

**MANAGEMENT STRATEGIES AFFECTING  
PERFORMANCE OF SELF HELP GROUPS IN UASIN-  
GISHU COUNTY, KENYA**

**CHRISTINE JEPTOO KETER**

**DOCTOR OF PHILOSOPHY  
(Business Administration)**

**JOMO KENYATTA UNIVERSITY OF  
AGRICULTURE AND TECHNOLOGY**

**2018**

**Management Strategies Affecting Performance of Self Help Groups in  
Uasin-Gishu County, Kenya**

**Christine Jeptoo Keter**

**A Thesis Submitted in Partial Fulfillment for the Degree of Doctor of  
Philosophy in Business Administration (Strategic Management) in the  
Jomo Kenyatta University of Agriculture and Technology**

**2018**

**DECLARATION**

This Thesis is my original work and has not been presented for a degree in any other University

Signature ..... Date .....

**Christine Jeptoo Keter**

This Thesis has been submitted for examination with our approval as the University Supervisors

Signature ..... Date .....

**Prof. Mike Amuhaya Iravo, PhD**

**JKUAT, Kenya**

Signature ..... Date .....

**Dr. William Sakataka, PhD**

**MKU, Kenya**

## **DEDICATION**

I dedicate this Thesis to my family and friends for their support, encouragement and prayers

## **ACKNOWLEDGEMENT**

This work would not have been what it is without immense contribution of the following resource persons; first and fore most am deeply indebted to my supervisors Dr. Mike Amuhaya Iravo and Dr. William Sakataka for their constructive corrections and tireless guidance in the entire development of this work. I will never forget valuable input from my friends and colleagues who supported me throughout the proposal writing for ensuring that my plans went on as scheduled.

## TABLE OF CONTENTS

<b>DECLARATION.....</b>	<b>II</b>
<b>DEDICATION.....</b>	<b>III</b>
<b>ACKNOWLEDGEMENT .....</b>	<b>IV</b>
<b>TABLE OF CONTENTS.....</b>	<b>V</b>
<b>LIST OF TABLES .....</b>	<b>XII</b>
<b>LIST OF FIGURES .....</b>	<b>XIV</b>
<b>LIST OF APPENDICES .....</b>	<b>XV</b>
<b>ACRONYMS .....</b>	<b>XVI</b>
<b>DEFINITION OF KEY TERMS .....</b>	<b>XVII</b>
<b>ABSTRACT.....</b>	<b>XIX</b>
<b>CHAPTER ONE .....</b>	<b>1</b>
<b>INTRODUCTION.....</b>	<b>1</b>
1.1 Background of the Study.....	1
1.2 Statement of the Problem.....	7
1.3 Objectives of the study.....	8
1.3.1 Overall Objective .....	8
1.3.2 Specific objectives .....	8

1.4 Research Hypothesis .....	8
1.5 Significance of the Study .....	9
1.6 Scope of the study .....	9
1.7 Limitations of the study .....	10
<b>CHAPTER TWO .....</b>	<b>11</b>
<b>LITERATURE REVIEW.....</b>	<b>11</b>
2.1 Introduction.....	11
2.2 Theoretical review.....	11
2.2.1 Stakeholder Theory .....	11
2.2.2 Empowerment Theory.....	12
2.2.3 Bank-Linkage Model .....	12
2.3 Conceptual framework.....	13
2.3.1 Concept of Management strategies .....	15
2.3.2 Training of Self Help Group Members .....	17
2.3.3 Partnership Strategy .....	20
2.3.4 Diversification strategy .....	21
2.3.5 Members innovativeness on Self Help Groups Performance .....	24
2.3.6 Stakeholder Role .....	26

2.3.7 Concept of Organizational Performance .....	28
2.3.8 Empirical Review .....	30
2.4 Critique of the existing literature .....	31
2.5 Research gaps .....	31
2.6 Summary .....	32
<b>CHAPTER THREE .....</b>	<b>33</b>
<b>RESEARCH METHODOLOGY .....</b>	<b>33</b>
3.1 Introduction .....	33
<b>3.2 Research philosophy .....</b>	<b>33</b>
3.3 Research Design .....	34
3.4 Target population .....	34
3.5 Sample size and Sampling Techniques .....	35
3.5.1 Sampling Techniques .....	35
3.5.2 Sampling Frame .....	36
3.6 Data Collection Instruments .....	37
3.6.1 Questionnaire .....	37
3.6.2 Secondary Data .....	38
3.6.3 Interviews .....	38



3.7 Data collection Procedures.....	38
3.8 Pilot Testing .....	39
3.8.1 Validity.....	39
3.8.2 Reliability.....	40
3.9 Data Analysis and Presentation.....	42
3.9.1 Data analysis .....	42
3.9.2 Regression Assumptions .....	43
3.9.3 Data presentation.....	43
3.10 Ethical Considerations .....	44
<b>CHAPTER FOUR.....</b>	<b>45</b>
<b>RESEARCH FINDINGS AND DISCUSSIONS.....</b>	<b>45</b>
4.1 Introduction.....	45
4.2 Response Rate .....	45
4.3 Background Information .....	45
4.3.1 Constituencies Covered by the Study .....	45
Source: author 2014 .....	46
4.3.2 Age distribution of the respondents .....	46
4.3.3 Gender of the respondents.....	47

4.3.4 Marital status of the respondents.....	48
4.3.5 Education level of the respondents .....	49
4.3.6 Occupation of the respondents .....	50
4.3.7 Monthly income .....	51
4.3.8 Number of years in SHGs .....	52
4.4 Effects of training strategy on the performance of SHG’s.....	53
4.4.1 Forms of trainings .....	53
4.4.2 Effect of training .....	54
4.4.3 Effects of training on performance of SHGs .....	54
4.5 Effects of Partnership strategy on performance of SHGs .....	56
4.5.1 Partnership strategy adopted by SHGs.....	58
4.6 Effects of Diversification strategy on performance of SHGs .....	60
4.7 Effects of members’ innovativeness on performance of SHGs .....	62
4.8 Effects of Stakeholder’s roles on performance of SHGs .....	63
4.9 Performance of SHGs in Uasin Gishu County.....	65
4.9.1 Youth Funds SHGs Loan disbursement and repayment performance (2011-2017) .....	68
4.10 Correlation analysis.....	68

4.11 Regression analysis .....	70
4.11.1 Testing of regression assumption.....	70
4.11.1 Model Summary.....	74
4.11.2 Analysis of variance.....	75
4.11.3 Coefficients .....	76
4.11.4 Hypothesis testing .....	77
4.11.5 SHGs-Government-Bank Linkage.....	78
<b>CHAPTER FIVE.....</b>	<b>81</b>
<b>SAMMARY OF THE FINDINGS, CONCLUSION AND RECOMMENDATIONS</b> .....	<b>81</b>
5.1 Introduction.....	81
5.2 Summary of the findings.....	81
5.2.1 Training strategy and its effect on performance of SHGs.....	81
5.2.2 Partnership strategy and its effect on performance of SHGs .....	82
5.2.3 Diversification strategy and its effect on performance of SHGs .....	82
5.2.4 Members’ innovativeness and its effect on performance of SHGs.....	83
5.2.5 Stakeholders’ roles and its effect on performance of SHGs .....	83
5.3 Discussion .....	84

5.3.1 Training strategy .....	84
5.3.2 Partnership strategy .....	84
5.3.3 Diversification of the groups' activities .....	85
5.3.4 Stakeholders' roles .....	86
5.3.5 Innovativeness .....	87
5.4 Conclusions .....	88
5.5 Recommendations .....	89
5.6 Areas for Further studies .....	90
<b>REFERENCES .....</b>	<b>91</b>
<b>APPENDICES .....</b>	<b>102</b>

## LIST OF TABLES

<b>Table 3.1:</b> Distribution of Self-help Groups per Divisions .....	35
<b>Table 3.2:</b> Sample size .....	37
<b>Table 4.1:</b> Constituencies .....	46
<b>Table 4.2:</b> Forms of trainings .....	53
<b>Table 4.3:</b> Effect of training .....	54
<b>Table 4.4:</b> Effects of training on performance of SHGs .....	55
<b>Table 4.5:</b> Organizations partnering with SHGs .....	57
<b>Table 4.6:</b> Frequency of accessing loans.....	57
<b>Table 4.7:</b> Response on Partnership strategy .....	59
<b>Table 4.8:</b> Forms of IGAs .....	60
<b>Table 4.9:</b> Response on effects of diversification .....	61
<b>Table 4.10:</b> Response on members' innovativeness.....	62
<b>Table 4.11:</b> Response on Stakeholders roles .....	64
<b>Table 4.12:</b> Response on SHGs performance.....	66
<b>Table 4.13:</b> Number of Registered SHGs in Uasin Gishu County.....	67
<b>Table 4.14:</b> Youth Funds SHGs Loan disbursement and repayment performance .....	68
<b>Table 4.15:</b> Correlation results.....	69

<b>Table 4.16:</b> Tests of Normality <sup>b,c,d,e,f,g,h</sup> .....	71
<b>Table 4.17:</b> Test of Homogeneity of Variances .....	72
<b>Table 4.18:</b> Linearity test .....	74
<b>Table 4.19:</b> Model Summary.....	75
<b>Table 4.20:</b> ANOVA <sup>b</sup> .....	75
<b>Table 4.21:</b> Coefficients <sup>a</sup> .....	76

## LIST OF FIGURES

<b>Figure 2.1:</b> Conceptual Framework .....	14
<b>Figure 4.1:</b> Age distribution of the respondents.....	46
<b>Figure 4.2:</b> Gender of the respondents .....	47
<b>Figure 4.3:</b> Marital status of the respondents .....	48
<b>Figure 4.4:</b> Marital status of the respondents .....	49
<b>Figure 4.5:</b> Occupation.....	50
<b>Figure 4.6:</b> Monthly income.....	51
<b>Figure 4.7:</b> Number of years in SHGs .....	52
<b>Figure 4.8:</b> Partnership with other organizations .....	56
<b>Figure 4.9:</b> Amount of loans obtained .....	58
<b>Figure 4.10:</b> SHGs-Government-Bank Linkage .....	80

## LIST OF APPENDICES

<b>Appendix I:</b> Questionnaires for SHGS Members .....	102
<b>Appendix II:</b> Interview Schedule For County Officials .....	112
<b>Appendix III:</b> Introductory Letter .....	114
<b>Appendix IV:</b> Research Authorization .....	115
<b>Appendix V:</b> Uasin Gishu County Authorazation Letter.....	116
<b>Appendix VI:</b> Authorization Letter County Ministry of Social Services .....	117
<b>Appendix VII:</b> Map of Uasin Gishu County .....	118



## ACRONYMS

**CBOs** : Community Based Organization

**IGA's** : Income Generating Activities

**NABARD** : National Bank for Agriculture and Rural Development

**NGOs** : Non-governmental organizations

**ROSCA** : Rotating Savings and Credit Association

**SHGs** : Self Help Groups

**UNFPA** : United Nations Population Fund

## DEFINITION OF KEY TERMS

**Diversification:** This is a groups' strategy to enter into a new market/businesses activity in which the organization is not currently in, whilst also creating a new product channel through income generating activities. A diversified firm can therefore be considered to have operations in more than a single industry (Ibrahim & Kaka, 2007).

**Management Strategy:** This refers to the organizational management activity that is used to set priorities, focus energy and resources, strengthen operations, ensure that employees and other stakeholders are working toward common goals, establish agreement around intended outcomes/results, and assess and adjust the organization's direction in response to a changing environment (Kujawa, 2005).

**Partnership:** According to this study it refers to an arrangement where the SHG and other agencies like businesses, interest-based organizations, schools, governments or combinations organizations agree to cooperate to advance their mutual interests. The SHG may partner together to increase the likelihood of each achieving their mission and to amplify their reach (Anand et al., 2000).

**Performance:** This refers to the measure of standard or prescribed indicators of effectiveness, efficiency and environmental responsibility such as

cycle time, productivity and regulatory compliance of the SHG's (Barney, 2002).

**Self Help Group (SHG):** Different authorities have defined Self Help Group (SHG) in different ways. For the purpose of this study, the definition given by Kropp and Suran (2002) is believed to be the most comprehensive, as it explains that SHG is an informal association of 15 to 20 people, mostly, from the poorer section of the village community; whereby they are organized, owned, operated, and controlled by the members, based on solidarity, reciprocity, common interest, and resource pooling.

**Stakeholder Role:** According to this study it refers to any group or individual who can affect or is affected by the achievement of the organizational objectives (Freidman & Miles, 2006)

**Training:** This is the process of imparting the group members through acquisition of knowledge, skills, and competencies as a result of the teaching of vocational or practical skills and knowledge that relate to specific useful competencies through empowerment-oriented approaches. Training s, equip group members with essential skills such as entrepreneurship, how to record and maintain accounts (Vetrivel & Mohanasundari, 2011).

## ABSTRACT

Self Help Groups play an important role in empowering members in order to improve their livelihoods. SHG movement has emerged as the world's largest and most successful network of Community Based Organizations (CBOs). However, management issues are the major challenges that the SHG movement is confronted with at this point in time. Therefore, this study sought to investigate management strategies affecting performance of Self Help Groups in Uasin-Gishu County. The specific objectives of this study were to assess the effects of Training strategy on the performance of SHG's, to determine the role of partnership on the performance of SHG's, to establish the effect of diversification strategy on the performance of SHG's, to determine effect of members innovativeness on performance of SHG's and to establish the role of stakeholders on the performance of SHG's in Uasin-Gishu County. The study is of benefit to several stakeholders for example the Ministry of special program and planning in adopting the right interventions to enable SHGs to be sustainable and meet the goals of the members. This study was based on the empowerment theory since it is central to the core functions of community coalitions: creating collaborative capacity, building community capacity, and fostering change at the local level. Empowerment theory suggests that community coalitions empower their member organizations to collaborate effectively and their communities to build the social capital necessary to address emerging issues. This study adopted a cross-sectional descriptive survey research design where the population for this study entailed a sample of 126 SHGs group members who were selected using stratified sampling. The research instrument used was a 5 point Likert scale questionnaire and interview schedule for collecting data. Data was analyzed using descriptive statistics and inferential statistics; correlation and regression and presented using tables and graphs. The results revealed that the SHG members had been trained on; asset building, book keeping, new methods of farming, leadership and governance, budgeting, and risk management in business. The groups are in partnership with other groups/ organizations; government agencies, banks and MFIs. These partners assist the member's on financial support and training. Most members use energy saving stoves on brooding chicks which has reduced the cost on electricity and also members are divided into small manageable groups for easy monitoring loans payments. The funds given by the government has contributed to the sustenance and performance of the groups IGA's. The regression analysis indicated that training strategy, partnership strategy, diversification strategy, stakeholders' roles and members' innovativeness were significant. In conclusion, members' innovativeness is the strongest predictor of SHGs performance, followed by stakeholders' roles, then diversification strategy, partnership strategy and lastly training strategy. The study recommend that; there is need for the county governments and Non-governmental to increase funding to SHGs and to monitor and mentor groups in order for them to achieve its objectives.

## **CHAPTER ONE**

### **INTRODUCTION**

This chapter presents the background of the study, statement of the problem, objectives of the study, research hypothesis, significance of the study, scope of the study and limitation of the study.

#### **1.1 Background of the Study**

Women comprise half of human resources they have been identified as key agents of sustainable development and women's equality is as central to a more holistic approach towards stabilizing new patterns and process of development that are sustainable. (Birendra Kumar Jha, 2009). The contribution of women and their role in the family as well as in the economic development and social transformation are pivotal. Women constitute 90 per cent of total marginal workers of the country. Rural women who are engaged in agriculture form 78 per cent of all women in regular work. Experience of NIRD action research projects reveal that, the operational aspects, such as the extent of enabling that goes into the community self-help processes and sharpening the mind set of women (Harendar Kumar, 2009).

According to Gupta and Gupta (2006) Self Help Groups are significant tools to adopt participatory approach for the economic empowerment of women. It is an important institution for improving the life of women on various social components. It acts as the forum for members to provide space and support to each other. In this study formal women groups refers to a socially and economically group of between 9-20 people voluntarily coming to achieve common objectives. The group formulates formal rules and regulations, a formal organizational structure and leadership that guide their day to day activities and eventually become registered by the Constituency Social Development Office. Whereas informal groups are locally formed, informal in nature and operate with informal rules, they are short-lived and their activities are informed by certain situations

to address particular problems at a given time and do not last for long. Srivastava (2004) says that these groups start with savings and not with credit, the group then uses its savings to give loans to members to meet their emergency and other needs. The interest rates on the loans are market driven. The members decide on savings per member, maximum size of loans, guarantee mechanisms in loan sanction.

SHGs have been instrumental in empowerment by enabling women and youth to work together in collective agency. Women's networks do not usually obtain business or political favors as they command few economic resources and frequently rely on time and non-monetized labour exchange. However, self-help groups, when combined with savings and credit, have enabled women and youth to benefit economically by monetizing their contributions and in the process have empowered them to become agents of change. The case of Joyful Women Organization (JOYWO) an organization in Kenya which has successfully helped women implement income generating projects using SHGs for women economic empowerment, according to JohnCraig (2012) in the year 2009, JOYWO had 431 Women Self Help Groups and an estimated 10,000 women who had accumulated their wealth to 100,000,000 Kshs which have been invested in different income generating. The women were also trained in financial, leadership, group dynamics, gender and cultural issues; hence the women were empowered all rounded and able to participate in development of the country. A related aspect is that self-help groups have facilitated the formation of social capital, where people learn to work together for a common purpose in a group or organization. The ability to associate depends on the degree to which communities share norms and values and are able to subordinate individual interests to those of larger groups. Out of these shared values comes trust, with the potential for social, economic and political changes. However, these groups are often narrowly focused on microcredit, which, although useful as an entry point, can also limit and confine these groups to very small-scale activities with limited impact beyond the immediate family (Putnam, 2010).

In India, rapid progress in Self Help Group formation has now turned into an empowerment movement among women across the country. Economic empowerment has resulted in women's ability to influence or make decision, increased self-confidence, and better status and role in households. The empowerment of women through SHG is giving benefit not only to the individual women but also for the family and community as a whole through collective action for development (Hardeep Kaur and Navkiranjit Kaur 2012). In Gambia, women groups are the core of developmental activities. The role of women in micro financing for poverty alleviation has long been recognized as vital approach to household welfare and donor agencies and NGOs are promoting micro-finance through women's groups (Saikou E. Sanyang & Wen-Chi Huang, 2008).

Sub-Saharan Africa is among the areas where poverty is geographically concentrated, and it is so pervasive that many of the policies concerned with poverty alleviation encompass practically most of the development plans. Ziderman (2003) asserted that small-scale informal sector enterprises presented enormous opportunities in Sub-Saharan Africa for the employment of women. The development of skills through targeted programs is essential to improving the livelihoods of disadvantaged groups, including women; training could enable women to function better in the informal sector. Rural communities are challenged by the task of organizing themselves for effective participation in economic and social development while ensuring equitable distribution of the benefits. Local communities continue to be impoverished by the macroeconomic reforms that have influenced the elimination of social programs and the diminution of the state's role in fighting poverty (Ziderman, 2003).

Narang Uma (2012) examines the women empowerment through shg's and also explains the current position of self help groups in India. Sharma Manoj (2013) concluded in his paper that self help groups as an important tool which helps the rural women to acquire power to their self supportive life and national building effort.

V. Ganeshkumar (2014) observed that the branch density in a state transactions the opportunity for financial inclusion in India. Literacy is a prerequisite for creating investment awareness, and hence intuitively it seems to be a key tool for financial inclusion. Branch density and Literacy in creating investment awareness has a significant impact on financial inclusion. By just creating investment awareness is not possible to achieve financial inclusion at the same time there need to be significantly improving the investment opportunities in India

Ajay Kumar Verma (2015) the author suggested in his thesis that since the majority of groups was formed by the government agencies, i.e. ICDS workers who are present almost in every village of the study area. These government representatives should visit every group at least once in a month in order to access the records, activity status, repayment and the problems associated with the operation of their microenterprises and SHG's. This will not only help the SHG members overcome their group related issues but will also help the government in identifying the problems of SHGs workers at the grass root level.

The origin of women's groups in Kenya is very varied. A detailed analysis is given by Were (1985). The mobilization of women in Kenya can be traced as far back as the women's councils of the Kikuyu in the nineteenth century. During the first half of the 20th century women in areas like Vihiga, Kakamega, Kiambu, Murang'a and Machakos formed mutual assistance groups. Neighbors and relatives helped each other in birth, disease and death. In the late forties women's clubs appeared as formalized and were the first to be organized in 1951 under the National Women's Organization "Maendeleo ya Wanawake" (Progress for Women) (Maas, 1991). MYWO which is the largest women's organization or association in Kenya was set up by a small group of European women in the early 1950s to promote the advancement of African Women and to raise African living standards. It was organized following philanthropic model where white, middle-class women volunteers provided assistance to rural women's clubs in welfare-oriented matters such as teaching home management, child care, sewing and knitting, embroidery and music among others.



For mutual help, these groups are instrumental in promoting informal structure of the poor to help them save and promote self-reliance in financing these needs through Self Help Groups. But still poor have financial crisis. Their poverty still persists. A research carried out by Mutoro (2007) in North Maragoli revealed that formation of women groups, especially with welfare objective was not a new phenomenon. The aspect that was new for many women in that area was the formation of income-generating groups and the formalization of groups through registration. Self Help Groups are a common phenomenon among most Kenyan communities and their role in economic improvement of households has been controversial for long because some men have viewed them with suspicion due to their effect of economic empowerment of women.

The goal of Kenyan government is to see that SHGs plays an important role in socio-economic empowerment as well as employment of rural people. The need to increase self-reliance and self-employment has been echoed by Jubilee government who in the recent introduced UWEZO Fund to support SHGs. The Uwezo Fund is a government poverty alleviation strategy geared towards enabling women, youth and persons with disability engage in Income Generating Activities. Self Help Group in Kenya has been targeted as the main target for channeling development agendas and resources to the grass roots. Purba Basu (2004) indicates that Self Help Group in India has emerged as vehicles of achieving the socio-economic conditions of group members with very little administrative expenses. Seibel and Khadka (2002) states that vast number of SHGs established in India in the recent past are self-reliant, autonomous and despite the fact that they were mostly from the lowest and other disadvantaged groups, they had proven to be the better savers, borrowers and investors. Again, the SHGs mobilized their own savings, transformed them into loans to members and ploughed back their interest income into equity.

Self Help Group (*Chama*) is an informal cooperative society that is used to save money, these kinds of arrangements are common in East Africa, an especially Kenya. SHGs are generally called the term “chama” in Kenya. The term chama in Swahili (and it’s the plural “vyama”) means „group, “organization', 'association', 'union', club or „party” that

can be included in all kinds of activities and it is a term that has been used widely in Kenya to refer mainly to women's groups (Kitetu, 2013). The Cooperative is also called micro-savings groups. The SHGs concept arose out of the idea of 'harambee', which means "all together", in the 1980s. Initially, SHGs was exclusively women's groups, but as the phenomenon grew, men started participating in SHGs as well. In Kenya, there are estimated to be 300,000 SHGs managing a total of KSH 300 billion (USD \$3.4 billion) in assets. In Kenya, it is estimated that one in three Kenyans is a SHG member (Standard Media, 2010). This SHG approach is gaining popularity in Kenya among women and the youth and the government encourages them to register with the Ministry of Gender and Social Services

Money raised from the groups is loaned to individual women to enable them meet basic needs for their families and in addition finance income generating activities for development of the community at large (Kinder, 2008). Majority of the small-scale households in Uasin Gishu County suffer from limited access to formal credit due to lack of collaterals. Joining Self Help Group presents an option to increase access to credit and improve loan repayment performance. This is exhibited by the growing number of micro-credit SHGs all over the County (Keror, 2012). Despite the evidence of Self Help Group accomplishments in a given realm of national and local level development, it is often evident that Self Help Groups once formed may not meet the needs of the members (van Kempen, 2009). To revamp this sector, there is need to investigate management strategies that results on performance of SHGs.

## **1.2 Statement of the Problem**

Self-Help Groups (SHGs) are increasingly becoming very important method of organizing women to take action and transform their situation. The strength of Self Help Groups is based upon the fact that the people who are facing problems are likely to be the most committed to solve them. The inability of formal credit institutions to cover rural poor is generally attributed to high cost of administering the large number of small loans. This has promoted large number of Non-Governmental Organizations (NGOs) to enter the rural credit scheme for organizing the poor into informal groups.

Different organizations have promoted or supported SHGs from a different perspective and agenda. Despite the evidence of Self Help Group accomplishments in a given realm of national and local level development, it is often evident that Self Help Groups once formed may not meet the needs of the members. Thus, the present study is limited to one of the unresolved issue of management strategies of SHGs as raised by Sa-Dhan (2003). It is observed that different stakeholders have promoted SHGs with different expectations and understanding, and have sorted different parameters of quality of SHGs. A report on a survey conducted on the status of youth groups in Marani District revealed that youth groups were faced by many challenges that have hindered them from achieving their objectives, of the 102 youth groups that had been registered, 28 were no longer existing, 16 were dormant and only 58 were active (R.O.K., Ministry of Youth Affairs, 2011).

Despite the quest for SHG's success, many SHG's initiative in Kenya have continuously experienced challenges in lack of adequate skills among members, lack of innovativeness and inadequate or unreliable investments in IGAs, unmet member needs and unmet group management objectives. Most studies done have concentrated on finding the socio-economic impacts of SHGS, this study sought to establish the management strategy affecting the performance of SHG's in Uasin Gishu County so that recommendations would be made by the researcher on what should be done to ensure that these groups are able to carry out sustainable projects.

### **1.3 Objectives of the study**

#### **1.3.1 Overall Objective**

The general objective of this study was to examine management strategies affecting performance of SHG's in Uasin Gishu County.

#### **1.3.2 Specific objectives**

The study was guided by the following specific objectives;

1. To assess the effects of training on the performance of SHG's in Uasin-Gishu County.
2. To determine the effect of partnership on the performance of SHG's in Uasin-Gishu County.
3. To establish the effect of diversification on the performance of SHG's in Uasin-Gishu County.
4. To determine the effect of members innovativeness on performance of SHG's in Uasin-Gishu County
5. To establish the effect of stakeholders on the performance of SHG's in Uasin-Gishu County

### **1.4 Research Hypothesis**

The study was guided by the following research hypothesis;

**H01:** Training strategy has no effect on performance of SHG's in Uasin-Gishu County.

**H02:** Partnership strategy has no effect on performance of SHG's in Uasin-Gishu County.

**H03:** Diversification strategy has no effect on performance of SHG's in Uasin-

Gishu County.

**Ho4:** Members innovativeness has no effect on performance of SHG's in Uasin-Gishu County.

**Ho5:** Stakeholder role has no effect on performance of SHG's in Uasin-Gishu County.

### **1.5 Significance of the Study**

Although SHGS have played an important role in community rural development, no serious study has come up with management strategies to realize its full potential. The aim of this study is to assess on management strategies for the performance of SHG's with government policies and stakeholder role as intervening variables on performance of SHG's in Uasin-Gishu County. The study will benefit several stakeholders for example the Ministry of special program and planning in adopting the right interventions to enable SHGs to be sustainable and meet the goals of the members. The study will be of help to organizations like financial institutions, group officials in coming up with right policies for better management of SHGs. Most of the groups formed are not able to meet the needs of the members therefore they collapse after a short period. There is need for group members to find out the strategies that can facilitate the sustainability and performance of the groups. The findings of this study will be of help to the SHG's in using the appropriate strategies to enable serve the needs of the members.

### **1.6 Scope of the study**

The study evaluated management strategy as an antecedent to the performance of SHG's in Uasin Gishu County, Specifically the study investigated; management strategies adopted by SHGs in Uasin Gishu County, the study targeted all registered SHGs within the five-year period (2012-2016) and specifically those groups who have benefited from Uwezo Fund from the government within Uasin Gishu County. The researcher used survey method.

### **1.7 Limitations of the study**

The researcher faced some challenges while doing this study. To begin with, the fact that the majority of the respondents had low educational background therefore creating some negligence in filling the questionnaire. Some did not give values to the questionnaire and some others did not return it totally. Lastly, since the respondents were scattered in different sites, some difficulties faced in accessing them, following up respondents and collecting responses.

## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.1 Introduction**

This chapter reviews literature related to the study. The chapter is classified into five sections, introduction, theoretical and conceptual framework, critic of existing literature, summary and Research Gap.

#### **2.2 Theoretical review**

##### **2.2.1 Stakeholder Theory**

The theory was proposed by (Freeman, 1984), the moral perspective of stakeholder theory is all stakeholders have a right to be treated fairly by an organization, and managers should manage the organization for the benefit of all stakeholders, regardless of whether the stakeholder management leads to better financial performance (Deegan, 2004). A similar view has been put forward by the World Business Council for Sustainable Development (2009), which also identifies stakeholders as the representatives from labor organizations, academia, church, indigenous peoples, human rights groups, government and non-governmental organizations and shareholders, employees, customers/consumers, suppliers, communities and legislators. Therefore, a fundamental aspect of stakeholder theory is to identify the stakeholders an organization is responsible for. Any stakeholder is relevant if their investment is, in some form, subject to risk from the activities of the organization (Clarkson, 2005). In relation to this study, a stakeholder is any group of individuals like government or private institution who can affect or is affected by the activities of the self-help group, in achieving the objectives of the organization.

### **2.2.2 Empowerment Theory**

The study adopts Empowerment Theory by (Fawcett *et al.*, 2005). The processes that influence performance of groups that share certain ideologies, Empowerment Theory is important in understanding the dynamics of groups formed at the grass roots level in building their capacity, cooperation, and causing change at the local level. Empowerment Theory suggests that grass roots groups (SHGS) empower their members' organizations to collaborate effectively and build the social capital to foster their development agenda. The theory focuses on various factors that facilitate or impede performance of SHGs; such factors includes; democratic participation, understanding ways of exploiting their environment, collaboration to enhance access to resources, and empowerment of the members (Perkins & Zimmerman, 2005). Fawcett *et al.* (2005) developed a model of community empowerment through SHG initiatives and a framework for the process of empowerment in collaborative partnerships.

### **2.2.3 Bank-Linkage Model**

The SHG model, in the form of the SHG-Bank Linkage Programme (SBPL) was initiated in the early 2000s by the National Bank for Agriculture and Rural Development (NABARD). According to Jonathan and Barbara (2002) Self-help group linkage is based on the principle of 'savings first'. These savings are not only a way of creating group solidarity and testing people's willingness regularly to keep some cash aside, but they also create a loan fund from which the group can borrow. Groups normally comprise of 15-20 women. Their savings and the accumulated interest the members charge themselves on loans may even make it unnecessary for the group to borrow from outside at all. Peer-pressure replaces traditional guarantees, such as references and assets or collateral. The existing network of government banks was harnessed to link the SHGs to credit channels, and having demonstrated the financial success of this endeavour, private banks are increasingly venturing into the field (Jonathan & Barbara, 2002)



While ideally, once members have managed to build up their assets, they should be able to operate individual accounts; this is not always the case. Critics of the SHG movement argue that poor people, given the choice, prefer an individual service and the simplicity of a reliable retailer managing the bookkeeping, rather than taking on the added responsibilities and risks of running their own mini-financial institution (SHG).

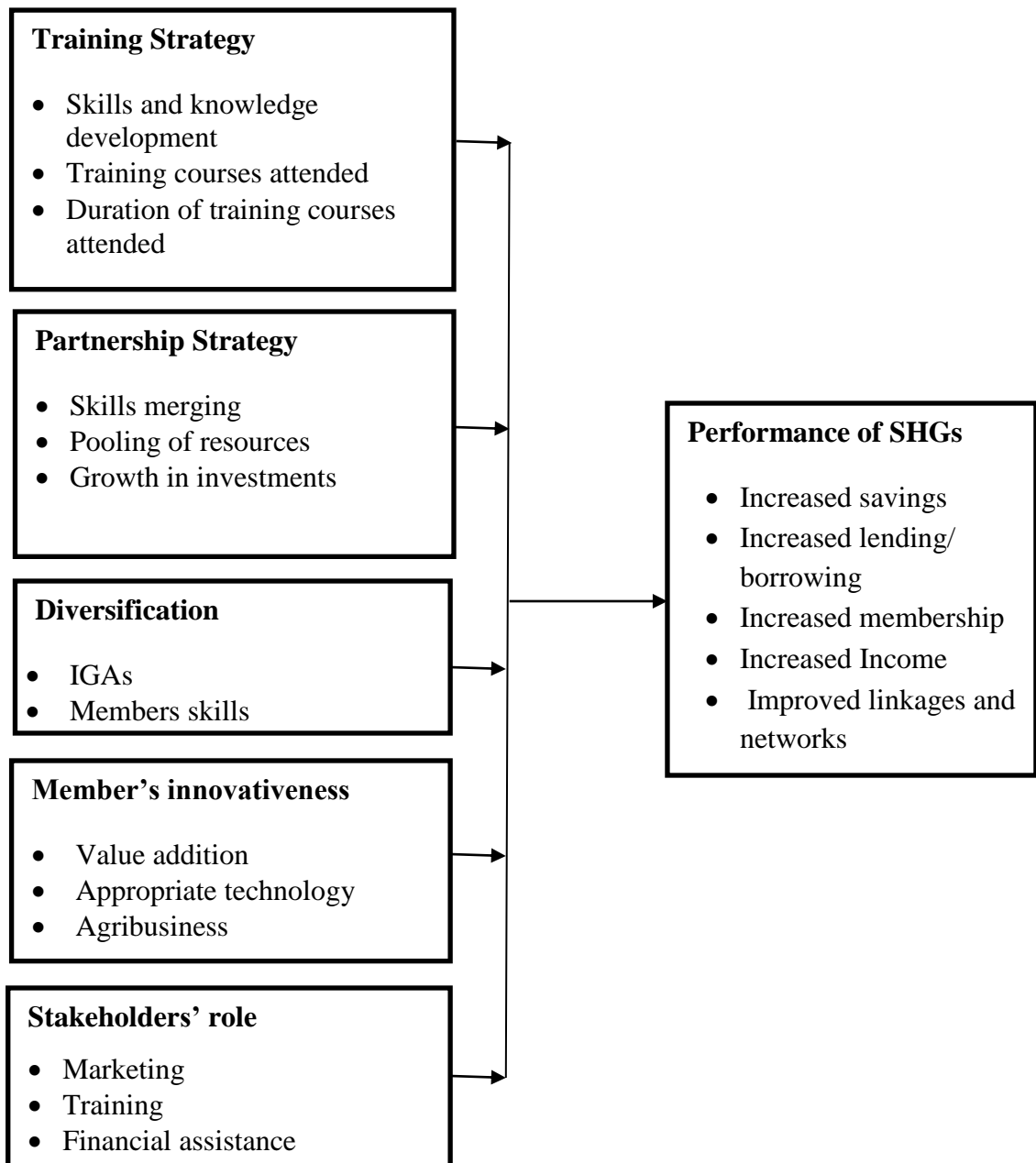
Elisabeth and Maria (2006) noted that among the other drawbacks, SHGs entail a process of mutual self-selection, which may lead to the exclusion of the economically weakest members in a community. Further, it has been noted that repayment does not depend solely on peer pressure, there also needs to be management, transparency and accountability, which require a costly apparatus of Training and supervision

### **2.3 Conceptual framework**

The conceptual framework model identified five management strategies in SHG's, are Diversification, Training, Partnership Strategies, Member Innovativeness and Stakeholder roles. Performance of Self-help groups was the dependent variable. The conceptual framework was derived from the independent and the dependent variables of the study, and was derived from the past studies.

## Independent Variables

## Dependent Variable



**Figure 2.1: Conceptual Framework**

(Source, Author, 2015)

### **2.3.1 Concept of Management strategies**

Management strategies refers to the organizational management activity that is used to set priorities, focus energy and resources, strengthen operations, ensure that employees and other stakeholders are working toward common goals, establish agreement around intended outcomes/results, and assess and adjust the organization's direction in response to a changing environment (Kujawa, 2005).

Strategic management involves organizational analysis, decisions, and actions undertaken to create and sustain advantages over competition. According to Dess and Lumpkin (2003) the core activities of strategic management are continuous process of analyses, decisions making and taking appropriate actions. These highly interdependent activities can also be referred to as strategic analysis involving strategy formulation, implementation and monitoring forms strategic management process.

Creation of goals, mission and mission statement, organization vision and vision statement, distilling organization values and objectives are at the core of strategic management. Internal and external environment analysis to develop goals and objectives that will minimize threats and maximize opportunities. Thereafter strategy of an organization is developed based on the information from the analysis. The strategy includes priorities and decisions to address key issues facing the organization. Once the strategy is developed, putting resources and process to actualize the organization goals, is done through creation of budgets, programs and policies. The last piece in strategic management process is monitoring of the strategy that is continuous evaluation of activities and programs through predetermined measurements and tests. Monitoring detects various gaps in the strategy and deployment of corrective measures for adapting strategy to changing trends.

Management strategies, refers to expansion of an organizational business to other business within close proximity in which an organization was established. According to Rowe (2004), competing in other markets requires a different perspective than

competing in domestic markets. How to enter a foreign market, how best to interact with customers, how to manage foreign joint ventures or subsidiaries effectively and how to determine vulnerability risks are examples of considerations pertinent to international competition. Regional growth is a key strategic issue which, according to Grosse and Kujawa (2005), requires top management decisions, large amount of the firm's resources, affects the firms' long-term prosperity, is future oriented, has multifunctional and multi-business consequences and require considering the firm's external environment. From the foregoing, it is clear that venturing into a new market constitutes a major strategic decision that must well be considered and appraised.

According to Ellis and Williams (2005), business strategy is concerned with the strategic management processes by which firms of all sizes evaluate their changing business environment and shape an appropriate organizational response that involves the crossing of international borders. Growth strategies are designed to expand an organization's performance, usually as measured by sales, profits, product mix, market coverage, market share, or other accounting and market-based variables. Typical growth strategies involve one or more of the following: With a concentration strategy, the firm attempts to achieve greater market penetration by becoming highly efficient at servicing its market with a limited product line. By using a vertical integration strategy, the firm attempts to expand the scope of its current operations by undertaking business activities formerly performed by one of its suppliers (backward integration) or by undertaking business activities performed by a business in its channel of distribution (forward integration). A diversification strategy entails moving into different markets or adding different products to its mix. If the products or markets are related to existing product or service offerings, the strategy is called concentric diversification. If expansion is into products or services unrelated to the firm's existing business, the diversification is called conglomerate diversification. According to ACE (2009), there are a number of ways of growing and expanding a business. Some possible growth strategies are; Ansoff's Growth Matrix (Product and Market Mix), exporting, franchising and Licensing, IPO, Merger and Acquisition and Venturing Overseas

### **2.3.2 Training of Self Help Group Members**

Training is an important asset to an individual since it gives the necessary skills required to run a business. Proper accounting in any enterprise helps one to know what is going on as far as the business is concerned. Entrepreneurial, management, and technical Training is very important to enterprise development (Stevenson & St-Onge, 2005). The training processes should target areas such group formation, record keeping, how to conduct meetings, resource mobilization, linking with other stakeholders, management of IGAs among others (Saluja, 2010).

There are many governmental, private, and non-governmental agencies professing to offer Training in areas such as starting a business, continuing its existence, and expanding it, yet very SHGs have access to such. In addition, many women who own micro-enterprises still cannot access this type of training, which they need for the expansion of their livelihoods (Stevenson & St-Onge, 2005). In explaining the importance of Training and utilizing the knowledge women already have, Yunus (2009) noted that allowing the poor access to credit allows them to exploit their potential.

Using a randomized control trial, Paulson and Townsend (2004) studied impact of training among women entrepreneurs in Peru. The treatment groups attending 30 to 60 minutes of entrepreneurs training per week over a period of one year, while the control groups remained as they were before. The study established that training improved business knowledge, practices and revenues, training also improved loan repayment among the members of the groups. The study concluded that microfinance institutions can improve performance of SHGs by providing entrepreneurial training along with credit that is extended to the groups in order to enhance their performance (Townsend & Paulson, 2004) measured the marginal impact of adding business Training to a Peruvian group lending program for female micro entrepreneurs.

Self Help Group (SHG) organizes frequent meetings either weekly, fortnight or monthly. The meetings are used by members to discuss, reflect on and find solution to socio economic issues of the group; the platform is also used to transact group business (Das, 2012). Members' physical presence is very critical and a register of attendances is kept, absenteeism attracts fines. The group officials also maintain minute book where they record all meeting proceedings. The meetings core activities include members making their savings, repayment of loans, and payment of fines and dispatch of loans. These savings are recorded in collection register. After collecting the members' savings, it is usually taken to bank and deposited in group account. During the meeting, members with loan from the group make their repayment. Members who frequently miss to attend meeting pay fines (Vetrivel & Mohanasundari, 2011).

The successes of members' businesses are attributed to groups' regular meetings and trainings where members gain skills and share business experiences which help them to overcome day to day hurdles. It has also helped members without any experience of running a business who are usually nervous and wary of starting their own business, to overcome such fear (Subramaniam, 2012). Self Help Group (SHG) has also improved technical and practical skills on entrepreneurship through training exposed to members and sharing of businesses experiences (Das, 2012). This has enhanced managerial skills such as; planning; decision making, ability to facilitate a group meeting and managing the enterprise. It has also increase articulation abilities such as self-confidence and self-esteem. There has also been a boost in the entrepreneurship qualities such as risk takers, creativity, novelist; resourceful (Panda, 2009).

During the meetings members review on loan application and the amount to be made to applicants. Admission of new members and how to release those who want to resign, taking disciplinary action against members who misbehaved is also discussed. Other Critical activities to enhance group cohesion are discussed; these include activities such as, undertaking community activity, taking up common economic activity to build up group income, and organizing for trainings.

Trainings are important in development of SHG members. They equip them with essential skills such as entrepreneurships, how to record and maintain accounts. The trainings venues are usually where members hold their meetings this is to aid in achieving high attendance (Vetrivel & Mohanasundari, 2011).

Treatment groups received thirty to sixty minutes' entrepreneurship Training sessions during their normal weekly or monthly meetings over a period of one to two years. Control groups remained as they were before, meeting at the same frequency but solely for making savings and loan repayments. They found that the treatment led to improved business knowledge, practices and revenues. The program also improved repayment and client retention rates for the microfinance institution. They concluded that there is evidence that microfinance institutions can improve client outcomes effectively by providing entrepreneurial Training along with credit that is equipping entrepreneurs with entrepreneurial skills like marketing, management and record keeping (Townsted & Paulson, 2004).

There is need to train SHGs in group dynamics and team building strategies, record keeping, leadership skills, monitoring and evaluation of projects as well as proposal writing, including grants and business plans (Kane, Walsh & Nelson, 2001). Kane et al (2001) further noted that the immediate social and economic environment experienced at the household level can be linked to a trend that makes most women groups struggle to operate their businesses efficiently. So, efforts must be made to strengthen women groups' management and logistical capacity (Herz, 1989). In addition, Jivetti and Edwards (2009), recommend that WSHGs should be provided with Training in the development of business plans and guidance on how best to avoid redundancy or undue duplication of income generating activities and projects. Shylendra (2008) evaluated the performance of eight WSHGs promoted in Vidaj village, Western state of Gujarat in India and established that by ensuring a clear understanding of SHG among women groups is crucial to the success of any SHG. This is done through the Trainings offered to the women in the SHGs and subsequent refresher Trainings. Kinder Not Hilfe (2008) suggests that Training and competence building should be provided to members of

SHGs to enhance their capacity. Most of these poor members have missed out on education and its benefits. The capacity building is functional and centered around individuals and group activities. Therefore, the current study intends to find out what specific Training is provided to the women in the SHGs and the extent to which such trainings could influence their success.

### **2.3.3 Partnership Strategy**

Partnerships are considered not only as a means to acquire complementary resources and capabilities that SHGs lack, but also as a means to gain access to other groups' capabilities, supporting more focused, intensive exploitation of existing capabilities within each group Anand *et al.* (2000). Researchers have identified motivations for forming strategic partnerships, namely, strategic motivations, transaction cost related motivations, and learning related motivations, among which, the learning related motivations are receiving increasing attention in the academic research (Anand *et al.*, 2000). Some researchers claim that SHG's enter the alliance arrangement with learning as an implicit goal like revenue growth or increase membership numbers (Yoshino *et al.*, 2005). To survive and respond to changes in a highly competitive and volatile environment, a firm must be able to continuously learn new knowledge and practices. Forming strategic partnerships with external entities that are better able to help the SHG's achieve its goals and allow the group to focus more on its core competencies as well as to exchange knowledge and new ideas with them. Dale (2008) points to projects and programmes with extended networks and relationships, both with local communities and across government agencies, as evidence of sustainable development, this therefore points out that it's not possible for organizations to operate sustainably in isolation.

The government in its effort to strengthen these grass root institutions and also level the playing field so that all Kenyans can contribute to the country's economic growth, it has initiated Women and Youth enterprise fund (Uwezo fund). These funds are channeled through SHGs to boost the entrepreneurial activities. Other organizations such as N.G. O s and financial sectors have been attracted by its strong grass root network and their well



knitted structures. According to Supriya (2012), other agencies are currently working closely with SHG's to provide them with a good entry point to the community and a smooth ride in delivering their services. Despite its positive impact not only to individual and community in Kenya, but also to the government and banks there is scanty information to substantiate its impact. Thus, this study therefore tries to assess whether participation in SHG by other agencies can be used as a strategic tool for the sustainability of the SHGs.

The self-help groups are empowering their communities through collective action. Initially, they simply pooled financial resources into a Rotating Savings and Credit Association (ROSCA) scheme and pooled labour (especially for planting and harvesting) based on principles similar to share-cropping (World Neighbors, 2006) While this particularly helped widow- and orphan-headed households with subsistence food production and supply, many still relied on food aid during droughts. And limited access to improved farm inputs or better agronomic techniques meant food insecurity, malnutrition and land degradation persisted.

#### **2.3.4 Diversification strategy**

Active participation of SHG members in group activities is the great determiner of the empowerment outcome. The participation process involves collective and continuous efforts by the people themselves in setting goals, pooling resources together and taking actions which aim at improving their living conditions (Mishra, Sharma, & Sharma, 2004). Members are required to participate in regular saving, taking loan and attending meetings and trainings.

Livelihood diversification empowers households, giving them a range of livelihood options to draw on, making them more food and income secure. Interventions in Nyando include beekeeping, improved small livestock production (goats, sheep and poultry) and crop diversification with improved agronomic practices. Diversification is defined as the entry of a firm into new lines of activities either by the process of internal expansion or

by acquisition (Ramanujan & Varadarajan, 1989). It is also defined as the process by which firms extend the range of their businesses outside those in which they are currently engaged (Cannon & Hillebrandt, 1989). A diversified firm can therefore be considered to have operations in more than a single industry (Ibrahim & Kaka, 2007). Diversification increases the range of a firm's investment opportunities, as it permits a company to take advantage of the more profitable opportunities in sectors of the economy in which it previously had no activities (Pawaskar, 2009).

The individual savings are recorded in a register indicating the amount made and the date. Members are encouraged to take loan from the group to undertake income generating activities. The loans issued are recorded in a loan register and its status reviewed frequently to ensure the loan is being recovered as agreed. Group regular meetings enable members to discuss their individual and group progress. It's during these meetings that members' articulation abilities are sharpen such as confidence, self-esteem and team work (Das, 2012).

The SHGs are characterized by a focused attention on providing employment opportunities by imparting training in order to generate both income as well as employment (Husain & Nair, 2006) Sharma and Varma (2008) described income generating activities as a means for attaining financial sustainability among members of SHGs. The change agents will have to guide the members of SHGs to start some profitable income generating activities and facilitate them in sustaining those activities through technological and market linkages.

Various studies conducted have shown that most women who join SHG without any business due to lack of capital were able to start their own business after joining the group (Jothi, 2010; Sharma, Roy, & Chakravorty, 2012). A study conducted by Sharma, Roy and Chakravorty on potential of self-help group on entrepreneurship shows that not only did women engage in entrepreneurial activities' but also there was a boost in the entrepreneurial qualities such as confidence, innovation, energetic, risk taking, financial independence and active participation during group meeting. Contribution (Sharma *et*

*al.*, 2012). The group network has acted as a good source of knowledge where women share business ideas such as the marketing skill, simple accounting techniques, and risk analysis.

According to Chakrabarti *et al.* (2007), Self-help groups as a network type of organization need to diversify their income generating activities by having affiliates groups operating in different businesses to the extent that diversified groups act as internal markets for themselves. Using readily available group resources may improve the outcomes of diversification made at the groups' level. Empirical evidence shows that when members in the group diversify, they increase their chances of success (Chang & Hong, 2002).

Study conducted by Badatya *et al.* (2006), in India made an evaluation study series on microfinance for micro enterprises-An impact evaluation study of self-help groups. The study has been conducted in AP covering three districts constituted 56 SHGs with 310 SHG members. The study stated that positive impact of group dynamics within SHGs and changes in pattern of enterprise mix among the SHG members. The study examined the impact of different Income Generating Activities (IGAs) and Micro Enterprises (MEs) with the help of some economic indicators like investment and Return, profit margin, net income percentage ratio of sales to operating cost, sales, total cost, loan repayment performance. The study also analyzed that income and employment generated by SHG members after SHG situation and had a positive impact on the incremental net income. Ganagaiah *et al.* (2006), in their studies on impact of self-Help Groups on income and employment in the states of Andhra Pradesh revealed that SHGs had a favorable impact on employment and income on the rural poor.

The field level study shows that annual income of the SHG members significantly increased from selected income generating activities. It also observed that farm based activities like agriculture generate highest income and non-farm activities create highest number of employment days. Ramachandran, and Balakrishnan (2008), in their study on impact on Self-Help Groups on women's empowerment – a study in Kanyakumari

district with 120 selected respondents from 12 villages are analyzed pre-and post-SHG status of SHG members. The study revealed that every SHG members increased their income by taking income generating activities in post-SHG period than pre-SHG period. The study also found that SHGs have given certain benefits to its members like as development of savings habit, increased income, access to large quantum of resources, better technology etc.

A study conducted by Coppok *et al.* (2005), among women in North Eastern, Kenya established that women groups generate income from projects, and reinvest it at the end of the season into other projects that would thrive in the new season. The groups are able to expand their enterprises and benefit their individual members, who are then allowed to borrow from the groups to invest in their personal projects. Lema and Kapange (2006) state that agricultural development projects have acted as catalysts toward formation and working with groups in various ways, often building on indigenous, mostly informal village producers' groups.

### **2.3.5 Members innovativeness on Self Help Groups Performance**

Innovations provides an organization a strategic orientation to overcome the problems they encounter while striving to achieve sustainable performance (Kuratko *et al.*, 2005). A marketing innovation is the adoption of a new marketing method involving significant changes in product design or packaging, product placement, product promotion or pricing (OECD Oslo Manual, 2005). Enzing *et al.*, (2011) study reveals that organizational practices affect the level of innovation in the organization. Furthermore, the researchers explored that firm's specific practices leads to product and process innovation by managing the resources. Walker (2004) concluded that innovation types influence each other and they should be implemented in conjunction.

Mobile telephony adoption is on the rise and the related technological innovations have dramatically enhanced the capabilities of the mobile phones use among SHG's in local community members (Salzaman *et al.*, 2001). About two billion people worldwide are

using a mobile phone. As the number of mobile phone increases there has been a pervasive impact on group members especially on mobile banking of proceeds received from group members. Mobile phones adoption and use has a positive and significant impact on the growth and sustainability of SHG's, and this impact may be twice as large in developing countries as in developed countries (Salzaman *et al.*, 2001).

Another type of innovativeness is table banking concept that is based on the belief that for the extremely poor, particularly women, and the best approach is to begin by building their financial assets and skills through savings rather than debt (Kanyi, 2014). The objective of table-banking is to bring financial services to the poor, particularly women in the SHG's and the poorest to help them fight poverty, stay profitable and financially sound. It is a composite objective, coming out of social and economic visions. Table-banking is based on group guarantee and house-hold collateral. Table-banking is founded on the principle that credit should be accepted as a human right, and builds a system where one who does not possess anything gets the highest priority in getting a loan Through table banking women in groups would pool formidable resources and loan it to a well-trained entrepreneurial woman whose investments would give them good returns enough to save (Masinde, 2013).

Self Help Groups (SHGs) has given rural women whom most of them live below a dollar a day an opportunity to secure their tomorrow by putting a coin a side from their hard-earned money. The SHG gives women opportunity to save regularly, access formal savings institutions and also participate in management of these savings. Members are required to make frequent savings as possible they are then recorded in a savings register (Vetrivel & Mohanasundari, 2011).

Most Self-Help Groups (SHGs) are formed by members who are in need of credit but lack collateral security to access bank loans. Participation in SHGs has improved woman's access to credit, through pooling their financial resources in form of savings which is usually done either weekly or monthly (Das, 2012). These savings are crucial in two aspects first part of the saving are loaned to members, the second part are kept in the

account and can be used to access bank loans. A loan register indicating members with loan and their status in regard to repayment is kept by the group officials but can be assessed by members (Jothi, 2010).

The saving culture is one of the key pillars of SHG; members are usually required to make an agreed amount of saving within a given time. These savings have empowered SHG members in many ways. It has enabled members' access loan from both the group and bank. Individual members can withdraw part of their saving to buy assets or start an income generating activity. The saving acts as buffer against unforeseen happenings such as illness, business losses (Padala, 2011). A study showed that savings of women SHGs linked with banks was 76.4% of total SHG in March 2010 (Moon, 2011). Panda and Reji in their studies further ascertained this saving culture and its impact such as enabling women to own assets such as land, houses, movables assets such as vehicles, tractors (Panda, 2009).

The accumulated savings are very crucial to the group in two aspects. The first portion of the savings is issued to members as loans especially during initial stages of group, here members agree on the interest, repayment period, and maximum loan; for new members' small loans are advanced to them and repaid within short duration. Secondly, in mature stages the group can use the savings to access loan from banks. Studies conducted by Moon and Jothi noted that a good loan portfolio in banks are made to SHGs, these was attributed to financial discipline shown by members by making regular loan repayment (Vetrivel & Mohanasundari, 2011).

### **2.3.6 Stakeholder Role**

According to Freidman and Miles (2006) defines a stakeholder as any group or individual who can affect or is affected by the achievement of the organizational objectives. Among the most common groups of stakeholders are the following: shareholders, customers, suppliers, Non-Governmental Organizations, Government, distributors, employees and local communities (Freidman & Miles, 2006). The

stakeholder theory posits that an organization is a social construction made of interaction of various stakeholders and the organization is envisioned as the centre of a network of stakeholders, a complex system of exchanging services, information, influence and other resources (Mersland & Strøm 2009). The basis of stakeholder involvement in the strategic process of an organization is that the self-help group value is created when it meets the needs of the firm's important stakeholders in a win-win fashion (Harrison, Bosse *et al.*, 2007).

Rowley (2009) note that the survival of the organization depends on how well it satisfies its stakeholders. Therefore, the management of competing stakeholders has emerged as an important topic for formulating business strategies. Primary stakeholders are those who are directly affected either positively or negatively by organization's actions. They are those groups whose continuing participation is necessary for the survival of the organization. Jawahar and MCLAughlin (2001) identify primary stakeholders as shareholders, investors, employees, customers and suppliers. Secondary stakeholders on the other hand, are those individuals, groups or organizations which can indirectly affect or be affected by the organization's actions.

Stakeholder involvement is an integral part of a stepwise process of decision making. At different phases, involvement may take the form of sharing information, consulting, dialoguing, or deliberating on decisions; it should be seen always as a meaningful part of formulating and implementing good policy (Lapenu & Pierret, 2005). Specific involvement initiatives may be seen as part of an ongoing relationship among the different societal partners who are concerned by issues. Stakeholder involvement techniques should not be viewed as convenient tools for public relations, image-building, or winning acceptance for a decision taken behind closed doors. Involving relevant stakeholders throughout the strategic process is very important to broaden the support for policy and activities, to avoid conflicts and to generate as much support as possible for the success of the plan over time.

The importance of participatory processes is generally well understood, but traditional administrative and political processes are reluctant to open up policy development and decision-making to a wider, but more unfamiliar (and perhaps less manageable) public (Lapenu & Pierret, 2005).

Manyasa (2003) recommends that NGOs should establish linkages with the women groups and help develop their capacity through training of their leaders and members in leadership, entrepreneurship and membership drive. He suggests that the government on its part should also recognize the economic viability of women groups and provide a policy framework that would ensure their proper management and set up more microfinance institutions targeting women to increase availability and accessibility of credit to women.

### **2.3.7 Concept of Organizational Performance**

The concept linking organizational strategy to performance was introduced by Barney (2002). Their research and experience with clients demonstrated that, what distinguishes high performers from their competitors is the consistent way they construct and maintain this competitive essence. While many companies compete on the basis of a single point of differentiation, the competitive essence of high performers is almost always achieved through the balance, alignment and renewal of what they identified as the three building blocks of high performance: Market focus position, distinctive capabilities and performance anatomy (Barney, 2002). According to porter (1998), the ability of an organization to outperform its competitor depends on five major factors. The first four set the strategic direction for success. These are ability to take advantage of market activity trends, ability to capture and protect unfair share of markets, ability to capture premium pricing, prudent creation and introduction of new products. This entails having peopled, processes and technology for execution excellence.



Firm's performance is the measure of standard or prescribed indicators of effectiveness in payment of loans among members, efficiency and environmental responsibility such as cycle time, productivity, waste reduction, and regulatory compliance. Performance also refers to the metrics relating to how a particular request is handled or the act performing: of doing something successfully, using knowledge as distinguished from merely possessing it. It is the outcome of all the organizations operations and strategies. It is also the extent to which an individual meets the expectations regarding how he should function or behave in a particular context, situation, job or circumstance. Noum (2007) is of the view that organizational performance is what people do in relation to organizational roles. Since their inception, companies have used various yardsticks for measuring and reporting performance. The two main items used to measure performance are the firms market share within the particular industry in which it operates and its profitability.

Pearce and Robinson (2003) highlight three goals, which define an organizational performance guided by strategic direction. These goals are survival in the market, growth and profitability. An organizations' growth is tied inexplicitly to its survival and profitability. Survival means a long-term strategy to remain in business and inability to do so mean the organization is not capable of satisfying the stakeholder's aims. Although product impact market studies (PIMS) have shown that growth in the market share is correlated with profitability, other important forms of growth do exist. Growth in the number of markets served, in the variety of products offered, in the technologies that are used to provide goods or services frequently leads to improvements in a firms' competitive ability. Growth means change and proactive change means change is essential in a dynamic business environment. Profitability is the main goal of a business organization. No matter how profit is measured or defined, profit over the long term is the clearest indication of a firm's ability to satisfy the principal claims, and desires of employees and stockholders. Decisions must be based on the long term as short term may produce misleading profit results which overlook the enduring concerns of customers, suppliers, creditors, ecologists and regulatory agents.

### 2.3.8 Empirical Review

Several studies have looked at participation in community groups and other types of social capital. In the Philippines, Godquin and Quisumbing (2006) found that asset-rich, better educated, closer-to-town households were more likely to participate in groups and have larger social and economic assistance networks. Although there was not a significant difference in the number of groups in which men and women participated, the type of groups was significantly different between men and women. Men tended to join burial and production groups, while women were more likely to participate in civic groups.

In Uganda, Katungi *et al.* (2006) found that social capital is very important for information exchange. Social capital was measured in terms of belonging to associations, civic engagement (reading a newspaper, listening to radio, etc), and attending social institutions such as weddings and marketplaces. They showed that male-headed households have better access to social capital, and tended to use civic engagement and social institutions more than female headed households. While male-headed households had larger social networks, there were no differences between male- and female-headed households as to “weak ties” the relatives and friends from their social networks outside the sub-county. Female-headed households engaged less often in information exchange. Finally, the researchers showed that men and women had an equal propensity to join groups, and thus groups should be used for information diffusion.

Place *et al.* (2002) examined the performance of rural groups in Kenya. They presented empirical evidence regarding various hypothesized explanatory factors for relative group performance levels. They found that groups are very diverse and dynamic, taking on new projects and abandoning others. They also found that women tended to join groups in order to purchase household items or for social insurance, while men often joined to gain market access or as a coping mechanism. In a follow-up paper, (Kariuki & Place, 2005) found that men and women engage in similar activities but for different reasons.

## **2.4 Critique of the existing literature**

Self-help groups can be particularly vulnerable to group discord. As one self-help group member noted —it became apparent that the failure was due more to the lack of coordination and communication between group members, (Lahiri-Dutt & Samanta, 2006) Some of such group discordance may be attributable to ineffective group structure, socioeconomic, political, and religious differences among group members (Lahiri-Dutt & Samanta, 2006). Some of the fallbacks of participatory development identified by (Cooke & Kothari, 2001) can be amplified in small self-help groups: because most self-help groups run independently, they do not have a skilled facilitator who can ask probing questions and hold private meetings to pull out dissent within and further analysis from the group. To avoid this clash of heterogeneity, Yunus (2003) planned for these groups to be composed of in similar economic situations. However, Participatory Rural Appraisal requires all perspectives within the community (Kumar, 2002). Another reason for changing participation within a traditional microfinance framework is to respond to some of the general criticisms of the model. For instance, one of the critiques of microfinance is that it does not reach those who are very poor (Halder & Mosley 2007). Those individuals sometimes have great difficulty participating in a traditional program (Halder & Mosley, 2007). Some personal issues that were cited for non-participation were; limitations in the availability of liquid cash for the savings discipline, lack of time to attend meetings and thinking about credit activities. In order to reach this group, one organization used program supports to allow this at-risk group to participate. The major change was to add food aid as part of the structure to alleviate some of the burden on the participants and be responsive to their unique situation (Halder & Mosley, 2004).

## **2.5 Research gaps**

Despite most governments adopting the concept of SHG, very few studies on assessing the management strategies on performance of SHG's has been done. Although the Kenyan government has developed some programmes on economic empowerment such

as enterprise fund (Uwezo fund and WEF) which are channeled through SHGs scanty of information on its impact are available. Given that the concept of SHG Bank linkage model is gaining popularity in Kenya and other developing countries there is a need of assessing its effect on sustainability of groups. Lack of collateral security, need of small-sized loans which is expensive, high bank transaction costs and financial dependence have been the major hindrance to economic empowerment (Vetrivel & Mohanasundari, 2011). SHGs have proved to be the main tool of social and economic empowerment. The study is expected to provide alternatives suggestions and/or appropriate policy measures that are viable to enhance sustainability and growth of groups. This may also increase their household income and other social benefits. The findings of this study may be used to spur economic growth and improve economic empowerment. This study therefore seeks to fill this gap by establishing the links between strategy and sustainability of Self Help Group.

## **2.6 Summary**

Previous research about SHGs in Kenya mainly focused on either the economic gains for households with SHG members or, alternatively, on the empowering effect on SHG members. Concerning the economic effect, it is found that households with an SHG member are able to reduce a household's vulnerability to shocks by diversifying income (Garikipati, 2008). Households with SHG members are also found to increase consumption, nutrition and accumulate assets.

Research on the empowering effect of SHGs report mixed results. Swain and Varghese (2009) argue that access to credit is transformative in providing a better negotiation position in the household and/or community while others argue that it does not (yet) change the position of in all other domains of society and might actually only increases (already large) work burden, by adding economic activities to their 'traditional' tasks. Garikipati (2008) argue that SHGs have the potential to empower when saving and credit activities are complemented with social meetings and Trainings (Batliwala, 2007).

## CHAPTER THREE

### RESEARCH METHODOLOGY

#### 3.1 Introduction

This chapter covers the method used in the study; which comprise; research philosophy, research design, target population, study area, sampling techniques, sample frame data collection instruments, validity and reliability of instruments, and data processing and analysis.

#### 3.2 Research philosophy

Research philosophy is the development of research background, research knowledge and its nature (Saunders, Lewis and Thornhill, 2012). Matt, Mark and Nick (2006), further emphasized that research philosophy is a paradigm which means approach, pattern or way of thinking about conducting research. In undertaking research, it is advisable to take into account the different research paradigms since the parameters describe perceptions, beliefs, nature of reality, truth, and individual values of the researcher. These aspects can influence how the research will be conducted including the final results and conclusions. Consideration of research philosophy also helps to expose, understand and minimize research biases (Matt *et al.*, 2006).

Postivism philosophy was adopted for this study because it is an objective based method. According to Saunders *et al.* (2012), the positivist researcher plays the role of an objective analyst in the evaluation of the collected data. Because this study relied on objective data collection and analysis in order to achieve useful and accurate results, it adopted the positivist philosophy as recommended by Saunders *et al.* (2012). The central element of positivism paradigm is that social phenomena can be explained by observing cause and effect. In addition Mugenda (2008), argued that positivist philosophy posits that reality is stable and therefore can be observed, described, predicted, controlled and

explained from an objective point of view without interfering with the phenomenon being studied.

Guided by the positivism paradigm, this study aimed at generating both qualitative and quantitative data that helped to address the research questions. In addition, the study used quantitative measuring instrument in form of a questionnaire which the positivist approach favors and blended with interviews and content analysis to obtain in-depth data. Data analysis was carried out objectively as advocated in the positivist philosophy.

### **3.3 Research Design**

The research design is a plan that guides the researcher in planning and implementing the study in a way that is most likely to achieve the intended goals (Burns & Groves 2001). This study adopted descriptive research design. It involves collecting data in order to answer questions concerning this study. This design was justifiable because it compares the quantitative reasoning of a sample. In addition, the design, by the virtue of being cross-sectional, gives a representation of the whole population with minimum bias. Moreover, descriptive survey makes standardized measurement more precise by enforcing uniform definitions upon the respondents. Borg (2006) postulates that a descriptive research design is a logical and valuable way of looking at the world. This logistic ensures that similar data can be collected from groups/strata then interpreted comparatively.

### **3.4 Target population**

A population consists of a group that share common characteristics from which individuals or units of analysis are then chosen out of the population for the study (Fox & Bayat, 2007). The study targeted all registered SHGs in rural areas in Uasin-Gishu County. The study specifically targeted rural SHGs because they face many challenges; retrogressive cultures, poverty and lack of empowerment among others which affects the performance and sustainability of SHGs.

**Table 3.1: Distribution of Self-help Groups per Divisions**

<b>Constituencies</b>	<b>Social service staff</b>	<b>Population</b>
Kapseret	1	116
Soy	1	109
Turbo	1	81
Ainabkoi	1	153
Moiben	1	81
Kesses	1	115
<b>Total</b>	<b>6</b>	<b>653</b>

Source: Author (2014)

### **3.5 Sample size and Sampling Techniques**

#### **3.5.1 Sampling Techniques**

This study used stratified random sampling technique. Stratified random sampling is a modification of random sampling in which the population is divided into two or more relevant and significant strata based on one or more attributes (Saunders *et. al.*, 2007). The advantage of stratified sampling is said to be its ability to ensure inclusion of SHGs with different characteristics for example widows, people with disabilities, which would otherwise be omitted entirely by other sampling methods because of their small number in the population. Sekaran (2003) recommends that a sample size of more than 30 and less than 500 is appropriate for any social science research. In general, the size of the sample in each stratum is taken in proportion to the size of the stratum i.e. proportional allocation.

### 3.5.2 Sampling Frame

The sampling frame of SHG members who have been involved for at least five years were selected through stratified sampling technique.

The registered SHGs was obtained from the respective District Social Services department. The researcher extracted groups that had completed five years from 2010 to 2014 and are situated in rural areas as it is believed that SHGs with less than five years of maturation do not have effect on members. The study used the mathematical approach in the determination of the sample size for the research. The mathematical sampling approach given by Miller and Brewer (2003) that was used is stated as:

$$n = \frac{N}{1 + N (\alpha)^2}$$

Where n = sample size

N = Sample frame

$\alpha$  = margin of error

The sample frame (N) shows the list of the population of the groups selected for the study. The sample size (n) was then calculated out of the sample frame (N).

Using a confidence level of 92%,

$$n = 653 / 1 + 653 (0.08)^2$$

$$n = 653 / 1 + 4.1792$$

$$n = 126$$



**Table 3.2: Sample size**

<b>Divisions</b>	<b>Population</b>	<b>Sample Frequency</b>
Kapseret	116	22
Soy	109	21
Turbo	81	15
Ainabkoi	153	30
Moiben	81	16
Kesses	115	22
<b>Total</b>	<b>653</b>	<b>126</b>

Source: Author, (2014)

### **3.6 Data Collection Instruments**

The study employed the use of structured and open-ended questionnaire, interviews and document analysis. Questionnaire was used to collect data from selected members from each group, various SHG documents was analyzed and data regarding group meeting attendance, individual savings and loan, and the general performance of the SHGs were gathered, the interviews were conducted on the County Social Services coordinator, and staff members in each constituency.

#### **3.6.1 Questionnaire**

Gay (2006) explains that descriptive data are usually collected using questionnaires. Others like Simons (2008), Cohen and Manion (2008) have also identified questionnaires and interviews as crucial instruments of data collection in descriptive research. This study adopted both the open ended and closed type of questionnaires; the questionnaires were administered by the research assistants.

### **3.6.2 Secondary Data**

The researcher requested for SHG's documentation from the Uasin-Gishu County Government. Secondary data included the annual reports of the repayment rates of the Self-Help Groups and reports on training programmes done to the groups within duration of 5 years and renewal of group's license.

### **3.6.3 Interviews**

Orodho (2009) postulates that many people are willing to communicate orally than in writing and they would provide data more readily and fully than on a questionnaire. An investigator is able to encourage subjects and probe them deeply into a problem. In this case, structured interview was used. Interview as a method of research typically involves a face to face meeting in which a researcher (interviewer) asks an individual a series of questions. It is an interaction of the researcher (interviewer) and the interviewee. A great deal of qualitative material comes from talking with people whether it is through formal interviews or casual conversations.

This method becomes appropriate in situations where by chance or training there are persons who will provide the most knowledgeable information possible on the topic of study. As a result, the key informants for interviews in this study were; Uasin Gishu County County director, gender and social services and six Sub County Social Service Coordinators.

### **3.7 Data collection Procedures**

The researcher first sought permission from the National Council of Science, Technology and Innovation (NACOSTI) and then proceeded to Uasin Gishu County office to seek permission to visit the sampled SHG's for the study. Permission was granted and the researcher visited the sampled SHG's for familiarity with the group members. The researcher also made arrangements with group leaders and agreed on the time and date of the study thus to avoid inconveniencing the group members. The

researcher assured the respondents of confidentiality on their responses. The researcher administered the questionnaires through research assistant. The researcher conducted secondary data and interviewed the County social services officers in person.

### **3.8 Pilot Testing**

#### **3.8.1 Validity**

According to Bridget and Lewin (2005), validity is the degree by which a sample of test items represents the content the test is designed to measure. To establish the validity of the tool the researcher first, went through the instruments and compared them with the set objectives and ensures that they contained all the information that answers the set questions and address the objectives. Second, expert (supervisor) was consulted to scrutinize the relevance of the questionnaire items against the set objectives of the study.

Validity is a measure of the degree to which data obtained from an instrument is meaningful and accurately reflects or represent a theoretical Concept (Mugenda, 2003). To ensure that the information that is collected from the field is accurate and reliable, there was need to determine validity of the instruments. Two supervisors and one departmental lecturer with relevant skills in the field of study assessed the content and face value of the instrument and gave feedback. The feedback obtained was incorporated in the final instruments before the actual study.

We can divide the types of validity into logical and empirical.

#### **Content Validity:**

When we want to find out if the entire content of the behavior/construct/area is represented in the test we compare the test task with the content of the behavior. This is a logical method, not an empirical one.

**Face Validity:**

Basically face validity refers to the degree to which a test appears to measure what it purports to measure.

**Criterion-Oriented or Predictive Validity:**

When you are expecting a future performance based on the scores obtained currently by the measure, correlate the scores obtained with the performance. The later performance is called the criterion and the current score is the prediction. This is an empirical check on the value of the test – a criterion-oriented or predictive validation.

**Concurrent Validity:**

Concurrent validity is the degree to which the scores on a test are related to the scores on another, already established, test administered at the same time, or to some other valid criterion available at the same time.

**Construct Validity:**

Construct validity is the degree to which a test measures an intended hypothetical construct. Many times psychologists assess/measure abstract attributes or constructs. The process of validating the interpretations about that construct as indicated by the test score is construct validation

**3.8.2 Reliability**

Reliability is the degree to which an assessment tool produces stable and consistent results (Kothari, 2008). The Cronbach's Coefficient Alpha approach recommended by Cohen, Manion and Morrison (2007) for its ability to give average split-half correlation for all possible ways of dividing the test in two parts was used to measure internal consistency of the research instrument.

Reliability is a measure of the degree to which a research instrument yields consistent results or data after repeated trials (Mugenda, 2003). There is need for testing the reliability of the instrument to ascertain the results. To test the reliability of the study, the researcher carried out a pilot study to test the research instruments. According to Cooper and Schindler (2003), the pilot group can range from 10 to 15 subjects depending on the method to be tested but it does not need to be statistically selected. The researcher randomly selected 20 SHGs in Nandi County to test the reliability of the research instruments. The selected members in the group were given the questionnaires while two officials from the UWEZO and Youth Fund were interviewed. The reliability of the instruments was tested using Cronbach's alpha, which were found to be 0.83, which indicated that the instruments were reliable. Nunnally (1978) recommends that instruments used in basic research should have reliability of about 0.70 or above.

Test-retest, equivalent forms and split-half reliability are all determined through correlation.

#### **Test-retest Reliability:**

Test-retest reliability is the degree to which scores are consistent over time. It indicates score variation that occurs from testing session to testing session as a result of errors of measurement. Problems: Memory, Maturation, Learning.

#### **Equivalent-Forms or Alternate-Forms Reliability:**

Two tests that are identical in every way except for the actual items included. Used when it is likely that test takers will recall responses made during the first session *and* when alternate forms are available. Correlate the two scores. The obtained coefficient is called the coefficient of stability or coefficient of equivalence. Problem: Difficulty of constructing two forms that are essentially equivalent.

Both of the above require two administrations.

### **Split-Half Reliability:**

Requires only one administration. Especially appropriate when the test is very long. The most commonly used method to split the test into two is using the odd-even strategy. Since longer tests tend to be more reliable, and since split-half reliability represents the reliability of a test only half as long as the actual test, a correction formula must be applied to the coefficient. Spearman-Brown prophecy formula.

Split-half reliability is a form of internal consistency reliability.

### **Rationale Equivalence Reliability:**

Rationale equivalence reliability is not established through correlation but rather estimates internal consistency by determining how all items on a test relate to all other items and to the total test.

## **3.9 Data Analysis and Presentation**

### **3.9.1 Data analysis**

The data obtained was analyzed using SPSS version 20.0 and presented in form of frequencies and percentages. The researcher conducted a Pearson product moment correlation analysis in order to establish the relationship between management strategies and self-help group performance. In management, the correlation between two variables is a statistical measure of the relationship between the movements of the two variables (independent and dependent). The regression analysis was performed to establish the extent in which the independent variables predict the change in the dependent variable.

Regression analysis was used to predict the strength of relationship between the independent variables and dependent variables. The regression model adopted was;

$$y = \alpha + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4 + \beta_5X_5 + \epsilon$$

Where;

$y$  = Performance of SHGs

$\alpha$  = Constant Term

$\beta$  = Beta Coefficients

$x_1$  = Training strategy

$x_2$  = Partnership strategy

$x_3$  = diversification strategy

$x_4$  = Members innovativeness strategy

$x_5$  = Stakeholders roes

$\epsilon$  = Error Term

### **3.9.2 Regression Assumptions**

Testing of regression assumptions was conducted to ascertain the extent in which the data meets the assumption. Violations of assumption can result in biased estimates of relationships (biased standard errors), and untrustworthy confidence intervals and significance tests (Chatterjee & Hadi, 2012). There are four assumptions of multiple regressions; the assumption of normality, the assumption of independence, the assumption of homoscedasticity, and assumption of linearity (Osborne & Waters, 2002).

### **3.9.3 Data presentation**

Data was presented using tables and Figures. The frequencies and percentage on the response on Likert scale questions were presented using tables, while the structure questions on the demographic characteristics of the respondents were presented using figures.

### **3.10 Ethical Considerations**

The researcher followed all codes of ethics and apply the 3 three principles of research ethics: beneficence, respect and justice as prescribed in the Belmont Report, to the fullest use, to ensure prudent ethics of research are followed. The researcher received authorization permit from National Commission for Science Technology and Innovations (NACOSTI) to carry out the study. Informed consent was sought from respondents, key informants before administering the research instruments. Privacy and confidentiality was practiced during data collection and with data handling. All data collection tools was applied only after verbal voluntary informed consent was obtained. The researcher assured the respondents that the information sought was solely for academic purposes and the information received will be treated with utmost confidentiality.



## **CHAPTER FOUR**

### **RESEARCH FINDINGS AND DISCUSSIONS**

#### **4.1 Introduction**

The chapter presents; background information, effect of training on performance of SHGs, effect of partnership on performance of SHGs, effect of diversification on performance of SHGs, effect of members innovativeness on performance of SHGs, effect of stakeholders roles on performance of SHGs, performance of SHGs in Uasin Gishu County, Correlation analysis, regression analysis and testing of hypothesis.

#### **4.2 Response Rate**

Out of 126 questionnaires distributed to the respondents, only 121 questionnaires were completed accurately and were used for analysis which gives a response rate of 96 % which was good compared to the recommended response rates to verify consistency of measurements required for analysis which should be over 50% (Kothari, 2005).

#### **4.3 Background Information**

The background information is important in understanding the respondents, hence being able to interpret their responses. The variables that were of interest to the study were; the constituencies covered in the study, age distribution of the respondents, gender, marital status, education level, occupation, monthly income, and number of years in SHGs.

##### **4.3.1 Constituencies Covered by the Study**

The study covered the six Constituencies in Uasin Gishu County, the respondents were selected proportionately to their population; Kapseret 21(17.4%), Turbo 12(9.9%), Soi 19(15.7%), Oinabkoi 23(19.0%), Moiben, 11(9.1%) and Kesses 35(28.9%), as presented in table 4.1

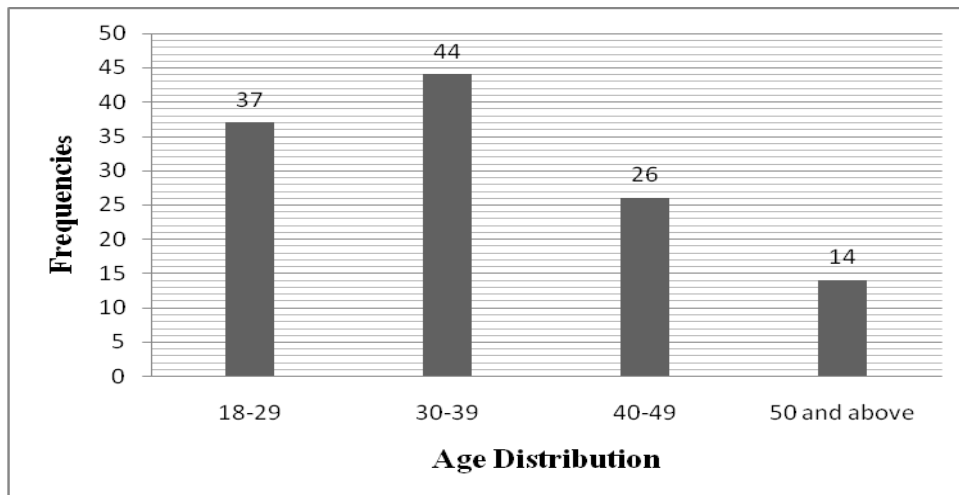
**Table 4.1: Constituencies**

	Frequency	Percent
Kapseret	21	17.4
Turbo	12	9.9
Soi	19	15.7
Ainabkoi	23	19.0
Moiben	11	9.1
Kesses	35	28.9
Total	121	100.0

Source: author 2014

#### **4.3.2 Age distribution of the respondents**

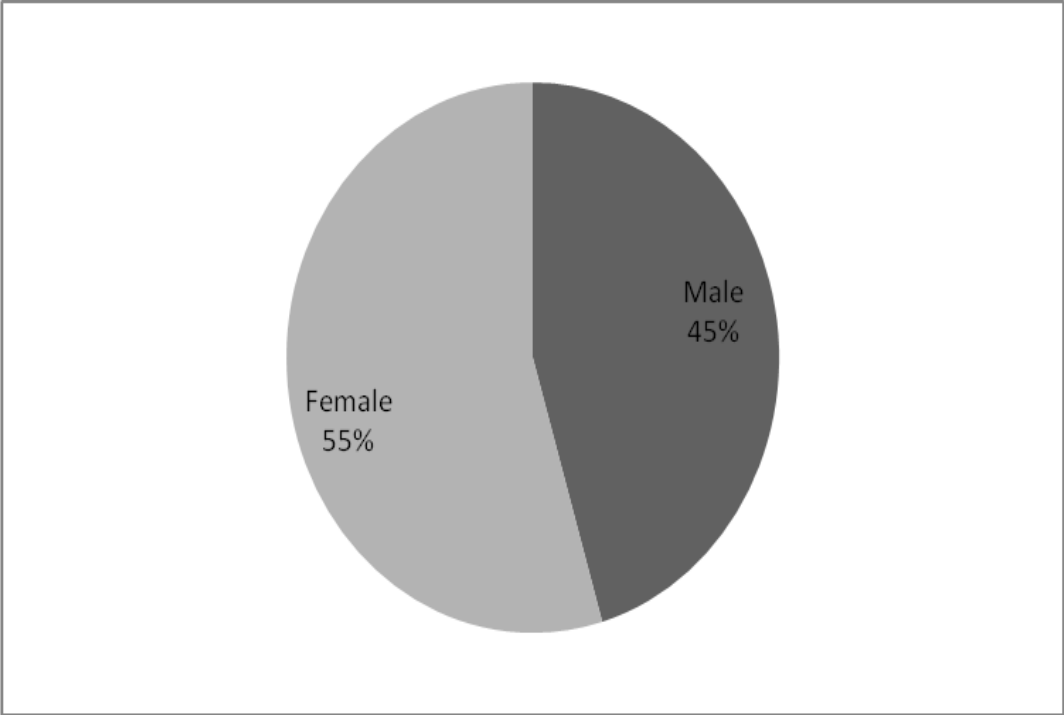
The majority of the respondents 44% aged 30- 39 years, 37% aged 18-29, 26% aged between 40-49, while 14% aged 50 years and above, as presented in figure 4.1. The results revealed that majority of SHGs members are those within the productive age. Hence they become the SHGs members in order to meet their households' demands.



**Figure 4.1: Age distribution of the respondents**

**4.3.3 Gender of the respondents**

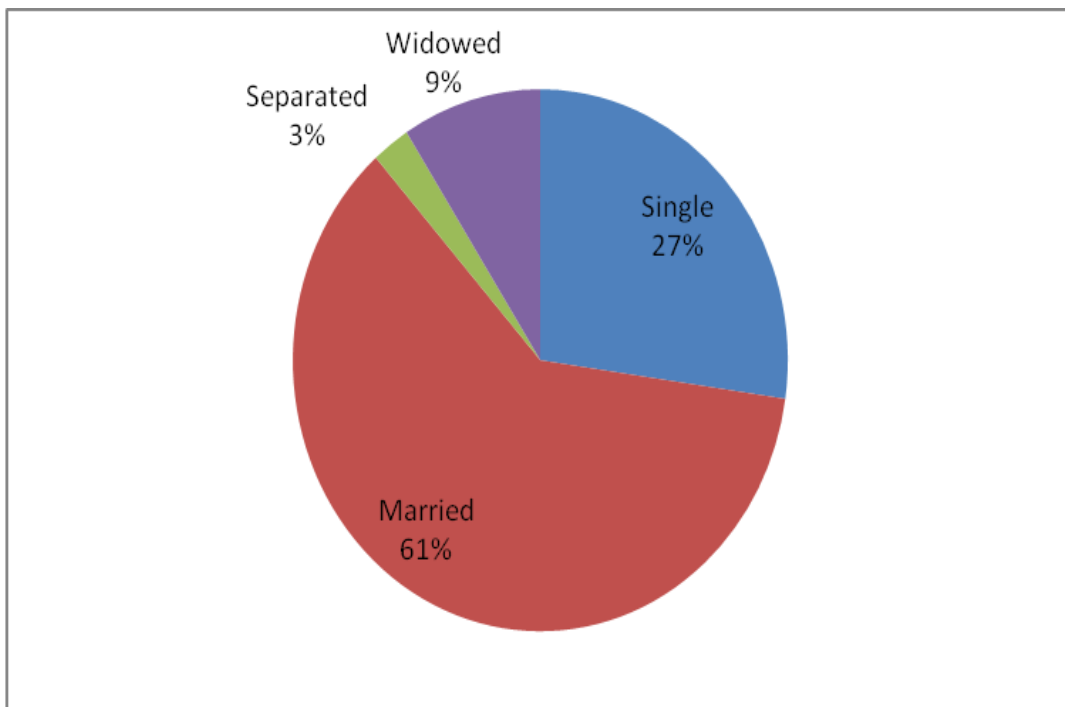
Figure 4.2 indicates that 55% of the respondents were women while the males were 45%. This indicates that more women participate in SHGs as compared to men.



**Figure 4.2: Gender of the respondents**

#### 4.3.4 Marital status of the respondents

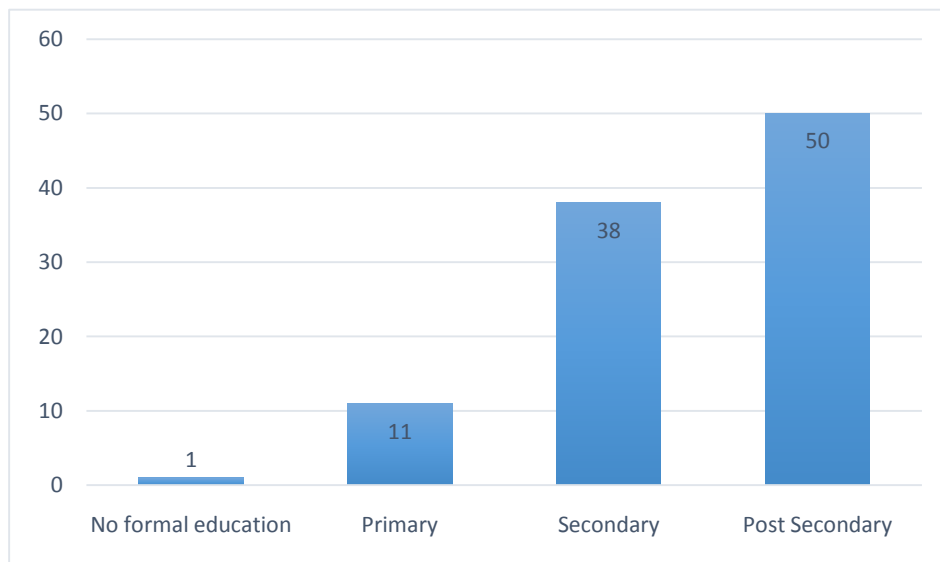
The study established that 61% of the respondents were married, 27% were single, and 9% were widowed, while 3% had separated. This indicates that SHGs encompass individuals of all marital status, as illustrated in figure 4.3. This shows that the married individuals are more committed to SHGs and they are supported by their spouses.



**Figure 4.3: Marital status of the respondents**

### 4.3.5 Education level of the respondents

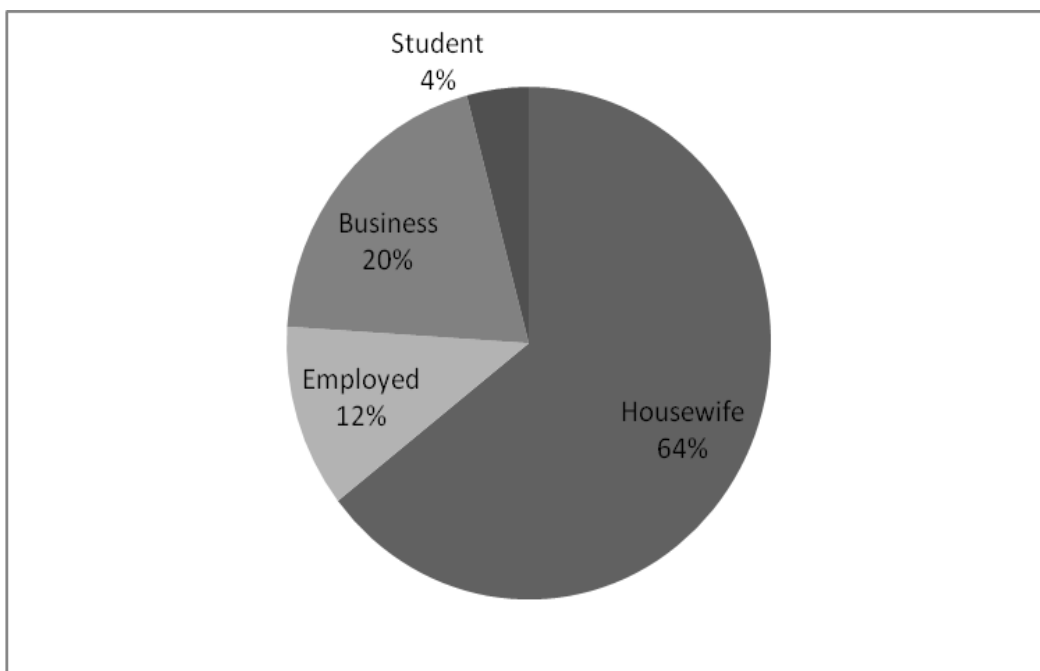
Most of the respondents 50.0% had post-secondary education, 38% had secondary education, and 11 % had primary education while a small proportion 1% had no formal education, as indicated in figure 4.4. The majority of the members had secondary and post-secondary, this was important in the performance of the SHGs since they are more informed and are able to embrace new and innovative means in their IGAs.



**Figure 4.4: Marital status of the respondents**

### 4.3.6 Occupation of the respondents

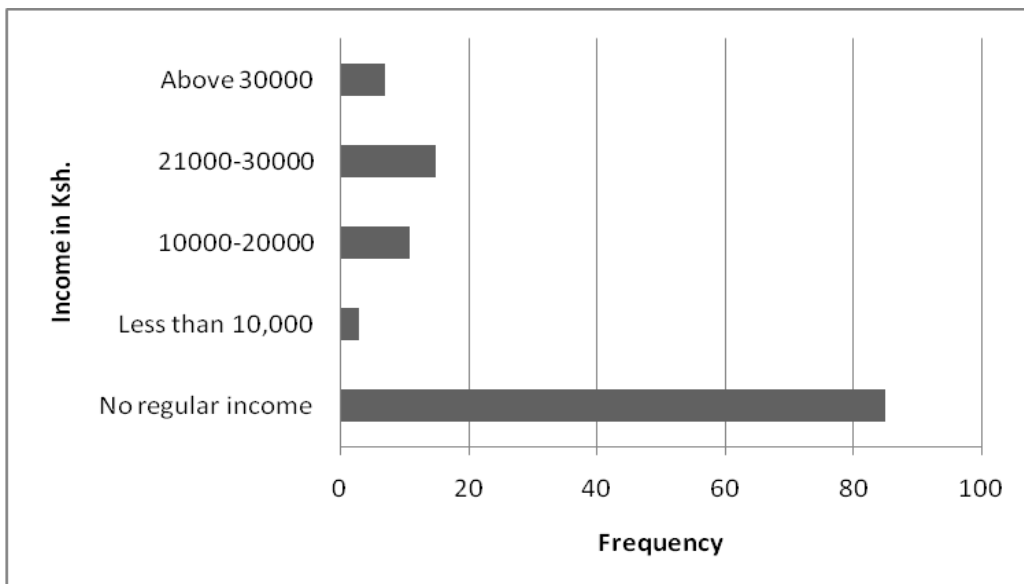
The results revealed that 64% of the respondents were unemployed, 20% were in business, and 12% were employed while 4% were students, as indicated in figure 4.5. The results indicate that unemployed join the SHGs in order to access loans, since the groups' acts as a security for them. This shows that SHGs as an empowerment strategy has enable members to be self-employed and self-reliant.



**Figure 4.5: Occupation**

### 4.3.7 Monthly income

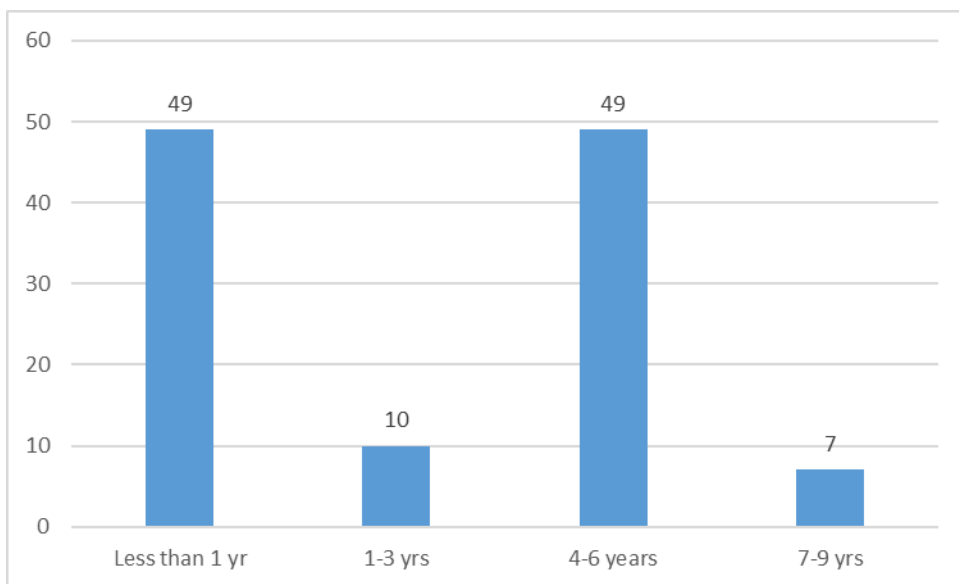
Majority of the respondents 81% had no regular income, 2 % earned less than 10,000, 6% earned between 10, 000 and 20, 000, 8% earned between 21,000 – 30, 000 while 3% earned above 30,000 per month. The results indicate that majority of the low income earners in the County join SHGs to enhance their economic status. Hence the strategy of channeling the Youth Fund and UWEZO funds through SHGs has reached the target groups and also attracted the low income to join groups.



**Figure 4.6: Monthly income**

### 4.3.8 Number of years in SHGs

Most of the respondents 49% have been in the SHGs for between 4-6 years, 24% have been in SHGs in less than a year, 10% have been in SHGs for between 1-3 years, 10% have been in SHGs for between 7-9 years and 7% have been in SHGs for more than 10 years, as indicated in figure 4.7. The findings indicate that most of the members have join SHGs during the rollout of funding by the government through Youth Fund and UWEZO funds. From the interview, the number of groups increase whenever there is funding.



**Figure 4.7: Number of years in SHGs**



#### 4.4 Effects of training strategy on the performance of SHG's

The first objective of the study was to assess the effects of training strategy on the performance of SHG's in Uasin-Gishu County. The training strategies considered were; forms of trainings offered to the members and the impacts of trainings. The respondents were also asked to rate on a Likert scale some statements regarding training strategies.

##### 4.4.1 Forms of trainings

The respondents were presented with various forms of trainings in which they were to select those that they have undergone in the SHGs. The results revealed that; 19(15.7%) had been trained on asset building, 10(8.3%) had trained on book keeping, majority 44(36.4%) have been trained on new methods of farming, 12(9.9%) have undergone leadership and governance training, 14(11.6%) have trained on budgeting, and 20(16.5%) have trained on risk management in business. The above information is presented in table 4.2

**Table 4.2: Forms of trainings**

	<b>Frequency</b>	<b>Percent</b>
Asset building	19	15.7
Book keeping	10	8.3
New methods of farming	44	36.4
Leadership and governance	12	9.9
Budgeting	14	11.6
Risk management in business	20	16.5
Other	2	1.7
Total	121	100.0

#### 4.4.2 Effect of training

The researcher sought to know whether the trainings have affected on the SHGs members, the study established that the trainings have impacted on the lives of the SHGs members in various ways. The response is indicated in table 4.3.

**Table 4.3: Effect of training**

	Frequency	Percent
Access SHG and bank loan	59	48.8
accumulates savings	19	15.7
Investment in asset creation	25	20.7
plan for emergencies	5	4.1
Independent decision making	13	10.7
Total	121	100.0

The trainings have assisted the members in; accessing SHGs and bank loans 59(48.8%), accumulate savings 19(15.7%), investment in asset creation 25(20.7%), planning for emergencies 5(4.1%), and in independent decision making 13(10.7%).

#### 4.4.3 Effects of training on performance of SHGs

Majority of the respondents 54(44.6%) strongly agreed, and 9(7.4%) agreed that the leaders organize seminars for the group members, while 39(32.2%) strongly disagreed and 17(14.4%) disagreed. On statement that the Training programmes done by service providers has made the individual members to open and effectively operate their bank accounts and manage their investments, 43(35.5%) strongly agreed, 21(17.4%) agreed, 30(24.8%) strongly disagreed and 25(20.7%) disagreed. Most of the respondents 44(36.4%) strongly agreed that seminars/ workshops assist the members to gain entrepreneurial skills which translate to starting their own business activities, 18(14.9%)

agreed, while 30(24.8%) and 24(19.8%) strongly disagreed and disagreed respectively.

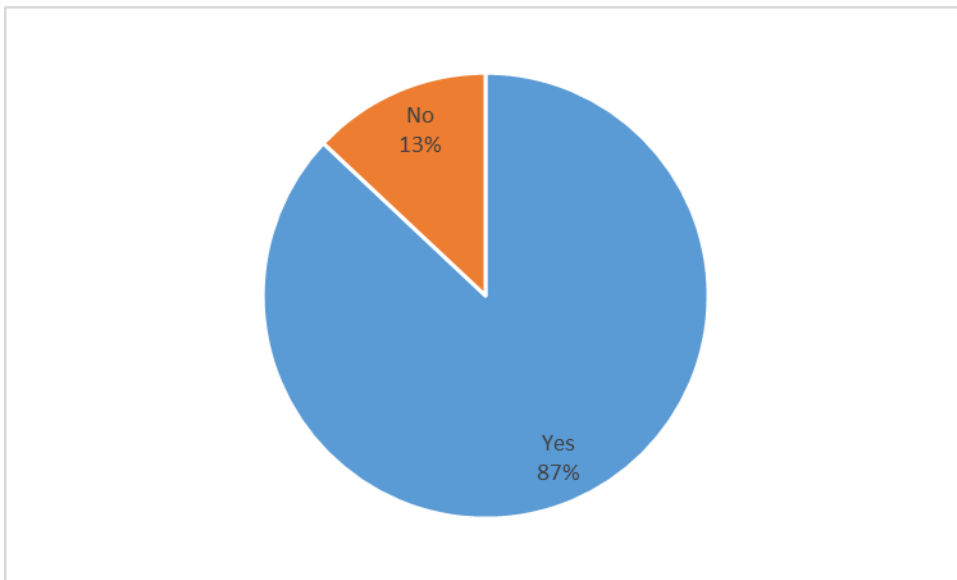
Majority of the members 38(31.4%) strongly agreed and 24(19.8%) agreed that members keep records of financial statements and other business activities, while 39(32.2%) strongly disagreed and 16(13.2%) disagreed. The study established that tours organized by leaders assist in changing members' attitudes towards selection of appropriate income generating activities(IGAs), as indicated by 27(22.3%) of the respondents who strongly agreed and 33(27.3%) who agreed on the statement. Most respondents 43(35.5) and 21(17.4%) strongly agreed and agreed that the joint activities in the group are undertaken to sustain the group. The above information is presented in table 4.4.

**Table 4.4: Effects of training on performance of SHGs**

Statement		SD	D	N	A	SA
The leaders organize seminars for the group members	F	39	17	2	9	54
	%	32.2	14.0	1.7	7.4	44.6
The training programmes done by service providers have made the individual members to open and effectively operate their bank accounts and manage their investments.	F	30	25	2	21	43
	%	24.8	20.7	1.7	17.4	35.5
Seminars/ workshops assist the members to gain entrepreneurial skills which translate to starting their own business activities.	F	30	24	5	18	44
	%	24.8	19.8	4.1	14.9	36.4
Members keep records of financial statements and other business activities.	F	39	16	4	24	38
	%	32.2	13.2	3.3	19.8	31.4
Tours organized by leaders assist in changing members' attitudes towards selection of appropriate income generating activities (IGAs).	F	22	24	15	33	27
	%	18.2	19.8	12.4	27.3	22.3
The joint activities in the group are undertaken to sustain the group.	F	29	16	12	21	43
	%	24.0	13.2	9.9	17.4	35.5

#### 4.5 Effects of Partnership strategy on performance of SHGs

The second objective of the study was to determine the role of partnership /Collaboration strategy on the performance of SHG's in Uasin-Gishu County. The study established that majority of the respondents 87% agreed that their group is in partnership with other groups/ organizations, as shown in figure 4.8



**Figure 4.8: Partnership with other organizations**

Most of the SHGs are in partnership with the government 82(67.8%), 11(9.1%) partner with banks, while 28(23.1%) have partnered with MFIs, as indicated in table 4.5.

**Table 4.5: Organizations partnering with SHGs**

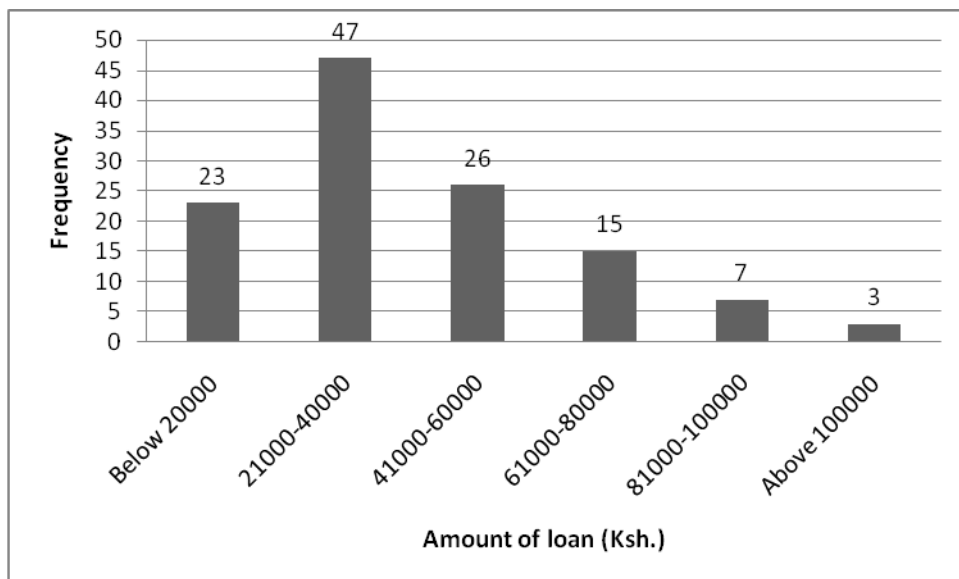
	<b>Frequency</b>	<b>Percent</b>
Government	82	67.8
Banks	11	9.1
MFI	28	23.1
Total	121	100.0

Majority of the respondents 98(81.0%) access loans, 5(4.1%) access loans twice a year, while 16(13.2%) access loans on monthly basis, as indicated in table 4.6

**Table 4.6 Frequency of accessing loans**

	<b>Frequency</b>	<b>Percent</b>
Monthly	16	13.2
Bi-annually	5	4.1
Yearly	98	81.0
Other	2	1.7
Total	121	100.0

Most respondents 47(38.8%) received loans amounting to between 21,000 – 40,000, 23(19.0%) received loans below 20,000, 26(21.5%) receive loans between 41,000 – 60,000, 15(12.4%) receive 61,000 – 80,000, while a small proportion 3(2.5%) access loans above 100,000, as indicated in figure 4.9



**Figure 4.9: Amount of loans obtained**

#### **4.5.1 Partnership strategy adopted by SHGs**

The study further established that the groups have business collaborations with different partners, as indicated by 27.3% strongly agreed and 21.5% that agreed, the standard deviation of the reactions from the members was low of 9.3(7.7%) which shows a small difference between the reactions of the members. These service providers assist the members through raising awareness on business management, as evident by 24.8% of respondents who strongly agreed and 22.3% who agreed and comparing with the standard deviation of the outcome of 8.6(7.1%) which shows a small difference in the reactions from the members. The partners also offer financial support to the self-help groups as indicated by 24.8% who strongly agreed and 26.4% that agreed resulting in a standard deviation of 11.7(9.7%) which is moderate and showing a moderate dispersion. On statement that the service providers assist the group in training programmes, 20.7% strongly agreed and 33.9% agreed, the standard deviation to this statement from the members reaction is 14.3(11.8%) which shows the difference in the reactions of

members . However, most of the respondents indicated that financial support received from the partners is not adequate for the group’s operations, since 18.2% strongly disagreed and 31.4% disagreed compared to 26.4% and 18.2% for those who agreed, their reactions had a standard deviation of 11.8(9.8%) which was a moderate difference.

The study established that the members get new ideas by interacting with other groups, as indicated by 42.1% of respondents who agreed and 19.0% who strongly agreed, the standard deviation is 16.9(13.9%) showing a large disparity from the mean. On statement that the networks and linkages among partnerships improve income which assists the members to repay the loans, 33.1% strongly agreed and 19.0% agreed, the disparity of this reaction was minimal as it had a standard deviation of 10.8(8.9%). The collaborating with other partners encourages others to join the group, as indicated by 25.6% of respondents who strongly agreed and 30.6% that agreed where in this statement, there was a little difference between the values and the mean as shown by its standard deviation of 10.4(7.6%). The above information is presented in table 4.7

**Table 4.7: Response on Partnership strategy**

Statement		SD	D	N	A	SA	M	STD
The group has business collaborations with different partners	F	15	33	14	26	33	24.2	9.3
	%	12.4	27.3	11.6	21.5	27.3	20	7.7
Service providers assist the members through raising awareness on business management.	F	27	28	9	27	30	24.2	8.6
	%	22.3	23.1	7.4	22.3	24.8	20	7.1
Government agencies and other supporters offer financial support to the self-help groups.	F	21	33	5	32	30	24.2	11.7
	%	17.4	27.3	4.1	26.4	24.8	20	9.7
The service providers assist the group in training programmes	F	13	35	7	41	25	24.2	14.3
	%	10.7	28.9	5.8	33.9	20.7	20	11.8
Financial support received from the	F	22	38	7	32	22	24.2	11.8

partners is adequate for the group's operations	%	18.2	31.4	5.8	26.4	18.2	20	9.7
The members get new ideas by interacting with other groups	F	17	25	5	51	23	24.2	16.9
	%	14.1	20.7	4.1	42.1	19.0	20	13.9
The individual members can now access one stop shop of service providers	F	19	32	15	30	25	24.2	7.2
	%	15.7	26.4	12.4	24.8	20.7	20	5.9
The networks and linkages among partnerships improves income which assists the members to repay the loans	F	15	29	14	23	40	24.2	10.8
	%	12.4	24.0	11.6	19.0	33.1	20	8.9
The collaboration with other partners encourages others to join the group.	F	16	20	17	37	31	24.2	10.4
	%	13.2	16.5	14.0	30.6	25.6	20	7.6

#### 4.6 Effects of Diversification strategy on performance of SHGs

The third objective of the study was to establish the effect of diversification strategy on the performance of SHG's in Uasin-Gishu County.

**Table 4.8: Forms of IGAs**

	Frequency	Percent	Valid Percent	Cumulative Percent
Livestock	25	20.7	20.7	20.7
Fish farming	2	1.7	1.7	22.3
Cash crop farming	29	24.0	24.0	46.3
Cereals trade	35	28.9	28.9	75.2
Horticulture	25	20.7	20.7	95.9
Other	5	4.1	4.1	100.0
Total	121	100.0	100.0	



The study established the following income generating activities (IGAs) that the SHGs engage in; 20.7% practice livestock farming, 1.7% practice fish farming, 24.0% engage in cash crops, 28.9%) engage in cereals trade, 25(20.7%) practice horticulture, as indicated in table 4.8.

The study established that more individual members cannot access more loans as indicated by the majority of the respondents 29.8% and 14.0% who strongly disagreed and disagreed respectively. The standard deviation of the reactions of the members is 10.1(8.5%). Which shows a smaller spread out from the mean.

**Table 4.9: Response on effects of diversification**

<b>Statement</b>		<b>SD</b>	<b>D</b>	<b>N</b>	<b>A</b>	<b>SA</b>	<b>M</b>	<b>STD</b>
The individual members can now access more loans	F	36	17	20	34	14	24.2	10.1
	%	29.8	14.0	16.5	28.1	11.6	20	8.5
The income generated from the IGA's assists the members to repay the loans	F	13	20	8	57	23	24.2	19.2
	%	10.7	16.5	6.6	47.1	19.0	20	15.9
The payments received by the members enables the group to clear outstanding loans from MFI and other financial agencies	F	22	15	7	39	41	24.2	14.9
	%	18.2	12.4	5.8	32.2	33.9	20.5	12.3
The number of activities in the group encourages others to join the group.	F	30	20	7	22	42	24.2	12.9
	%	24.8	16.5	5.8	18.2	34.7	20	10.7

But majority of the respondents 47.1% agreed and 19.0% strongly agreed that the income generated from the IGA's assists the members to repay the loans, comparing with the mean it shows a large dispersion as shown by the standard deviation value of

19.2(15.9%). The payments received by the members enable the group to clear outstanding loans from MFIs and other financial agencies, as indicated by 33.9% of the respondents that strongly agreed and 32.2% that agreed, and comparing with the mean, there is moderate deviation as shown by the standard deviation of 14.9(12.3%). On statement that the number of activities in the group encourages others to join the group, 34.7% strongly agreed and 18.2% agreed with the statement, while 24.8% strongly disagreed and the standard deviation showed a result of 12.9(10.7%). as illustrated in table 4.9.

#### 4.7 Effects of members' innovativeness on performance of SHGs

The fourth objective of the study was to find out how members innovativeness affects the performance of SHG's in Uasin-Gishu County.

**Table 4.10: Response on members' innovativeness**

Statement		SD	D	N	A	SA	M	STD
The members participate in table banking to facilitate individual savings among group members	F %	14 11.6	9 7.4	14 11.6	47 38.8	51 42.1	27 22.3	20.2 16.7
The members make payments of loans and savings through mobile phones (M-Pesa) which has assisted in making prompt payments	F %	36 29.8	20 16.5	4 3.3	16 13.2	45 37.2	24.2 20	16.3 13.5
Members use energy saving stoves on brooding chicks which has reduced which has reduced the cost on electricity	F %	25 20.7	26 21.5	26 21.5	17 14.0	50 41.3	28.8 23.8	12.4 10.3
Members are divided into small manageable groups for easy monitoring loans payments.	F %	16 13.2	28 23.1	9 7.4	22 18.2	46 38.0	24.2 20	17.8 11.6

The study established that the members participate in table banking to facilitate individual savings among group members, as evidenced by 51(42.1%) of respondents who strongly agreed and 47(38.8%) that agreed which was a larger dispersion from the mean as shown by the standard deviation of 20.2(16.7%). However, the members have not embraced the use of m-banking to a certain point while others have embraced it in payments of loans and savings as indicated by a large proportion 36(29.8%) and 20(16.5%) of the respondents who strongly disagreed and disagreed respectively and 45(32%) who strongly agrees, the difference is shown by the value of standard deviation which is 16.3(13.5%). Most of the members 50(41.3%) strongly agreed and 17(14.0%) agreed that members use energy saving stoves on brooding chicks which has reduced the cost on electricity. The dispersion from the mean is shown by the standard deviation of 12.4(10.3%). On statement that members are divided into small manageable groups for easy monitoring loans payments, 46(38.0%) strongly agreed and 22(18.2%) of the respondents agreed, giving a standard deviation of 17.8(11.6%) which shows the difference in the reactions as indicated in table 4.10.

#### **4.8 Effects of Stakeholder's roles on performance of SHGs**

The fifth objective of the study was to establish the role of stakeholders on the performance of SHG's in Uasin-Gishu County.

**Table 4.11: Response on Stakeholders roles**

Statement		SD	D	N	A	SA	M	STD
Mentorship programme run by the government and NGO's have assisted the members in coming up with IGA's that have boosted the repayment of loans	F	26	26	7	17	45	24.2	14.0
	%	21.5	21.5	5.8	14.0	37.2	20	11.6
The funds given by the government through Uwezo fund has contributed to the sustenance and performance of the groups IGA's.	F	11	32	15	23	40	24.2	11.9
	%	9.1	26.4	12.4	19.0	33.1	20	9.9
The grants and credit facilities availed by stakeholders has assisted the groups to increase their investments and savings.	F	7	25	17	26	46	24.2	14.4
	%	5.8	20.7	14.0	21.5	38.0	20	11.9
The inputs from the stakeholders have assisted the groups to increase their output and joint activities	F	6	15	26	43	31	24.2	14.3
	%	5.0	12.4	21.5	35.5	25.6	20	11.8

The study established that the mentorship programme run by the government and NGO's have assisted the members in coming up with IGA's that have boosted the repayment of loans, as indicated by 45(37.2%) of the respondents who strongly agreed and 17(14.0%) that agreed compared to the outcome of the standard deviation of their reactions which was 14.0(11.6%) showing a large difference of the reactions. Also, the funds given by the government through Uwezo fund has contributed to the sustenance and performance of the groups IGA's, as evidenced by 40(33.1%) of the respondents who strongly agreed and 23(19%) of the members that agreed. The standard deviation of the reactions is 11.9(9.9%) which is a smaller deviation.

The study also established that the grants and credit facilities availed by stakeholders has assisted the groups to increase their investments and savings, since 46(38.0%) of the respondents strongly agreed and 26(21.5%) agreed comparing it to the standard deviation of the results which is 14.4(11.9%). Similarly, most of the respondents, 31(25.6%) strongly agreed and 43(35.5%) agreed that the inputs from the stakeholders have assisted the groups to increase their output and join activities, having a standard deviation of 14.3(11.8%) as indicated in table 4.11.

The response from the interviews indicated that SHGs from Uasin Gishu County have partnered with various institutions; International Fund for Agricultural Development (IFAD), Sector Support Programmes, UWEZO fund, Youth Fund, grants from county government, Joyful Women Organization (JOYWO) and Maendeleo ya Wanawake. The groups have benefited from this partnership through; training on formation and management of SHGs, financial assistance, agricultural equipment's such as milk ATM, provision of market shed to vulnerable groups, provision of farm inputs and poultry. The study established that various stakeholders manages their own loans; such as UWEZO Fund and Youth Funds. But in case of disputes, department of social services can intervene, and if it escalate, the matters can be referred to court, complains could be financial management, breach of constitution/group laws.

#### **4.9 Performance of SHGs in Uasin Gishu County**

The dependent variable in this study was performance of the SHGs; the respondents were presented with statements relating to performance of SHGs in which they were to rate in a five Likert scale.

**Table 4.12: Response on SHGs performance**

<b>Statement</b>		<b>SD</b>	<b>D</b>	<b>N</b>	<b>A</b>	<b>SA</b>	<b>M</b>	<b>STD</b>
Members increase their savings from Income Generated from Value chain activities	F	22	12	12	28	47	24.2	14.5
	%	18.2	9.9	9.9	23.1	38.8	20	11.9
The dividends motivate the members to continue increasing their savings to the group	F	12	6	13	47	43	24.2	19.2
	%	9.9	5.0	10.7	38.8	35.5	20	15.9
The income generated from the IGA's assists the members to repay the loans	F	23	20	8	13	57	24.2	19.3
	%	19.0	16.5	6.6	10.7	47.1	20	15.9
The collaboration network adopted by the group connects the members to the supplies of inputs and market for the produce.	F	24	28	5	36	28	24.2	11.6
	%	19.8	23.1	4.1	29.8	23.1	20	9.6

The standard deviation from the response on increase in savings showed a larger difference in the reactions from the members as the results were 14.5(11.9%). Majority of the respondents, 47(38.8%) strongly agreed and 28(23.1%) agreed that members increase their savings from Income Generated from Value chain activities. Also, most of the respondents, 43(35.5%) strongly agreed and 47(38.8%) agreed that the dividends motivate the members to continue increasing their savings to the group which showed a standard deviation of 19.2(15.9%), also showing a larger disparity in the reactions. Most of the respondents 57(47.1%) strongly agreed and 13(10.7%) agreed that the income generated from the IGA's assists the members to repay the loans and from the standard deviation, there was a larger deviation in the reactions of members where it was 19.3(15.9%). On statement that the collaboration network adopted by the group connects the members to the supplies of inputs and market for the produce, 28(23.1%) strongly

agreed and 36(29.8%) agreed with the statement as indicated in table 4.12, the standard deviation of their reactions was not much spread 11.6(9.6%). Documents analysis was also conducted from the social services office, Uasin-Gishu County. The data on the registration and renewal of the group certificates was of interest to the study as an indicator of performance of the SHGs, as indicated in table 4.13.

**Table 4.13: Number of Registered SHGs in Uasin Gishu County**

<b>Period</b>	<b>Number of registered SHGs</b>
2011	693
2012	1261
2013	1684
2014	2250
2015	3320

Source; Authors

It was established that there was a noticeable increase in the number of groups that were newly registered and those that renewed their license. In 2011, 693 SHGs were registered, in 2012 the number increased to 1261, the number also increased in 2013 with 1684 SHGs being registered. The number of registered groups further increased in 2014 and 2015 rising to 2250 and 3320 respectively. From the interviews, the respondents stated that increased number of SHGs was due to; expansion in their business activities, experiences gained from mobilization of resources not just from UWEZO fund but also from other support group such as County Women Representative kitty, micro finance institution, proposals writing and acquired skills on resource mobilization.

From the interviews, it was established that SHGs performance has improved since 2010. Many groups are engaging in Income Generating Activities (IGAs) such as; dairy farming, poultry, daycares centres, special schools, cereal trade, Value adding chain, milk ATMs and water drilling.

#### 4.9.1 Youth Funds SHGs Loan disbursement and repayment performance (2011-2017)

The researcher consulted the youth fund office, Uasin Gishu county records to establish the performance of SHGs in terms of loan disbursement and repayment. The data is presented in table 4.14.

**Table 4.14 Youth Funds SHGs Loan disbursement and repayment performance**

Constituency	Groups	Approved	Disbursed	Mgmt	Amount	Total
		amount	Amt	Fee	recovered	Outstanding
TURBO	263	9,975,000	9,170,000	525,000	7,180,289	2,794,711
MOIBEN	266	9,950,000	9,645,500	244,500	6,282,838	3,362,662
KESSESS	337	10,452,500	10,337,500	497,500	9,583,720	868,780
SOY	137	1,900,000	1,805,000	95,000	575,600	1,324,400
KAPSERET	77	2,900,000	2,755,000	145,000	1,054,375	1,845,625
AINABKOI	124	2,740,000	2,603,000	77,000	576,500	2,163,500

Source: Uasin Gishu County Youth Fund 2017

The table indicate that majority of the SHGs have been able to benefit from the youth fund. The SHGs are able to take the loans and repay within the stipulated time. The same funds have been revolving since 2011. From the interview, once the group clears the loan they were given, they are eligible to apply for another loan. The self-regulation nature of SHGs enhance loan repayment.

#### 4.10 Correlation analysis

Correlation analysis was conducted to establish the relationship between the independent variable and dependent variable. The study established a strong positive correlation ( $r = 0.853$ ,  $p = 000$ ) between training strategy and SHGs performance. There was a relationship between partnership strategy and performance of SHGs ( $r = 0.820$ ,  $p = 000$ ).



There was also a positive correlation between diversification strategy and performance of SHGs ( $r = 0.843$ ,  $p = 0.00$ ). On members' innovativeness and stakeholders' roles, the study also established a positive relationship of ( $r = 0.874$ ,  $p = 0.000$  and  $r = 0.838$ ,  $p = 0.000$ ) respectively. The study therefore established that for performance of SHGs to be realized, the five strategies considered in this study should be applied. The results are presented in table 4.15.

**Table 4.15: Correlation results**

Variables		SHGs performance
Training strategy	Pearson Correlation	.853**
	Sig. (2-tailed)	.000
	N	121
Partnership strategy	Pearson Correlation	.820**
	Sig. (2-tailed)	.000
	N	121
Diversification strategy	Pearson Correlation	.843**
	Sig. (2-tailed)	.000
	N	121
Members innovativeness	Pearson Correlation	.874**
	Sig. (2-tailed)	.000
	N	121
Stakeholders roles	Pearson Correlation	.838**
	Sig. (2-tailed)	.000
	N	121

## **4.11 Regression analysis**

### **4.11.1 Testing of regression assumption**

Testing of regression assumptions was conducted to ascertain the extent in which the data meets the assumption. Violations of assumption can result in biased estimates of relationships (biased standard errors), and untrustworthy confidence intervals and significance tests (Chatterjee & Hadi, 2012).

There are four assumptions of multiple regressions; the assumption of normality, the assumption of independence, the assumption of homoscedasticity, and assumption of linearity (Osborne & Waters, 2002).

The null hypotheses for testing the assumption are:

Ho<sub>1</sub>: The errors are normally distributed

Ho<sub>2</sub>: The errors are independent of each other

Ho<sub>3</sub>: The errors have the same variance

Ho<sub>4</sub>: The relationship is linear

#### **Test for normality**

A normal distribution is assumed for many statistical procedures. Shapiro-Wilk (W) is the most robust method recommended for testing normality for small and medium samples of up to  $n = 2000$ . For large samples, Kolmogorov-Smirnoff test is recommended, for a given variable, W should not be significantly different from normal (Steercamp & Van, 1991).

The Shapiro-Wilk test results were; SHGs performance 0.574, training strategy was 0.269, partnership strategy was .531, diversification strategy was 0.655, innovativeness was 0.082, and stakeholders' roles was 0.272. Since the p value for all the variables was more than 0.01, therefore the null hypothesis was not rejected; hence the errors are normally distributed.

**Table 4.16: Tests of Normality<sup>b,c,d,e,f,g,h</sup>**

	Kolmogorov-Smirnov <sup>a</sup>			Shapiro-Wilk		
	Statistic	df	Sig.	Statistic	df	Sig.
SHGs performance	.160	16	.200*	.955	16	.574
Training strategy	.292	7	.072	.889	7	.269
Partnership strategy	.165	8	.200*	.932	8	.531
Diversification strategy	.267	7	.142	.942	7	.655
Innovativeness	.359	8	.003	.843	8	.082
Stakeholders roles	.283	4	.134	.863	4	.272

**a. Lilliefors Significance Correction**

**Test of homogeneity of variance**

The model errors are generally assumed to have an unknown but finite variance that is constant across all levels of the predictor variables. This assumption is also known as the homogeneity of variance assumption. If the errors have a variance that is finite but not constant across different levels of the predictor/s (i.e., heteroscedasticity is present), ordinary least squares estimates will be unbiased and consistent as long as the errors are

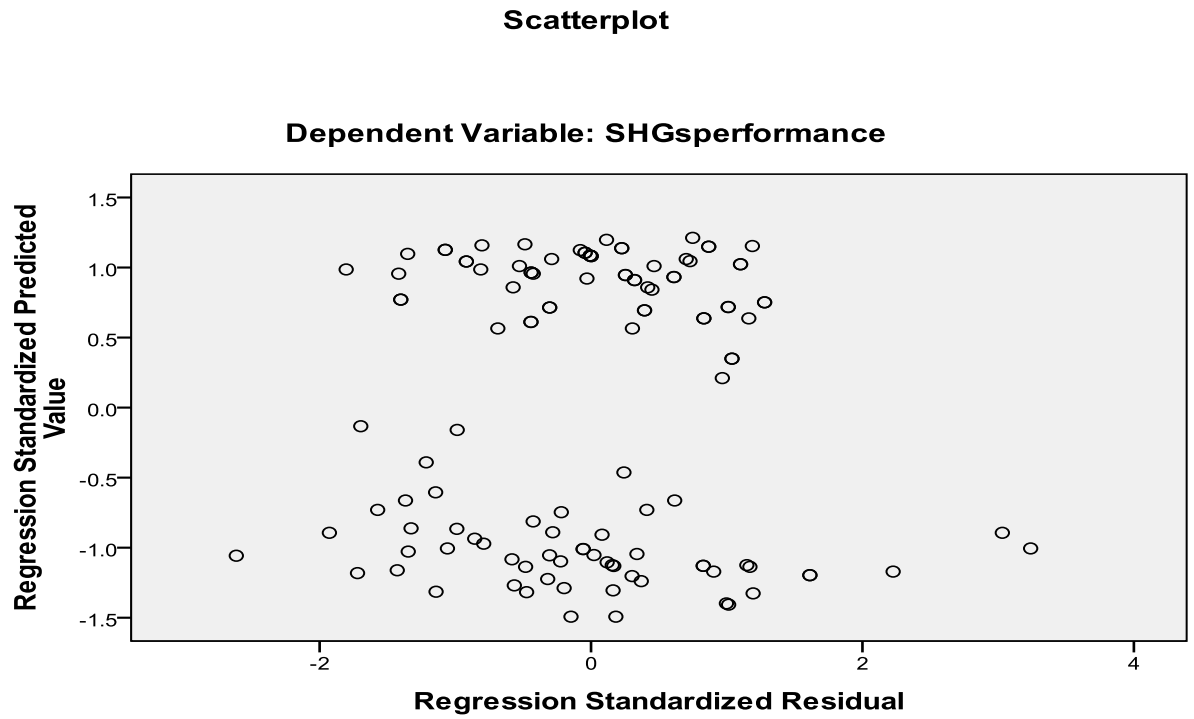
independent, but will not be efficient (Weisberg, 2005). The inference process will also be untrustworthy. Levine's test of homogeneity is the most robust in test of homogeneity variances which is based on the groups mean. It tests the assumption that each group of one or more categories of independent variables has the same variance. The levene test result ( $p = 0.0270$ ) is greater than the critical value ( $p = 0.01$ ), and therefore the null hypothesis was accepted.

**Table 4.17: Test of Homogeneity of Variances**

SHGs performance				
Levene Statistic	df1	df2	Sig.	
1.974	14	100		.027

**Homoscedasticity (constant variance) of errors**

Homoscedasticity means the relationship under investigation is the same for the entire range of independent variables. Lack homoscedasticity is shown by higher errors in some portion of range as compared to others. When homoscedasticity assumption is met, residuals will form pattern less clouts of dots as indicated by the results in figure



**Figure 4.8: plot diagram for testing homoscedasticity**

### **Linearity**

Testing of linearity is necessary because, correlation, regression and other members of the general linear model assume linearity. Eta is the coefficient of non-linearity association, for nonlinear relationship, eta is greater than correlation coefficient (Pearson  $- r$ ). The linearity test results indicate that all the eta values are not greater than Pearson correlation values, and therefore, it indicates that the data have linear relationship.

**Table 4.18: Linearity test**

	R	R Squared	Eta	Pearson correlation (r)
SHGs performance *	.853	.728	.617	0.853
Training strategy				
SHGs performance *	.820	.672	.781	0.820
Partnership strategy				
SHGs performance *	.843	.710	.821	0.843
Diversification strategy				
SHGs performance *	.874	.764	.801	0.874
Members innovativeness				
SHGs performance *	.834	.664	.701	0.838
stakeholders' roles				

**4.11.1 Model Summary**

The model summary presents the extent to which the independent variables predict the change in the dependent variable. The R square was 0.785, indicating that the independent variables; training strategy, partnership strategy, diversification strategy, members' innovativeness and stakeholders' roles predict 78.5 % change on the dependent variables (performance of SHGs). Therefore, the remaining percentages are predicted by other factors that were not considered in this study, as presented in table 4.19

**Table 4.19: Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.886 <sup>a</sup>	.785	.775	.50415

a. Predictors: (Constant), Members innovativeness, Stakeholders roles, Partnership strategy, Training strategy, Diversification strategy

#### 4.11.2 Analysis of variance

The ANOVA indicate the extent in which the data fit into the regression model. The ANOVA results were significant (F = 83.807, P = 0.000) indicating that the data fit into the model.

**Table 4.20: ANOVA<sup>b</sup>**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	106.504	5	21.301	83.807	.000 <sup>a</sup>
	Residual	29.229	115	.254		
	Total	135.733	120			

a. Predictors: (Constant), Members innovativeness, Stakeholders roles, Partnership strategy, Training strategy, Diversification strategy

b. Dependent Variable: SHGs performance

### 4.11.3 Coefficients

The coefficient indicates the extent in which each independent variable contributes to the change in the dependent variable. The training strategy was significant ( $\beta = 0.004$ ,  $p = 0.042$ ), partnership strategy was significant ( $\beta = 0.014$ ,  $p = 0.017$ ), also diversification strategy was significant ( $\beta = 0.014$ ,  $p = 0.017$ ). Stakeholders roles and members' innovativeness were also significant with their results ( $\beta = 0.110$ ,  $p = 0.019$ , and  $\beta = 0.331$ ,  $p = 0.00$ ) respectively.

The t-test results indicate the strength of each variable. The t-test results indicates that members' innovativeness is the strongest predictor of SHGs performance ( $t = 3.286$ ,  $p = 0.01$ ), followed by stakeholders' roles ( $t = 2.520$ ,  $p = .013$ ), then diversification strategy ( $t = 0.647$ ,  $p = .019$ ), partnership strategy ( $t = 0.105$ ,  $p = 0.17$ ) and lastly training strategy ( $t = 0.036$ ,  $p = 0.042$ ).

**Table 4.21: Coefficients<sup>a</sup>**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.094	.157		6.949	.000
	Training strategy	.004	.113	.006	.036	.042
	Partnership strategy	.014	.134	.018	.105	.017
	Diversification strategy	.110	.170	.136	.647	.019
	Stakeholders roles	.222	.088	.262	2.520	.013
	Members innovativeness	.331	.101	.504	3.286	.001

a. Dependent Variable: SHGs performance



The model was therefore presented as;

$$y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5 + \epsilon$$

$$y = 1.094 + 0.004 X_1 + 0.014 X_2 + 0.110 X_3 + 0.222 X_4 + 0.331 X_5 + \epsilon$$

#### **4.11.4 Hypothesis testing**

Hypothesis 1 postulated that training strategy does not have significant effect on performance of SHG's in Uasin-Gishu County. The training strategy was significant ( $\beta = 0.004$ ,  $p = 0.042$ ) since  $p$  was less than 0.05, and therefore the null hypothesis was rejected.

Hypothesis 2 proposed that partnership strategy does not have significant effect on performance of SHG's in Uasin-Gishu County. The study established that partnership strategy was significant ( $\beta = 0.014$ ,  $p = 0.017$ ), as indicated by  $p$  being less than 0.05, and therefore the null hypothesis was rejected.

The third hypothesis of the study was that, diversification strategy does not have significant effect on performance of SHG's in Uasin-Gishu County. The regression results indicated that diversification strategy was significant ( $\beta = 0.014$ ,  $p = 0.017$ ) at 0.05 level of significant.

The fourth objective of the study was that members' innovativeness do not have significant effect on performance of SHG's in Uasin-Gishu County. Members innovativeness was found to be significant ( $\beta = 0.110$ ,  $p = 0.019$ ), and therefore the null hypothesis was rejected.

The fifth hypothesis stakeholder role does not have significant effect on performance of SHG's in Uasin-Gishu County. Stakeholders roles was also significant with their results ( $\beta = 0.110$ ,  $p = 0.019$ ), and therefore the null hypothesis was rejected.

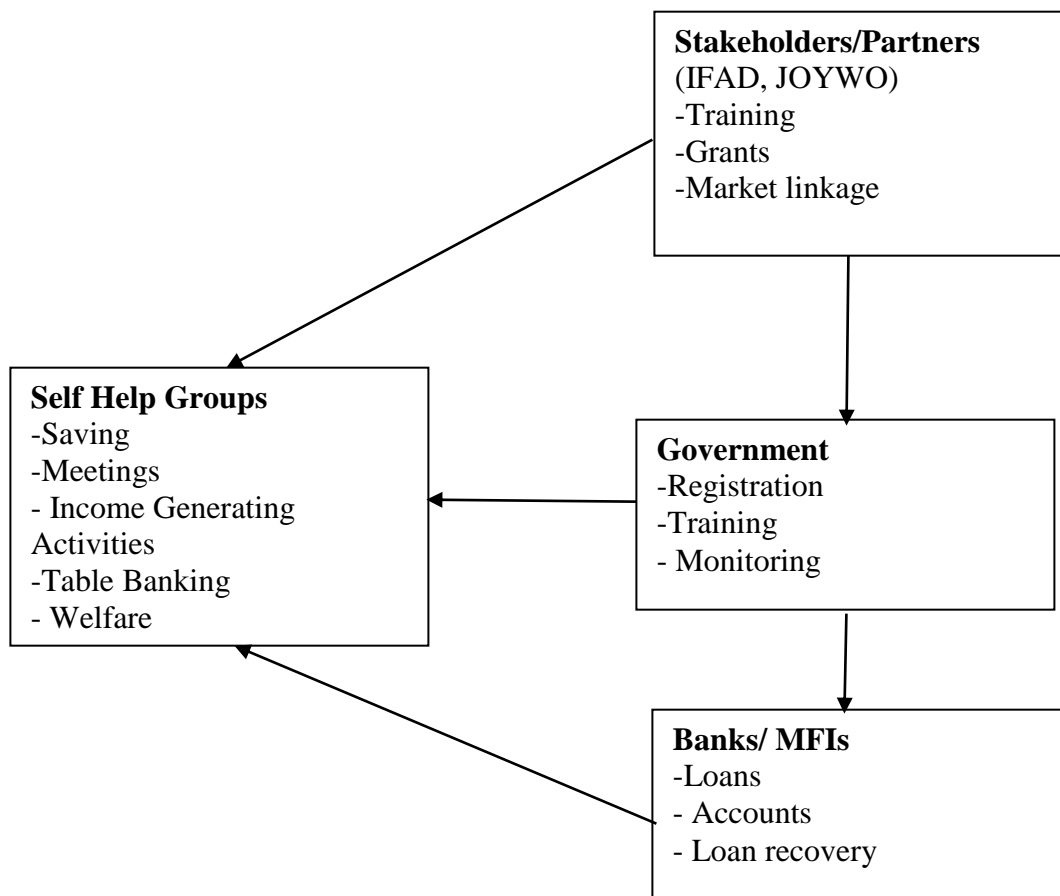
#### **4.11.5 SHGs-Government-Bank Linkage**

The study adopts Empowerment Theory by (Fawcett *et al.*, 2005). The processes that influence performance of groups that share certain ideologies, Empowerment Theory is important in understanding the dynamics of groups formed at the grass roots level in building their capacity, cooperation, and causing change at the local level. Empowerment Theory suggests that grass roots groups (SHGS) empower their members' organizations to collaborate effectively and build the social capital to foster their development agenda.

The study adopted Empowerment Theory by (Fawcett *et al.*, 2005). The theory focuses on various factors that facilitate or impede performance of SHGs; such factors includes; democratic participation, understanding ways of exploiting their environment, collaboration to enhance access to resources, and empowerment of the members (Perkins & Zimmerman, 2005). Based on this theory, the study established the following management strategies affect performance of SHGs; training, partnership, diversification, members innovativeness and stakeholders roles.

The study was guided by SHG-Bank Linkage Programme (SBPL) initiated in the early 2000s by the National Bank for Agriculture and Rural Development (NABARD). According to Jonathan and Barbara (2002) Self-help group linkage is based on the principle of 'savings first'. These savings are not only a way of creating group solidarity and testing people's willingness regularly to keep some cash aside, but they also create a loan fund from which the group can borrow. The study established that the SHGs in Uasin Gishu County have adopted a similar model. The government encourages formation of SHGs through department of social services which offers training to community members on the importance of SHGs and registration requirements. The SHGs prior to registration are required to elect officials to manage the groups, open a bank accounts where they begin to save on regular basis. The government extent financial services (Youth Fund and UWEZO fund, and Women Enterprise Fund) to the groups through local banks Micro Finance Institutions (MFI). The banks and MFIs

provide loans to the SHGs and are responsible for monitoring repayment and the report given to the government. The SHGs use the loans obtained to start IGAs either as individuals or join groups' activities. The income obtained from the IGAs are used to repay the loans and enhance the members' livelihoods. The SHGs also work with various stakeholders such as NGOs (IFAD, JOYWO) in which the government register these agencies and regulate their engagement with the SHGs. The stakeholders/ partners provide training, marketing linkage and loans, Figure 4.9 indicate the model illustrating the linkage between SHGs, government, Banks/ MFI and stakeholders.



**Figure 4.10: SHGs-Government-Bank Linkage**

(Source: Author, 2017)

## **CHAPTER FIVE**

### **SUMMARY OF THE FINDINGS, CONCLUSION AND RECOMMENDATIONS**

#### **5.1 Introduction**

The chapter presents the summary of the findings under; training strategy and its effect on performance of SHGs, partnership strategy and its effect on performance of SHGs, diversification strategy and its effect on performance of SHGs, members innovativeness and its effect on performance of SHGs. The chapter also presents conclusion, recommendations and areas for further study.

#### **5.2 Summary of the findings**

##### **5.2.1 Training strategy and its effect on performance of SHGs**

The results revealed that the SHG members had been trained on; asset building, book keeping, new methods of farming, leadership and governance, budgeting, and risk management in business. The trainings have enabled the members to access SHGs and bank loans, accumulate savings, invest in asset creation, plan for emergencies and make independent decisions.

Majority of the respondents agreed that the leaders organize seminars for the group members. the statement that the Training programmes done by service providers have made the individual members to open and effectively operate their bank accounts and manage their investments, most respondents also agreed. The study established that the seminars/ workshops assist the members to gain entrepreneurial skills which translate to starting their own business activities.

Majority of the members agreed that members keep records of financial statements and other business activities. The study established that tours organized by leaders assist in changing members' attitudes towards selection of appropriate income generating activities (IGAs). Most respondents agreed that the variety of activities in the group are undertaken to sustain the group.

The study established a strong positive correlation ( $r = 0.853$ ,  $p = 000$ ) between training strategy and SHGs performance. The regression analysis indicated that training strategy was the least predictor of SHGs performance ( $t = 0.036$ ,  $p = 0.042$ ).

### **5.2.2 Partnership strategy and its effect on performance of SHGs**

The study established that the groups are in partnership with other groups/ organizations. The SHGs are in partnership with the government, banks and MFIs. Most SHGs members receive loans amounting between Ksh. 21,000 – 40,000, while smaller proportion receives loans of above Ksh. 40,000 and 100,000. There were also members who borrowed loan amounting of less than Ksh. 20, 000.

The study established that the groups have business collaborations with different partners; these service providers assist the members through raising awareness on business management. The partners also offer financial support and training programmes to the self-help groups. However, most of the respondents indicated that financial support received from the partners is not adequate for the group's operations. The members get new ideas by interacting with other groups, which assist in improving income and thus enable the members to repay the loans. Collaborating with other partners also encourages others to join the group.

### **5.2.3 Diversification strategy and its effect on performance of SHGs**

The study established the following income generating activities (IGAs) that the SHGs engage in; livestock farming, fish farming, cash crops, cereals trade and horticulture. The challenge was that most members do not qualify to get more loans. The income

generated from the IGA's assists the members to repay the loans, and the payments received by the members enable the group to clear outstanding loans from MFIs and other financial agencies.

Correlation analysis indicated a significant positive relationship between partnership and SHGs performance. However, regression results indicated that the effect is minimal as compared to stakeholders' roles and members' innovativeness ( $t = 0.105$ ,  $p = 0.17$ ).

#### **5.2.4 Members' innovativeness and its effect on performance of SHGs**

The study established that the members participate in table banking to facilitate individual savings among group members. However, the members have not embraced the use of m-banking in payments of loans and savings. Most of the members agreed that members use energy saving stoves on brooding chicks which has reduced the expenditure on electricity and also members are divided into small manageable groups for easy monitoring loans payments. The study established that members' innovativeness strategy strongly predict SHGs performance ( $t = 3.286$ ,  $p = 0.01$ ).

#### **5.2.5 Stakeholders' roles and its effect on performance of SHGs**

The study established that the mentorship programme run by the government and NGO's has assisted the members in coming up with IGA's that have boosted the repayment of loans. Also, the funds given by the government through Uwezo fund has contributed to the sustenance and performance of the groups IGA's. The study also established that the grants and credit facilities availed by stakeholders has assisted the groups to increase their investments and savings, since. Similarly, most of the respondents agreed that the inputs from the stakeholders have assisted the groups to increase their output and joint activities.

The study established a positive relationship between stakeholder's roles and performance of SHGs, also stakeholders' roles ranked second in predicting SHGs performance after members' innovativeness.

## **5.3 Discussion**

### **5.3.1 Training strategy**

The concept of training as a strategy for developing the capacity of individuals and communities is at the centre of development discourse (Theodore, 2011). The results revealed that the SHG members had been trained on; asset building, book keeping, new methods of farming, leadership and governance, budgeting, and risk management in business. The type of training pursued by the self-help groups in Uasi Gishu County differ with those of (Omiti, & Nyanamba, 2007) who conducted a study on using self-help groups to reduce vulnerability and promote economic growth in Kenya, the study established that 27.87% are involved in implementing vocational education programs. These are programs meant to equip the SHGs members with employable skills either through a direct school based program or through an apprenticeship program. Among other educational activities pursued, are community based research and civic awareness by 14.75% self-help groups. Lastly, there are 13.11% groups that provide libraries and reading spaces to the community. The difference in the type of training pursued can be attributed to the fact that (Omiti, & Nyanamba, 2007) study was based in urban based SHGs while the current study was based on rural based SHGs. The results indicate that urban based SHGs pursue training that will enable them gain employable skills while the rural based SHGs pursue training strategies that enable them exploit resources within their environment.

### **5.3.2 Partnership strategy**

Partnership could prove to be a very important resource for self-help groups. It could be pursued for purposes of knowledge expansion, scaling of the activities and promoting collaborative action among a group of peers for various purposes. One argument that strongly favours partnership is the issue of resources. Self-help groups that partner with other organizations have an inherent ability to acquire and maintain resources (Sheppard, 2005). Self helps hence should explore benefits wrought by both strong and weak ties. Each of these ties has idiosyncratic benefits (Granovetter, 2003). Other obvious purposes to which people and organizations seek to partner include: seeking for advice, cooperation,



socialization, emotional support and other technical reasons, (Anuska, Doreian, & Vladmir, 2010).

The study established that the groups are in partnership with other groups/ organizations. The SHGs are in partnership with the government, banks and MFIs. The groups have business collaborations with different partners; these service providers assist the members through raising awareness on business management. The partners also offer financial support and training programmes to the self-help groups. The members get new ideas by interacting with other groups, which assist in improving income and thus enable the members to repay the loans. Collaborating with other partners also encourages others to join the group.

The findings are in contrary with Kiiru and Mburu (2007) who undertook a study on user costs of joint liability borrowing and their effects on livelihood assets for rural poor households. The study indicated that, SHGs that indicated to collaborate with a financial institution were only 27.05% of the entire sample. This means that there is a high likelihood that many of the remaining self-help groups may not have access to basic financial services. There is a distancing of the remaining 73% self-help groups from financial institutions. Approximately 23.77% groups indicated to have a parent organization. This parent organization could either be a church, a company or mostly a non-profit organization. Only 17.21% groups reported to have a relationship with government agencies. The remaining did not cultivate this relationship, despite the fact that the government has a number of devolved resources that could benefit them. Only 14.75% indicated that they were pursuing collaborations with donors and other capacity building organizations. Evidently only 27% of the self-help groups pursued active partnership. The rest 73% did not pursue any partnership at all.

### **5.3.3 Diversification of the groups' activities**

The study established the members engage in various income generating activities (IGAs); livestock farming, fish farming, cash crops, cereals trade and horticulture. Jayawarna (2010) demonstrates that community based enterprises respond to community needs and to those of the vulnerable people in a better way than commercially oriented firms

do. The self-help groups under study were rural based, and therefore majority of the members engage in agricultural based enterprises. The findings indicate that SHGs in the study area lack diversification in their enterprises. Unlike the results from the study by (Muko, 2014) who undertook a study on the local development dynamics of SHGs in Nairobi. The study established that the activities were diversified which included business support activities by 60.66% of self-help groups which could either be in the form of financial or non-financial services. 50.82% of groups created employment opportunities for their members and community residents. This was done through groups establishing work integration endeavours or enabling members acquire job-skills that will enhance their competitiveness in the labour market. The focus of the self helps is to nurture individual skills till the time required skill are acquired enabling their beneficiaries to become competitive. 45.90% of the groups implement activities to empower women by pursuing educational activities, maternal health care and other services of benefit to women. 45.08% are involved in guidance and counseling activities. 38.52% of the groups engage in spiritual activities. Youth empowerment is pursued by 31.15% of the groups and involves sports activities, entertainment and performing arts.

#### **5.3.4 Stakeholders' roles**

The study established that the mentorship programme run by the government and NGO's has assisted the members in coming up with IGA's that have boosted the repayment of loans. Also, the funds given by the government through Uwezo fund has contributed to the sustenance and performance of the groups IGA's. The study also established that the grants and credit facilities availed by stakeholders has assisted the groups to increase their investments and savings, since. Similarly, most of the respondents agreed that the inputs from the stakeholders have assisted the groups to increase their output and joint activities. According to the 2009 draft Community Development Report, the government has a number of devolved resources that self-help groups could benefit from, therefore the self-help groups should be advised to consult with various government agencies to benefit from such assistance. The study results concur with (Omiti, & Nyanamba, 2007) who established that most of the self-help groups work together

with various government agencies. The government agencies offer them consultancy (28.57%), networking (28.57%), funding (14.29%) and capacity building (14.29%). Other benefits accruing from relating with government agencies included material assistance (9.52%) and loans access (4.76%).

### **5.3.5 Innovativeness**

Self-help group members participate in table banking to facilitate individual savings among group members. Most of the members agreed that members use energy saving stoves on brooding chicks which has reduced the expenditure on electricity and also members are divided into small manageable groups for easy monitoring loans payments. The results indicate that most self-help groups in the study area lacks the innovative ways of mobilizing resources. Most self helps concentrated in one or two areas to raise required resources, they did not have the ability to be innovative. This could be explained by the fact that human capabilities in most self helps are low. Hence, pursuing complex resource mobilization strategies is far-fetched for them. Huy and Zott (2009) demonstrate that resource mobilization requires special skills including use of affective influence meant to build three kinds of trust in regard to the organization. These forms of trust center on the firm's integrity, the competence of promoters and ability to cultivate relationships. Chawla and Berman (2006) on the other hand, effective resource mobilization is a function of organizational capabilities which may be minimal or lacking in the self helps. Accordingly, there is a need to develop a resource mobilization strategy that looks at issues such as current resource situation, existing needs, resources needed and future projections.

The study by Kinyanjui (2010) establish that the self-help groups in Nairobi have develop innovative ways of mobilizing resources unlike the case in Uasin Gishu County. The study established that the bulk of resources (75.41%) were raised through members' contribution; 45.08% had a business projects; 27.87% had access to loans, 19.67% were able to access donor grants; while 17.21% got their resources from proceeds and contributions of well-wishers. In addition, 15.57% mobilized resources from proceeds of transaction fees; while another 15.57% raised resources from contributions of the immediate community. Some (7.38%) were able to access government resources; while others (4.10%) had investments in

stocks and shares or other sources (0.82%). This indicate that innovation enhances performance of SHGs, as indicated by the findings by Kinyanjui (2010) who provide annual estimates of the yearly income that majority (50.82%) reported an estimated income of Kshs. 250,000. While 17.21% indicated that they had an annual income of Kshs 500,000 and 11.48% had an annual income of Kshs 750,000. And 6.56% attracted an annual income of Ksh 1,000,000. Another 6.56% was able to attract an income of more than Kenya Shillings 1,000,000.

#### **5.4 Conclusions**

The results revealed that the SHG members had been trained on; asset building, book keeping, new methods of farming, leadership and governance, budgeting, and risk management in business. The training strategy has had significant impacts on the members. Training has made the individual members to open and effectively operate their bank accounts and manage their investments. Members have gained entrepreneurial skills which translate to starting their own business activities; also, members keep records of financial statements and other business activities and changing members' attitudes towards selection of appropriate income generating activities.

The study established that the groups are in partnership with other groups/ organizations. The major partners are; government agencies, banks and MFIs. Groups have business collaborations with different partners; these service providers assist the members through raising awareness on business management. The partners also offer financial support and training programmes to the self-help groups. The members get new ideas by interacting with other groups, which assist in improving income which enable the members to repay the loans. The study established the following income generating activities (IGAs) that the SHGs engage in; livestock farming, fish farming, cash crops, cereals trade and horticulture. The income generated from the IGA's assists the members to repay the loans, the payments received by the members enables the group to clear outstanding loans from MFI and other financial agencies.

Members of the SHGs participate in table banking to facilitate individual savings among group members. However, the members have not embraced the use of m-banking in payments of loans and savings. Most members use energy saving stoves on brooding chicks which has reduced the cost on electricity and also members are divided into small manageable groups for easy monitoring loans payments.

The study established that the mentorship programme run by the government and NGO's has assisted the members in coming up with IGA's that have boosted the repayment of loans. The funds given by the government has contributed to the sustenance and performance of the groups IGA's. The study established a positive relationship between stakeholder's roles and performance of SHGs.

## **5.5 Recommendations**

The researcher proposes the following recommendations:

There is need for the county governments and Non-governmental to increase funding to SHGs. This will enable SHGs to be sustainable and meet their needs as well as making the Counties reduce unemployment problem as well as increasing revenue due to increase income generating activities from empowered members.

There is need for the Governments county and national to formulate a policies that encourage groups to have all genders rather than creating separate subgroups like youth and women at the same time, merge funding to be under one department for easy access by members and easy monitoring and management by the government. Creating different funds to different groups may lead to difficult in monitoring the group's performance as some groups may default in one and move to another source of funding, or can access double funding disadvantaging other groups.

There is need to monitor and mentor groups through the counties for close supervision and identification of the needs in the community, rather than being monitored by the central government.

## **5.6 Areas for Further studies**

There is need to carry out further study on the following;

The same study can be done but using longitudinal research design. As this will provide more comprehensive data on performance of SHGs over a period of time.

The impact of financial support such as UWESO fund, Youth fund on SHGs performance.

## REFERENCES

- Anuska, F., Doreian, P., & Vladimir, B. (2010). Positions and Roles. In J. Scott, & P. Carrington, *Handbook of Social Network Analysis*. London: Sage Publications.
- Bali Swain, R. a. V., A. (2009). *Does Self Help Group Participation Lead to Asset Creation?* *World Development*, 37(10), 1674-1682.
- Barney, J. B. (2002). *Gaining and sustaining competitive advantage*. New Jersey: Prentice Hall
- Blau, P. M. (1964). *Exchange and power in social life*. New York: John Wiley.
- Butterfoss, F. & Kegler, M. (2002). *Toward a comprehensive understanding of community coalitions: Moving from practice to theory*. In *Emerging theories in health promotion practice and research*. R. DiClemente, R. Crosby, & M. Kegler (Eds.) (pp. 157-193). San Francisco: Jossey-Bass.
- Chakrabarti, A., Singh, K. & Mahmood, I. (2007). Diversification and performance: Evidence from East Asian firms. *Strategic Management Journal*, 28(2), 101–120.
- Chang, S. J. & Hong J. (2002). How much does the business group matter in Korea? *Strategic Management Journal*, 23(3), 265–274.
- Chawla, M., & Berman, P. (2006). *Developing and Implementing a Resource Mobilization Strategy*. Washington D.C.: USAID.
- Das, H. & Peter, P. (2002). *Social exchange theory: the two traditions*. Cambridge, Mass: Harvard University Press

- Das, S. K. (2012). Best Practices of Self Help Groups and Women Empowerment: A Case of Barak Valley of Assam. *Far East Journal of Psychology and Business*, 7(3), 29-51.
- De Vos, A.S., Strydom, H., Fouche, C.B., & Delpont, C.S.L. (2005). *Research at Grass roots: For the social sciences and human service professions*. Pretoria: Van Schaik Publishers
- Devi, K. R., Parimala, K., Venkanna, V., Lingaiah, N., Hari, Y., & Satish Chandra, B. (2016). Estimation of Variability for Grain Yield and Quality Traits in Rice (*Oryza sativa* L.) K. *Int. J. Pure App. Biosci*, 4(2), 250-255.
- Elisabeth, R. & Maria, O. (2006). *Micro-finance through the next decade: Visioning the who, what, when, where and how*, Paper commissioned by the Global Microcredit Summit 2006, ACCION International, Boston
- Fawcett, S. (2005). *Empowering community health initiatives through evaluation*. Beverly Hills: Sage.
- Fox, W. & Bayat, M.S. (2007). *A Guide to Managing Research*; Cape Town: Juta & Co. Ltd
- Galbraith, H (2002). *Interpersonal communication: The social exchange approach*. Beverly Hills
- Gay, L. R., & Airasian, P. W. (2003). *Educational Research* (7th ed.), New Jersey: Merrill Prentice Hall.
- Gosling, S. D., Vazire, S., Srivastava, S., & John, O. P. (2004). Should we trust web-based studies? A comparative analysis of six preconceptions about internet questionnaires. *American psychologist*, 59(2), 93.
- Graen, G, & Uhl-Bien, M. (2005). *The Relationship-based approach to leadership*:



*Development of LMX theory of leadership over 25 years: Applying a multi-level, multi-domain perspective. Leadership Quarterly, 6(2), 219–247.*

Granovetter, M. (2003). The Strength of Weak Ties: A Network Theory Revisited. *Sociological Theory, 1*, 201-233.

Gupta, M. L, & Gupta, N., (2006). Economic Empowerment of Women through SHGs, *Kurukshetra, 54(4)*, (February)

Homans, G. (1958). *Social Behavior: Its Elementary Forms*. New York: Harcourt Brace Jovanovich

Huy, Q., & Zott, C. (2009). *Emotional Assuring, Trust Building and Resource Mobilization in Start Up Organizations*. Madrid: IESSE Business School-Novarra.

Jayawarna, D. (2010). *Social Enterprise: Bootstrapping as a Strategic Response to Recession*. Liverpool: University of Liverpool Management School.

Jerinabi, U. (2006), *Micro Credit Management by Women's Self Help Group*. 1st ed., New Delhi: Discovery Publishing House.

JHA, D. B. K. (2009). Reality of Women's Empowerment in the Era of Globalization. *Women Empowerment and Globalization: A Modern Perspective*, 15.

Jonathan, M, & Barbara, H, (2002). *Analysis of the effects of microfinance on poverty reduction*, New York University, Wagner Working Paper, No. 1040.

Jothi. G. (2010). Socio-Economic Impact: Microfinancing of Self Help Groups. [Article]. *SCMS Journal of Indian Management, 7(1)*, 91-103.

Kabeer, N. (2005). *Gender equality and women's empowerment: A critical analysis of the third millennium development goal 1*. *Gender and Development, 13(1)*,

13-24.

Kandiyoti, J (2009). Socio-Economic Impact: Microfinancing of Self Help Group. *SCMS Journal of Indian Management*, 7(1), 91-103.

Kanyi, W. (2014 January 28). Women Urged to Adopt Table Banking. *The Star*, January 28, 2014.

Kaur, H., & Kaur, N. (2012). Role of self-help groups in empowerment of rural women. *Women's Studies Centre, Punjabi University, Patiala*.

Kegler, M., Steckler, A., McLeroy, K., & Malek, S. (2008). *Factors that contribute to effective community health promotion coalitions: A study of ten project ASSIST coalitions in North Carolina. Health Education and Behavior*, 25(3), 338-353.

Kerlinger, F.N. (1986). *Constructs, Variables, and Definitions, Foundations of Behavioral Research*, New York: Holt, Rinehart and Winston.

Kiiru, J., & Mburu, J. (2007). User Costs of Joint Liability Borrowing and their Effects on Livelihood Assets for Rural Poor Households. *International Journal of Women, Social Justice and Human Rights*.

Kinyanjui, M. N. (2010). *Social Relations in the Informal Sector in Kenya*. Nairobi: Social Policy and Development.

Kitetu, C. W., & Kioko, A. N. (2013). Issues of language and gender in iweto marriage as practised by the Kamba in Kenya. *Atanga, LL et al.(eds)*, 29-52.

Krishna, M. (2003). *Poverty Alleviation and Rural Poor*, New Delhi: Mittal Publication.

Krishnaiah, P. (2003). *Poverty Reduction: Self Help Group strategy*. pp65-68., New Delhi: UBSPD,

- Krishnnaraj, M. (2007). Food security Agrarian crisis and Rural livelihoods: Implication for women. In Maithreyi Krishnnaraj. (Ed.) *Gender, Food Security and Rural livelihoods* (pp. 24-72). Kolkata: STREE.
- Kropp, E.W., & Suran, B.S. (2002). *Linking Banks and SHGs in India An Assessment*, Mumbai: NABARD.
- Lakshamma, S. K. (2005). *Empowerment of women through DWCRA program in A.P.: A case study*. In Koteswara Rao (Ed.) *Empowerment of women in India* (pp. 283-338). New Delhi: Discovery Publishing House.
- Lalneihzovi (2007), *Womens Development in India*, 1st ed., New Delhi: Mittal Publication.
- Leedy, P. D., & Ormrod, J. E. (2005). *Practical Research Planning and Design* (5th ed.). New Jersey: Pearson Merrill Prentice Hall.
- M., Person, S. & Parham, G. (2006). *Addressing disparities through coalition building: Alabama REACH 2010 lessons learned. Journal of Health Care for the Poor and Underserved, 17, 55-77.*
- Makau, K. (2010). *Youth and Self-Employment in Developing Countries; A critical Analysis of Youth Focused Self-Employment Promoting Policy in Kenya*, The Hague, The Netherlands, 2010.
- Makhmutova, M., & Akhmetova, A. (2011). *Civil Society in Kazakhstan*. Almaty: Civicus.
- Malcolm, H., Esipisu, E., Mohanty, A.K. & Rao, D.S.K. (2008). *The New Middle Women: Profitable Banking through On-lending Groups*, Nairobi: Intermediate Technology Publications.
- Manimekalai, K. (2004). *Economic Empowerment of Women through Self-Help Groups*,

New Delhi: Third Concept.

- Manyasa, E.O. (2003). The Determinants of Rural Womens' Incomes in Butere - Mumias District. Thesis Unpublished.
- Masinde, J. (2013). Table banking helps women fight poverty. *Daily Nation*, November 27, 2013.
- Mayoux, L. (2007). Not only reaching, but also empowering women, ways forward for the next micro finance Decade. *ADA Dialogue*. N 37, p 40.
- Mishra, S., Sharma, N., & Sharma, K. (2004). *Participation and development*: New Delhi: NBO Publishers' Distributors.
- Mitullah, W.V. (2004 Daily Nation, 13 July). *Women and democracy in Africa: the Kenya experience*, paper presented at the Regional Symposium on Women and Democracy in Africa, Windhoek, Namibia, 17-22 October
- Musa, R. (2009), Poor community ignores credit.
- Mugenda M. O & Mugenda G. A. (2003). *Research Methods, Quantitative Approaches*, Nairobi Acts Press.
- Naituli, G., Wegulo, F. N., & Kaimenyi, B. (2006). Entrepreneurial characteristics among micro and small-scale women-owned enterprises in North and Central Meru district, Kenya. *Gender inequality in Kenya*. UNESCO.
- Narang, U. (2012). Self Help Group: An Effective Approach to Women Empowerment in India. *International Journal of Social Science and Interdisciplinary Research*, 1(8), 8-16.
- Nassiuma, D.K. (2000). *Survey sampling: Theory and methods*. Nairobi: University of Nairobi Press.

Nunnally, J. C. (1978). *Psychometric theory* (2nd ed.). New York: McGraw-Hill.

OECD, 2005. Oslo Manual: Proposed Guidelines for Collecting and Interpreting Technological Innovation Data. Paris.

Oketch, H.O. and Dondo, C.A. (2004). *Causes and consequences of defaulting among micro-enterprises in Kenya*, Research Paper No. 16, November, Kenya Rural Enterprise Programme, Nairobi

Omiti, J., & Nyanamba, T. (2007). *Using Self Help groups to reduce vulnerability and promote economic growth in Kenya*. Nairobi: Kenya Institute for Public Policy Research and Analysis.

- Pala-Okeyo (1988). *An Assessment of Functional Literacy, Non-formal Education and Community Development in Relation to the Health of Women: Study of Two Divisions in South Nyanza*, MOH/WHO, Nairobi.
- Panda, D. K. (2009). *Measuring Impacts of Women Self-help Group-based Microfinance In Eastern India: An Analysis Through Econometric Models*. *Globsyn Management Journal*, 3(2), 41-48.
- Pattanaik, G., (2003). *Impact on Self-Help Groups A-Case Study*, New Delhi: Anmol Publications Pvt. Ltd.
- Pearce, J. A., & Robinson Jr., R. B. (2003). *Strategic Management: Formulation, Implementation and Control*. (8th Edition), Business Week, , New York, N.Y.: McGraw-Hill Companies Inc.
- Pillai, B. & Vijayachandran, H., V. (2006). Self Help Group in Kerala, *Kurukshetra*, 54(9), (July).
- Ranjula, B., & Yang, W. F. (2012). Factors empowering women in Indian self-help group programs. *International Review of Applied Economics*, 26(4), 425-444. doi: 10.1080/02692171.2011.595398
- Republic of Kenya, (2003). *Economic Survey*, Nairobi: Government Printer.
- Rogers, T., Howard-Pitney, B., Feighery, E., Altman, D., Endres, J., & Roeseler, A. (2003). Characteristics and participant perceptions of tobacco control coalitions in California. *Health Education Research*, 8(3), 345-357.
- Roussos, S. & Fawcett, S. (2000). A review of collaborative partnerships as a strategy for improving community health. *Annual Review of Public Health*, 21, 369-402.
- Sa-Dhan, B. (2003). Quality Parameters of SHGs: A discussion paper, Retrieved from

<http://www.sadhan.net/Adls/Microfinance/DiscussionPaperSeries-2.pdf>.

Sang, F., & Keror, I. (2012). Influence of Micro-Finance on Small Scale Wheat Farming Technology in Moiben Division, Uasin-Gishu County, Kenya.

Sanyang, S. E., & Huang, W. C. (2008). Micro-financing: Enhancing the role of women's group for poverty alleviation in rural Gambia. *World journal of agricultural sciences*, 4(6), 665-673.

Seibel, H. D., & Khadka, S. (2002). SHG Banking: a financial technology for very poor microentrepreneurs. *Savings and Development*, 133-150.

Seibel, H.D., & Khadka, S., (2002). SHG Banking: A Financial Technology for Very Poor Micro-Entrepreneurs, *Savings and Development*, 26(2), 133-150.

Sen, S. G. (2000). *Self-help as a Strategy for Women's Development* in India.

Sharma, P and Varma, S. K. (2008). Women empowerment through entrepreneurial activities of Self Help Groups Indian Res. *J. Ext. Edu.* 8(1), 46-51.

Sharma, Roy, & Chakravorty. (2012). Potential of Self Help Groups as an Entrepreneur: A Case Study from Uttar Dinajpur District of West Bengal. *J Soc Sci*, 30(1), 83-87.

Sinha, Dr. P.C (2008). *Sustainable Development*, , New Delhi; Anmol Publication Pvt. Ltd

Srivastava, P. (2005). *Scaling up Microfinance for India's Rural poor*, World Bank Policy research working paper 3646

Subramaniam, M. (2012). Grassroots groups and poor women's empowerment in rural India. [Article]. *International Sociology*, 27(1), 72-95.

- Suguna, B. (2006). *Empowerment of Rural Women through Self Help Group*. New Delhi: Discovery Publishing House.
- Supriya, G. (2012). *Microcredit and Women's Empowerment: Through the Lens of Time-Use Data from Rural India*. *Development & Change*, 43(3), 719-750.
- Theodore, J. D. (2011). *Assessing Capacity Building and Good Governance Indicators in Sub-Saharan Africa: The Implications for Poverty Reduction*. *Sixth African Economic Conference*. Delaware: University of Delaware.
- UNECA, (2005). *Economic Report on Africa; Meeting the Challenges of Unemployment and Poverty in Africa*, Addis Ababa: UNECA.
- United Nations Fund for Population Activities/Women's Bureau (2006). *Women and Men in Kenya*. Facts and Figures 2005, Nairobi: UNFPA/Women's Bureau.
- Van der Maas, P. J., Van Delden, J. J., Pijnenborg, L., & Looman, C. W. (1991). Euthanasia and other medical decisions concerning the end of life. *The Lancet*, 338(8768), 669-674.
- Van Kempen, R., & Bolt, G. (2009). Social cohesion, social mix, and urban policies in the Netherlands. *Journal of Housing and the Built Environment*, 24(4), 457.
- Vetrivel, S. C., & Mohanasundari, M. (2011). *Self-Help Groups: Women Empowerment and Social security in Tamilnadu*. [Article]. *Advances in Management*, 4(3), 55-59.
- World Neighbors (2006). *From hunger to hope: Friends of Katuk Odeyo Community Development Program (FOCODEP), Baseline Survey Report*
- Yunus, M. (2003). *Banker to the poor: Micro-lending and the battle against world poverty*. New York: Public Affairs Publishing.



Ziderman, A. (2003). *Financing vocational training in sub-Saharan Africa* (Vol. 6).  
World Bank Publications.

Ziderman, A. (2003). *Financing vocational training in sub-Saharan Africa* (Vol. 6).  
Geneva: World Bank Publications.

## APPENDICES

### Appendix I: Questionnaires for SHGS Members

I am a student in Jomo Kenyatta University of Agriculture and Technology, pursuing Doctorate degree in Strategic Management; I am carrying out a study on management strategies as antecedent to performance of SHGs in Uasin Gishu County. Kenya.

Questionnaire code \_\_\_\_\_ Date of dissemination: \_\_\_\_\_

#### PART A: GENERAL INFORMATION

1. Indicate your age

[a] 18-29 [b] 30-39 [c] 40-49 [d] above 50 years

2. What is your gender?

a) Male

b) Female

3. What is your highest level of education?

[a] No formal education

[b] Primary

[c] Secondary

[d] post-secondary

4. What is your marital status?

[a] single [b] Married [c] Separated [ d] Divorced [e] Widow

5. What is your Occupation? \_\_\_\_\_

6. What is your approximate monthly income? \_\_\_\_\_

7. How many years have you been in the Self-Help Group?

**PART A –TRAINING STRATEGY**

**9. a)** What forms of Training programmes have been offered to your group?

In this section Kindly tick only one choice that best describe your choice (Note, please only tick one).

- a) **Asset building** ( )
- b) **Book keeping** ( )
- c) **New methods of farming/Agribusiness** ( )
- d) **Leadership and group governance** ( )
- e) **Budgeting** ( )
- f) **Risks management in business** ( )

Any other.....  
.....

**b)** What is the impact of Training in enhancing self-economic empowerment?

In this section Kindly tick only one choice that best describe your choice (Note, please only tick one).

- a) **Access SHG loan and bank loan** ( )
- b) **Accumulate savings** ( )
- c) **Investment in asset creation** ( )
- d) **Plan for emergencies** ( )
- e) **Independent decision making** ( )

c) What are the effects of Training on the performance of SHG? Indicate the extent to which you agree with them.

**Please rate your answers using the following scale**

- a) **SA** if you Strongly Agree (5)
- b) **A** if you Agree (4)
- c) **N** if you are Undecided (3)
- d) **D** if you Disagree (2)
- e) **SD** if you Strongly Disagree (1)

	<b>Statement</b>	<b>SD1</b>	<b>D2</b>	<b>N3</b>	<b>A4</b>	<b>SA5</b>
	The leaders organize seminars for the group members					
	The Training programmes done by service providers has made the individual members to open and effectively operate their bank accounts and manage their investments					
	Seminars/ workshops assist the members to gain entrepreneurial skills which translate to starting their own business activities.					
	Members keep records of financial statements and other business activities					
	Tours organized by leaders assist in changing members' attitudes towards selection of appropriate income generating activities (IGAs)					
	The joint activities in the group are undertaken to sustain the group.					

**PART B: PARTNERSHIP STRATEGY**

In this section, Kindly tick only one choice that best describe your choice (Note, please only tick one).

**10. a) Is your group in partnership with other groups/ organizations**

Yes ( )

No ( )

**b) If yes, who is your major partner (in terms of financial, collaboration and Training support)?**

In this section Kindly tick only one choice that best describe your choice (Note, please only tick one).

**a) Government** ( )

**b) Banks** ( )

**c) Micro Finance Institutions** ( )

**d) NGO's** ( )

**e) Suppliers** ( )

**f) Buyers** ( )

**g) Local leaders** ( )

**h) Any**

**other.....**

**c).How frequently do you access loan from the group?**

In this section Kindly tick only one that best describe your choice (Note, please only tick one).

- a) **Monthly** ( )
- b) **Bi annually** ( )
- c) **Yearly** ( )
- d) **Any other .....**

**d) What is the amount of Loan that you have accessed after joining the group?**

In this section, kindly tick only one that best describe your choice (Note, please only tick one).

- a) **Below 20,000** ( )
- b) **20,000 – 40,000** ( )
- c) **40,000 – 60,000** ( )
- d) **60,000 – 80,000** ( )
- e) **Above 100,000** ( )

**e) What is the effect of Partnership strategy on performance of SHG's? Indicate the extent to which you agree with them. Please rate your answers using the following scale**

- a) **SA** if you strongly Agree (5)
- b) **A** if you Agree (4)
- c) **U** if you are Undecided (3)
- d) **D** if you Disagree (2)

f) **SD** if you Strongly Disagree (1)

	<b>Statement</b>	<b>SD</b>	<b>D</b>	<b>N</b>	<b>A</b>	<b>SA</b>
		1	2	3	4	5
<b>1.</b>	The group has business collaborations with different partners					
<b>2.</b>	Service providers assist the members through raising awareness on business management.					
<b>3.</b>	Government agencies and other supporters offer financial support to the self-help groups.					
<b>4.</b>	The service providers assist the group in Training programmes					
<b>5.</b>	Financial support received from the partners is adequate for the group's operations					
<b>6.</b>	The members get new ideas by interacting with other groups					
<b>7.</b>	The individual members can now access one stop shop of service providers					
<b>8.</b>	The networks and linkages among value chain actors improves income which assists the members to repay the loans					
<b>9.</b>	The dividends motivate the members to continue increasing their savings to the group					
<b>10.</b>	The collaborating with other partners encourages others to join the group.					
<b>11.</b>	The collaboration network adopted by the group connects the members to the supplies of inputs and market for the produce.					

**PART C: DIVERSIFICATION STRATEGY**

**11 a) What forms of Income Generating Activities has your group undertaken?**

- a) **Livestock farming** ( )
- b) **Fish farming** ( )
- c) **Cash crop farming** ( )
- d) **Cereal trade** ( )
- e) **Horticulture** ( )

Any other .....

a) What is the effect of diversification strategy on the performance of SHGs?

Indicate the extent to which you agree with them

1. SD (**Strongly disagree**), 2 D (**Disagree**), 3 N (**Neutral**) 4 A (**Agree**) 5. SA (**Strongly Agree**)

<b>Statement</b>	<b>SD</b>	<b>D</b>	<b>N</b>	<b>A</b>	<b>SA</b>
	1	2	3	4	5
The members increase their savings from income generated from many activities they have.					
The individual members can now access to more loans					
The income generated from the IGA's assists the members to repay the loans					
The dividends motivate the members to continue increasing their savings to the group					
The payments received by the members enables the group to clear outstanding loans from MFI and other financial agencies					



**PART D: MEMBERS' INNOVATIVENESS**

The following statements describe the effect of members' innovativeness on performance of SHG's. Indicate the extent to which you agree with them in regard to how it influences SHGS activities Please rate your answers using the following scale

Please rate your answers using the following scale

- a) **SA** if you strongly agree (5)
- b) **A** if you Agree (4)
- c) **U** if you are Undecided (3)
- d) **D** if you Disagree (2)
- e) **SD** if you Strongly Disagree (1)

<b>Statement</b>	<b>SD</b>	<b>D</b>	<b>N</b>	<b>A</b>	<b>SA</b>
	1	2	3	4	5
The members participate in table banking to facilitate individual savings among group members					
The members make payments of loans and savings through mobile phones (M-Pesa) which has assisted in making prompt payments					
Members use energy saving jikos on brooding chicks which has reduced which has reduced the cost on electricity					
Members are divided into small manageable groups for easy monitoring loans payments.					

**PART E: STAKEHOLDERS ROLES**

The following statements describe the role of stakeholders on performance of SHG’s. Indicate the extent to which you agree with them in regard to how it influence SHGS performance Please rate your answers using the following scale

1. SD (**Strongly disagree**), 2 (**Disagree**), 3 N (**Neutral**) 4 A (**Agree**) 5. SA (**Strongly Agree**)

	<b>Statement</b>	SD	D	N	A	SA
		1	2	3	4	5
1.	Mentorship programme run by the government and NGO’s has assisted the members in coming up with IGA’s that have boosted the repayment of loans					
2.	The funds given by the government through Uwezo fund has contributed to the sustenance and performance of the groups IGA’s.					
3.	The grants and credit facilities availed by stakeholders has assisted the groups to increase their investments and savings.					
4.	The inputs from the stakeholders have assisted the groups to increase their output and joint activities					

**Part F: Performance of SHGs**

The following statements describe the role of stakeholders on performance of SHG's. Indicate the extent to which you agree with them in regard to how it influence SHGS performance Please rate your answers using the following scale

SD (**Strongly disagree**), 2 (**Disagree**), 3 N (**Neutral**) 4 A (**Agree**) 5. SA (**Strongly Agree**)

	<b>Statement</b>	SD	D	N	A	SA
		1	2	3	4	5
1.	Members increase their savings from Income Generated from Value chain activities					
2.	The dividends motivate the members to continue increasing their savings to the group					
3.	The income generated from the IGA's assists the members to repay the loans					
4.	The number of activities in the group encourages others to join the group.					
5.	The payments received by the members enables the groups to clear outstanding loans					

**Appendix II: Interview Schedule For County Officials**

1. Since the Mentorship programme was done to groups by the government, has there been any change in the number of SHGs registered and those who renewed their certificates?

.....  
.....  
.....  
.....

2) How is the performance of groups in terms of payments of loans given to them by government (UWESO Fund).

- i. ....
- ii. ....
- iii. ....
- iv. ....

3. Have the groups partnered with NGOs and other support groups? And if yes, name the support groups and the benefit the groups are getting.

- i. ....
- ii. ....
- iii. ....
- iv. ....
- ...

v. ....

4. How is the general performance of SHGs from the year 2010 to date (on their savings, number of IGAs, income

i. ....

ii. ....

iii. ....

iv. ....

v. ....

vi. ....

5. Who monitors the repayment of loans by groups given by government or other institutions?

i. ....

ii. ....

### Appendix III: Introductory Letter



JOMO KENYATTA UNIVERSITY OF AGRICULTURE AND TECHNOLOGY  
KITALE CBD CAMPUS

P.O BOX 3347-30200 KITALE, TEL: 054-30800/ 0722446931  
Email: [admin-kitale@jkuat.ac.ke](mailto:admin-kitale@jkuat.ac.ke), [info-kitale@jkuat.ac.ke](mailto:info-kitale@jkuat.ac.ke)

17<sup>th</sup> September, 2015

TO WHOM IT MAY CONCERN

**CHRISTINE JEPTOO KETER: HD433-C008-0557/11**


The above named is a student at JKUAT Kitalé CBD campus pursuing Doctor of Philosophy in Business Administration (Strategic Management option), has completed course work and she's is at data collection stage.

Her topic is '**Management strategies' as an antecedent to performance of self-help groups in Uasin-Gishu County, Kenya'**

Kindly grant her any assistance she requires.

Thank you

Yours faithfully,

  
Robert Wamalwa Wandera  
Post Graduate Programmes Coordinator  
Jkuat – Kitalé CBD Campus

## Appendix IV: Research Authorization



### NATIONAL COMMISSION FOR SCIENCE, TECHNOLOGY AND INNOVATION

Telephone: +254-20-2213471,  
2241349, 310571, 2219420  
Fax: +254-20-318245, 318249  
Email: secretary@nacosti.go.ke  
Website: www.nacosti.go.ke  
When replying please quote

9<sup>th</sup> Floor, Utalii House  
Uhuru Highway  
P.O. Box 30623-00100  
NAIROBI-KENYA

Ref. No. **NACOSTI/P/15/66952/9039**

Date:

**10<sup>th</sup> December, 2015**

Christine Jeptoo Keter  
Jomo Kenyatta University of Agriculture  
and Technology  
P.O. Box 62000-00200  
**NAIROBI.**

#### **RE: RESEARCH AUTHORIZATION**

Following your application for authority to carry out research on "*Management strategies as an antecedent to performance of self help groups in Uasin-Gishu County, Kenya,*" I am pleased to inform you that you have been authorized to undertake research in **Uasin-Gishu County** for a period ending **10<sup>th</sup> December, 2016**.

You are advised to report to **the County Commissioner and the County Director of Education, Uasin-Gishu County** before embarking on the research project.

On completion of the research, you are expected to submit **two hard copies and one soft copy in pdf** of the research report/thesis to our office.

  
**DR. S. K. LANGAT, OGW**  
**FOR: DIRECTOR GENERAL/CEO**

Copy to:

The County Commissioner  
Uasin-Gishu County.

The County Director of Education  
Uasin-Gishu County.



*National Commission for Science, Technology and Innovation is ISO 9001: 2008 Certified*

## Appendix V: Uasin Gishu County Authorazation Letter

REPUBLIC OF KENYA  
COUNTY GOVERNMENT OF UASIN GISHU  
DEPARTMENT OF EDUCATION, CULTURE, YOUTH AFFAIRS AND SOCIAL SERVICES

Email: [misoikeneth@usingishu.go.ke](mailto:misoikeneth@usingishu.go.ke)

Tel. NOs: 053 2033737  
+254-053-2061330  
+254-053-2032603  
+254-053-2062208

Fax: +254-053-2062884  
Website: [www.uasinu.go.ke](http://www.uasinu.go.ke)



When Replying, Please Address to:  
Chief Officer, Education, Culture, Youth  
Affairs and Social Services  
County Government of  
UasinGishu  
P. O Box 40-30100  
ELDORET-KENYA

REF: UGC/ECYSS/VOL.11/2015/39

5<sup>TH</sup> October, 2015

The Director Social Services

**RE: AUTHORITY TO CARRY OUT RESEARCH CHRISTINE JEPTOO KETER – JOMO KENYATTA UNIVERSITY OF AGRICULTURE & TECHNOLOGY KITALECAMPUS**

The above named has authority to carry out research on "Management strategies" as an antecedent to performance of self-help groups in Uasin- Gishu County, Kenya.

Kindly grant her any assistance she requires.



K.K. MISOI  
CHIEF OFFICER  
**EDUCATION, CULTURE, YOUTH AFFAIRS, SPORTS AND SOCIAL SERVICES**

Copy: County Secretary



**Appendix VI: Authorization Letter County Ministry of Social Services**

**REPUBLIC OF KENYA**



**MINISTRY OF LABOUR, SOCIAL SECURITY AND SERVICES  
DEPARTMENT OF SOCIAL DEVELOPMENT**

County Social Development Office,  
Uasin Gishu County,  
P.O BOX 428-30100

**ELDORET**

UG/SS/M/21

15<sup>th</sup> October, 2015

To All Sub-County D.S.D.Os

**UASIN GISHU COUNTY**

**RE: RESEARCH AUTHORIZATION – CHRISTINE JEPTOO KETER  
JOMO KENYATTA UNIVERSITY OF AGRICULTURE & TECHNOLOGY –  
KITALE CAMPUS**

This is to inform you that my office has no objection for the above named to carry out Research in your area of jurisdiction.

Accord her the necessary assistance.

  
Grace J. C. Kenduiywa  
County Co-ordinator  
Social Development  
**UASIN GISHU COUNTY**



**Appendix VII: Map of Uasin Gishu County**

