women and any statistical significance of the relationship. The multiple regression results are in Table 9.

Table 9: Regression Results

Variable	Model	
	B-Unstandardized Regression co-efficient	β -standardised Regression co-efficient
Constant	3.609**	
Self-efficacy	.187**	.232**
R^2	.054	
Adjusted R^2	.051	
F	21.240	
Sig	.000	

Dependent variable- Financial inclusion; ** Sig. value at 0.01

The analysis showed that Self-efficacy can explain 5.4% of the variance in Financial Inclusion. Additionally, the results confirm that self-efficacy positively and significantly ($B=0.187, \beta=0.232, p < 0.05$) affected Financial Inclusion. Therefore, ' H_{02} : Self-efficacy has no significant effect on financial inclusion among working women in Uganda' was rejected.

The Regression models are:

$$FI = 3.609 + 0.187 SE \dots \dots \dots \text{Model 1}$$

$$FI = 0.232 SE \dots \dots \dots \text{Model 2}$$

Discussion of the findings

The first objective was to examine the level of self-efficacy among working women in Uganda. Using Principal Component Analysis (PCA), Varimax rotation method, it was found that the level of financial self-efficacy among working women in Uganda is 51%. This means

that, working women believe that they can figure out a solution when faced with a financial challenge. Working women also believe in their ability to ‘manage my finances’, ‘appropriately use credit to finance the unexpected expenses’ and they will not run out of money for my future needs. Unlike the previous studies (e.g. Farrell et al.,2016 and Montford & Goldsmith, 2016)many women invest too conservatively. This finding is of particular concern as women typically live longer than men do, and thus, rely on accumulated savings for longer periods of time. This study extends work in the psychology of investing by examining the relationship between gender and investment risk and the role financial self-efficacy (FSE that did not focus on the level of self-efficacy of women, this study brings to the fore the level of financial self-efficacy of women in developing country.

The second objective was to examine the level of financial inclusion among working women in Uganda. From the EFA, it emerged that three factors of access to financial services (15%), welfare impact (29%) as well as quality of financial services (12%) accounted for 56% of the overall change in financial inclusion. Usage of financial services was deleted as it had poor factor loading and this could have been due to fact that the country has just come out of the 2-year Covid-Pandemic lockdown where the economic activity of individuals was highly restricted by the government’s policies.

The finding reveals a level of financial inclusion among working women that is lower than that advanced by Financiera (2023) of 65% and the earlier one by FinScope Uganda (2018) of 77%. This could be explained by the adverse economic effect on the country’s economy by the Covid-19 pandemic.

Self-efficacy and Financial Inclusion

Examining how self-efficacy influences working women’s financial inclusion in Uganda was the third objective of this investigation. The related hypothesis; ‘ H_{03} :Self-efficacy has no significant effect on financial inclusion among working women in Uganda’ was assessed. The study’s conclusions pointed out that self-efficacy had a favourable and statistically significant impact on attaining financial inclusion. As such, we fail to accept H_{03} .

This means that improvement to the financial self-efficacy of a working women results into their enhanced financial inclusion. This implies that as a working woman’s financial self-efficacy develops, she will access high quality financial services and her welfare will be positively transformed. When a working woman is confident of her ability to manage her finances and appropriately use credit to finance the unexpected expenses, then she will seize the available financial opportunities to better her quality of life. A working woman who believes that she can use her skills to attain certain financial goals lives an improved quality of life. The improved life style of a working woman with belief in her coping financial efficacy will manifest in form of improved access to healthcare services, nutrition, amenities and housing condition, increased income, reduced costs and acquisition of more assets.

This study affords empirical support to the earlier conclusions by other researchers from the developed countries that self-efficacy among women enhances their financial inclusion. For

instance, Calcagno and Monticone (2011) show that with Italy, women's readiness to delegate investment decisions is due to absence of self-confidence in financial matters. This inquiry also validates empirical findings in the USA where it is confirmed that lack of confidence in women contributes to their low involvement in financial management (Amatucci & Crawley, 2011) it is increasingly important to understand the factors which contribute to their success. While entrepreneurship research identifies access to human and financial capital as being important, fewer studies explore the role of sociocognitive factors such as self-efficacy or confidence in one's abilities to perform a particular task. This paper aims to examine gender-related attitudes toward financial management drawing from existing studies education, cognitive psychology, and entrepreneurship. Design/methodology/approach – The empirical study creates a measure of financial self-efficacy (FSE; Montford & Goldsmith, 2016) many women invest too conservatively. This finding is of particular concern as women typically live longer than men do, and thus, rely on accumulated savings for longer periods of time. This study extends work in the psychology of investing by examining the relationship between gender and investment risk and the role financial self-efficacy (FSE. Among Australian women, Farrell et al. (2016) find that financial self-efficacy is a significant predictor of the type and number of financial products that a woman holds. This investigation gives strong empirical evidence in favour of the claim that social cognitive theory ably explains how self-efficacy affects financial inclusion among working women in a developing country.

Conclusion

The results of this particular investigation show that the social cognitive theory ably explains the link between self-efficacy in the financial domain and financial inclusion among working women living in a developing country. Individuals draw from their belief about what they can ably do in order to act in a given way (Bandura, 1999) within a social-cognitive framework, a critical review of research on the motivational impact of different psychological climates in physical activity. Motivational, cognitive, affective and behavioural outcomes are considered in sport, school physical education and exercise. We first review laboratory and field studies that tried to manipulate the perceived structures of motivational environments and to examine the subsequent outcomes on participants' cognitive and affective responses. Then we discuss studies influenced by the work of Ames in classroom settings and involving questionnaires to measure individuals' perceptions of 'motivational climates'. The impact of mastery and performance climates on various indices of motivation is narratively reviewed, and statistically estimated effect sizes from 14 studies ($n = 4484$). This empirical evidence aligns with that of Calcagno and Monticone (2011) and Farrell et al. (2016) who present that absence of financial self-efficacy increases financial exclusion of women. In times of a pandemic like Covid-19, the extent of financial inclusion in working women may be reduced.

Recommendations/Implications

More empirical work needs to be done to clearly understand those unique factors that enhance financial self-efficacy of women in a developing country so that stakeholders like Government of Uganda through its Ministries, Departments and Agencies (MDAs), and other stakeholders

in financial inclusion can design evidence-based initiatives that enhance the financial self-efficacy of women so as to enhance their financial inclusion.

There is need to evaluate the gender-based impact of the just concluded National Financial Inclusion Strategy (2017-2022) by government of Uganda on financial inclusion, and then design a new national financial inclusion plan that targets women, among others.

References

- Amatucci, F. M., & Crawley, D. C. (2011). Financial self-efficacy among women entrepreneurs. *International Journal of Gender and Entrepreneurship*, 3(1), 23–37. <https://doi.org/10.1108/17566261111114962>
- Bandura, A. (1982). *Self-Efficacy Mechanism in Human Agency*. 37(2), 122–147.
- Bandura, A. (1986). The Explanatory and Predictive Scope of Self-Efficacy Theory. *Journal of Social and Clinical Psychology*, 4(3), 359–373. <https://doi.org/10.1521/jscp.1986.4.3.359>
- Bandura, A. (1995). *Self-Efficacy in changing societies*. Cambridge University Press. <https://doi.org/10.1017/CBO9781107415324.004>
- Bandura, A. (1999). Social cognitive theory : An agentic perspective. *Asian Journal of Social Psychology*, 21–41(2), 21–41.
- Bongomin, G. O. C., Munene, J. C., Ntayi, J. M., & Malinga, C. A. (2018). Nexus between financial literacy and financial inclusion: Examining the moderating role of cognition from a developing country perspective. *International Journal of Bank Marketing*, 36(7), 1190–1212. <https://doi.org/10.1108/IJBM-08-2017-0175>
- Calcagno, R., & Monticone, C. (2011). Financial Literacy and the Demand for Financial Advice. *Journal of Banking and Finance*, 50, 363–380.
- Chaffin, C. R. (2018). Self-efficacy in financial planning. *Client Psychology*, 181–187.
- Cleff, T. (2019). Applied Statistics and Multivariate Data Analysis for Business and Economics. In *Applied Statistics and Multivariate Data Analysis for Business and Economics*. <https://doi.org/10.1007/978-3-030-17767-6>
- Cooper, D. R., & Schindler, P. S. (2014). *Business research methods, The McGraw-Hill/Irwin Series in Operations and Decision Sciences*, 12th edition. The McGraw-Hill/Irwin.
- Davison, G. C., & Garcia, L. M. (2019). Behaviour therapy. In *Cambridge Handbook of Psychology, Health and Medicine Third Edition* (Vol. 4, Issue 3). <https://doi.org/10.4324/9780429478932-67>
- Farrell, L., Fry, T. R. L., & Risse, L. (2016). The significance of financial self-efficacy in explaining women’s personal finance behaviour. *Journal of Economic Psychology*, 54, 85–99. <https://doi.org/10.1016/j.joep.2015.07.001>
- Financiera, A. I. (2023). *The role regulators play in closing the financial inclusion gender gap: a case*

- study of honduras*. <https://www.afi-global.org/publications/the-role-regulators-play-in-closing-the-financial-inclusion-gender-gap-a-case-study-of-honduras/>
- FinScope Uganda. (2013). *UGANDA 2013 FinScope III SURVEY REPORT FINDINGS* (Issue November).
- Hair, J., Black, W., Babin, B., & Anderson, R. (2014). *Multivariate Data Analysis* (7th ed.). Pearson Education Limited.
- Kasaija, M., & Tumusiime-Mutebile, E. (2017). *National Financial Inclusion Strategy 2017-2022*.
- Krejcie, R. V., & Morgan, D. W. (1970). Determining Sample Size for Research Activities. *Educational and Psychological Measurement*, 30(3), 607–610. <https://doi.org/10.1177/001316447003000308>
- Lown, J. M. (2011). 2011 outstanding AFCPE® Conference paper: Development and validation of a Financial Self-Efficacy Scale. *Journal of Financial Counseling and Planning*, 22(2), 54–63.
- Mindra, R., & Moya, M. (2017). Financial self-efficacy: A mediator in advancing financial inclusion. *Equality, Diversity and Inclusion*, 36(2), 128–149. <https://doi.org/10.1108/EDI-05-2016-0040>
- Mindra, R., Moya, M., Zuze, L. T., & Kodongo, O. (2017). Financial self-efficacy: a determinant of financial inclusion. *International Journal of Bank Marketing*, 35(3), 338–353. <https://doi.org/10.1108/IJBM-05-2016-0065>
- Montford, W., & Goldsmith, R. E. (2016). How gender and financial self-efficacy influence investment risk taking. *International Journal of Consumer Studies*, 40(1), 101–106. <https://doi.org/10.1111/ijcs.12219>
- National Population Council. (2018). *State of Uganda Population Report 2018*. <http://npcsec.go.ug/wp-content/uploads/2013/06/SUPRE-2018-.pdf>
- Noor, N., Batool, I., & Arshad, H. M. (2020). Financial literacy, financial self-efficacy and financial account ownership behavior in Pakistan. *Cogent Economics and Finance*, 8(1). <https://doi.org/10.1080/23322039.2020.1806479>
- Saunders, M. N. ., Lewis, P., & Thornhill, A. (2019). Research Methods for Business Students. In *Pearson Education Limited* (Vol. 8, Issue 10).
- Schindler, P. S. (2019). Business Research Methods. In *McGrawHill Education* (Vol. 13, Issue 13). <http://marefateadyan.nashriyat.ir/node/150>
- Sethi, D., & Acharya, D. (2018). Financial inclusion and economic growth linkage: some cross country evidence. *Journal of Financial Economic Policy*, 10(3), 369–385. <https://doi.org/10.1108/JFEP-11-2016-0073>
- Sweida, G. L., & Reichard, R. J. (2013). Gender stereotyping effects on entrepreneurial self-efficacy and high-growth entrepreneurial intention. *Journal of Small Business and Enterprise Development*, 20(2), 296–313. <https://doi.org/10.1108/14626001311326743>

- Truc, T., & Nguyen, H. (2020). Measuring financial inclusion : a composite FI index for the developing countries. *Journal of Economics and Development*. <https://doi.org/10.1108/JED-03-2020-0027>
- UBOS. (2021). Uganda Bureau of Statistics 2021 *Statistical Abstract*. Uganda Bureau of Statistics, 1–341.
- Uganda Bureau of Statistics. (2018). *Uganda Bureau of Statistics Statistical Abstract*.