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Training as an Antecedent to the Performance of Self Help Groups in Uasin-Gishu County

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ABSTRACT

Training is an important asset to an individual since it gives the necessary skills required to run a business. The study sought to establish training as an antecedent to performance of self help groups in Uasin-Gishu County. The study adopted a cross-sectional descriptive survey research design. 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. The sampling frame of SHG members who have been involved for at least five years were selected through stratified sampling technique. The list of registered SHGs was obtained from the respective District Social Services department. Among the listed SHGs, those whose maturity are at least five years and are situated in rural areas were purposely selected. 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 performance of SHGs.

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Introduction

Self Help Group has developed as one of the major strategies for the convergence of services and activities for purposes of strengthening of community members. Purba, (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 had been 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, this kinds of arrangements are common in East Africa, an especially Kenya. 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 grow, 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.

It is the goal of Kenyan government 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.

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.

According to Ellis and Williams (2005), management 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. 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 and 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).

Many women who own micro-enterprises still cannot access this type of Training, which they need for the expansion of their livelihoods (Stevenson and 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 and Paulson, 2004). There is need to train more women in group dynamics and team building strategies, record keeping, leadership skills, as well as proposal writing, including grants and business plans (Kane, Walsh and 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.

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.

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 and 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.

Methodology

Research design

This study adopted a cross-sectional descriptive survey 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.

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 and 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, as indicated in table 1.

Table 1. Distribution of Women self help groups per Divisions.

Divisions	Vulnerable Groups	women	Youth	Population
Kapseret	35	55	25	115
Soy	40	38	30	108
Turbo	23	36	21	80
Ainabkoi	45	50	57	152
Moiben	25	30	25	80
Kesses	41	45	28	114
Total	209	254	184	647

Sample and 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 subgroups, which would otherwise be omitted entirely by other sampling methods because of their small number in the population. The sampling frame of SHG members who have been involved for at least five years were selected through stratified sampling technique. The list of registered SHGs was obtained from the respective District Social Services department. Among the listed SHGs, those whose maturity are at least five years and are situated in rural areas were purposely selected for impact assessment, as it is believed that SHGs with less than five years of maturation do not have impact 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

α = 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%,

$$n = 647 / 1 + 647(0.08)^2$$

n=647/1+4.813

n= 126

Table 2. Sample size.

Divisions	Population	Sample Frequency
Kapseret	115	22
Soy	108	21
Turbo	80	15
Ainabkoi	152	30
Moiben	80	16
Kesses	114	22
Total	647	126

Data Collection Instruments

The study employed the use of structured and open-ended questionnaire with 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.

Questionnaire

Gay (2006) explains that descriptive data are usually collected using questionnaires. 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.

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.

Validity

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

Reliability

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 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.

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 training 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).

Findings**Effects of training strategy on the performance of SHG's**

The 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.

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 3.

Table 3. Forms of trainings.

	Frequency	Percent
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

The response from the interviews from key informants that work with SHGs in the County; it was established that after mentorship training programme by UWEZO fund agency results in increased number of registered groups and more renewed their certificates. The government trains SHGs member through various agencies before being given funds (women enterprise funds, UWEZO funds). The government appoints the staffs who facilitate the running of the registered groups through the ministry of gender and youth affairs (training, networking). The ministry of agriculture is supporting the groups in agribusiness training.

Impact of training

The researcher sought to know whether the trainings have impacted 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.

Table 4. Impacts 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%).

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

Table 5. 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

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 5.

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.

Table 6. Correlation results

Variables		SHGs performance
Training strategy	Pearson Correlation	.853**
	Sig. (2-tailed)	.000
	N	121

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.

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.

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