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## **Factors Affecting Performance of Women Investment Groups: A Survey of Gucha Sub County, Kisii County**

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### **Abstract:**

*The challenge for women investment groups has been the ability to cohesively and successfully work together in order to achieve their goals and objectives. If women investment groups disintegrate, then their original and main purpose for their formation will not be achieved. This means that the poverty circle will continue and the women will have challenges in meeting their household needs. The performance of women investment groups largely depend on a number of practices which are entrenched within the group setup. This was a research study which sought to establish the factors that affect the performance of women investment groups in Gucha Sub County. The study was aimed at finding out the extent to which training affects the performance of women investment groups, to access the extent to which group meeting affect the performance of women investment groups, to determine the extent to which record keeping affects the performance of women investment groups and finally to establish how the level of savings and borrowings affect the performance of women investment groups in Gucha Sub County. The researcher used the survey research design as it was appropriate in collecting original data from a representative hence helping to draw correct conclusion. The study population was the women investment groups in Gucha Sub County that was obtained from the seven divisions in Gucha Sub County. The sample size was selected using stratified sampling techniques then the use of simple random sampling was used to select the respondents. The use of this technique was aimed at allowing all elements of the population equal chances of inclusion. The sample size of 52 women investment groups was selected from the target population of 354 women investment groups in Gucha Sub County. The Data was systematically organized and the results were presented using frequency distribution tables, percentages, mean and cross tabulation. The study found out that most women investment groups in Gucha Sub County have fully implemented the practices of proper group training, attending regular group meetings, having regular savings and borrowing of loans the functions which needs to be improved in all women investment groups so that they can play a better role of increasing their performance thus raising their living standards. The government through the ministry of gender and social services should introduce programs where officials and members of women investment groups are required to hold special sessions, guided annual reviews and meetings to help the groups create better procedures of organizing group meetings, group records and increasing savings.*

### **1. Background of the Study**

The first people in history to demonstrate the power of women groups were alcoholics (Borkman, 2000).Alcoholic anonymous was started in 1935 to help hopeless alcoholic to recover from alcoholism, something the medical professional had been unable to do. The power of self help groups to help people suffering from other problems was not recognized until after World War II. In the 1960s, civil right movement began to evolve in many developed countries, as people became aware of their collection power. These power of the people movements provided avenues for the development of the self-help group movement (Vottano, 1972)

A SHG is registered or unregistered group of entrepreneurs with homogenous social and economic background, voluntarily coming together to save small amounts on a regular basis (Gupta,2010).The group members use collective wisdom and peer pressure to ensure proper end use of credit and timely repayment is done.SHG s are participative and democratic in character. They follow the cooperatives principles of collective endeavor for individual and community development by overcoming the deeply entrenched social bottlenecks and economic hurdles. There should be true democratic culture in which all members must participate actively in decision making process. Collective responsibility, leadership with fixed tenure .mutual trust and cooperative philosophy should be driving force for SHG

The Group members are encouraged to save on a regular basis. They use the pooled resources to meet the credit needs of the group members. The groups are democratic in nature and collectively make decisions. Since the members are neighbors and have a common interest, the group is homogenous one and cohesive, these are some of the characteristics features of the group. Regular savings, periodic meetings, compulsory attendance, proper repayment and systematic training are some of the other salient features of SHGs. Investment groups can be all women group, all men group or even mixed. However, it has been experienced that all women investment groups perform better in all activities of SHGs. Mixed groups is not preferred in many places, due to the presence of conflicting interest. As soon as SHG is formed, a couple of group meetings are held, an SHG can open a savings account with the nearest commercial bank or Regional Rural Bank or a cooperative bank. This is essential to keep the thrift and other monies for SHG safely in accounts and also to improve transparency levels of SHG transactions. Opening of savings account is usually the beginning of relationship between the SHG and the bank. By initially managing their own accounts, SHG members not only take care of the financial needs of each other, but develop skills of financial management and intermediation. Lending to members also enhances the knowledge of SHG members in setting interest rates and periodic loan installments and loan recovery which are very essential functions of SHG performance and sustainability.

Evidences from developing countries throughout the world have shown that the poor can be helped by organizing themselves into SHGs. Lalitha and Nagarajan (2004) studied SHGs in Dindigul, Madurai and Then Districts in Tamil Nadu and concluded that organization of women in form of SHG has laid the seeds of economic and social empowerment of women. Participation in group activities leads to changed self-image, broadens their knowledge about resource availability and develops leadership qualities. The culture of active participation as a group feature leads to improvement in political acumen which in turn strengthens and sustains the group and the overall process of empowerment.

SHGs first emerged in MYRADA in 1985.in 1986 to 1987. There were some 300 SHGs in MYRADA projects. Many had emerged from the breakdown of the large cooperatives organized by MYRADA. In these areas, a number of members asked MYRADA to revive the credit system. They usually came in groups of 15-20. When reminded of the loans they had taken out from the cooperatives, they offered to return them to MYRADA but not to the cooperative, which in their experience was dominated by few individuals. MYRADA staff suggested that they return the money to themselves in other words to the members of the group. MYRADA staff realized that they needed training, how to organize a meeting, set an agenda and keep minutes. Efforts were therefore made to train the members systematically. On analysis it emerged that the members were linked together by a degree of affinity based on relationship of trust and support, they were often homogenous in terms of income or of occupation (for example, agricultural laborers), but not always, Caste and creed played a role, but in several groups affinity relationships and economical homogeneity were stronger, as a result, several groups included different castes and creeds. From the time that the first SHG emerged in 1985 to the inclusions of the SHG in the annual plan of India for 2000-2001, several important steps were taken by the National Bank for Agriculture and Rural Development (NABARD), the Reserve Bank of India (RBI), and the leading NGOs as well as multilateral agencies, particularly IFAD to develop sustainable strategy programs for SHGs (Government of India, 2000)

A study of SHG in Chittoor District (AP) observed that micro credit increased their access to financial resources both inside and outside the household and it made the poor women more self-reliant. They reported that 79 percent respondents informed that credit through SHG increased their savings and income. 64 percent reported a better health awareness, 72 percent were aware of development programs and 70 percent respondents were aware of financial schemes as a result of periodic weekly meetings (Usha, 2004)

Parameswaran studied 347 SHGs formed in Panchayat level Development Planning (PLDP) in Kerala and observed that keeping money in the bank in their own name of women and enjoying freedom of spending that money as they wished was a feature of the SHG, this practice made the women gain control over their earning, they got more freedom on domestic decision making, gained confidence, cut down wasteful expenses and enjoyed better status in family and social circles. Women associated with this SHGs became self-reliant in management of their activities especially decision making, bookkeeping, conflict resolution and to a certain extent in the management of micro enterprises. Meenakshi (2006) studied SHG in Uttaranchal and reported greater awareness regarding their roles, responsibilities and rights due to their participation in group meetings, training programs and exposure visits which have led to confidence building and social self-esteem among women.

The Self Help Groups (SHGs) are usually informal groups where members have a common perception of need and importance towards collective action for a common cause. The common need here is meeting their emergent economic needs without being dependent on the outside help. These groups promote savings among members and use the pooled resources to meet the emergent needs of its members, including consumption needs. The main objective of SHG is to inculcate the habit of thrift, savings, banking culture, which is availing the loans and repaying the same over a given period and in the process gain economic prosperity through credit.

In India rural poverty is a major problem in the way of achieving desired growth rate and desired pace of development. To eradicate poverty the group approach was introduced. In this respect Self Help Groups (SHGs) is an effective medium for generation of self-employment. To some extent the SHGs are successful in raising the earning capacity of the people engaged in it. SHGs have played a big role in speeding up economic development of India. The main approach of SHG is to empower people especially the women. The SHGs have also contributed significantly. It improved the socio-economic condition of the members. It also enhanced democratic power and decision making power of the SHG members (Das and Bhowal, 2013). For the better running of any group there are some of the activities may be done as cheering new leaders, fulfilling the changing needs of members and steps must be taken to attract new members. The longevity of any group depends on some of the factors like effective leadership, member's willingness to adopt new activities as per the market demand and connection with community (G, King, D, Stewart, S, King and M, Law. 2000). SHGs helped

to improve the status of the members in household. It also helped to reduce domestic violence (Mukherjee, 2012). The organizational characteristic plays a great role in the performance of any organization. Effective project planning, good resource management, good record keeping, resolving problems quickly, participatory decision making process and equally distribution of profit are some of the features of any successful organization (Halter, Sarah Kathryn.2008).

A study on the SHGs operating in Tripura state of North East India tried to find out the organizational characteristics of SHGs. It also aims to know the psychological well-being of the members through their participation in SHGs. To study the organizational characteristics, some parameters like frequency of group meetings, attendance of the members in group meetings, marketing channels used by the groups etc are analyzed. The psychological well-being is analyzed with indicators like duration of membership of an individual in SHGs, motivation to

Join the group, relation between the group members etc. The study was based on the primary data which was collected through a structured questionnaire. The study was carried out in rural areas. It has covered 345 randomly selected Self Help Groups. From each group one member was selected. Thus, the sample size was 345. The research found out that groups were formed when people unite their efforts for some common reasons. Organizational characteristics, like duration of attachment with group, regular meetings and participation in meetings play a vital role for any good group. Good relation between the members is also very important. It is also vital that how people evaluate their lives as group members. From various socio-economic backgrounds, people are jointly forming SHGs. If the interpersonal relationships between the group members are not good then that group can't work properly. Most common reason works behind of any defunct SHG is the weak relation between the members. Attachment for a long time with SHG activities reflects the importance of such groups to the members. If someone is attached for a long time in a group that indicates that the group plays a vital role for his or her livelihood or earning source.

In Sub-Saharan Africa, small scale informal sector enterprises presented enormous opportunities for women employment. The development of skills through various targeted methods such as training of women was the major focus. Training could enable women to function better in the informal sector (Ziderma, 2003).Rural communities were challenged by the task of organizing themselves for effective participation in the economic and social development while ensuring equitable distribution of benefits (Thomas, 1987).Credit facilities were mainly informal in form of savings through banks or micro finance institutions which charge high interest rates and discouraged women from borrowing. Women are usually left with one alternative of devising ways of accessing credit facilities through self help group in form of merry go rounds or revolving funds. Money raised from the groups is loaned to individuals women to enable them met for their families and also to finance income generating activities for the development of the community at large.

In Kenya, women self help groups popularly known as “chamas” became visible during the 1980s and 1990s when the country's economy was struggling, and were formed for social welfare. They are very instrumental to women development. In a Chama, women rally behind one another to address their social-economic needs. Women emancipation and empowerment are recognized as necessary and important aspect of international development. It has been asserted by (Karl, 1995), that the goals of development cannot be attained without women's full participation, not only in the development process but also in shaping its goals. A closer focus on women's activities will make the society more responsive to the needs of all people(Akpabio,2007).This will ultimately redress the unequal balance of decision making power and control in the relation of men and women in the household, workplace ,communities, governments and in the international arena.

Investment groups in Kenya are becoming powerful investment vehicles that the government is now looking to tap into for some of the big projects under Vision 2030. There are currently an estimated 300,000 groups, which collectively hold a combined asset base of at least Ksh300-billion.The ability of SHG movement to act as an instrument to benefit the poor has reached a critical stage. The growing concern should be the ability of groups to achieve its goals and even to expand their scope beyond credit and thrift activities.

### *1.1. Statement of the Problem*

Women being the backbone of economies in developing countries and specifically Kenya, women play important role to improve their families wellbeing (Phizacklea, 2003).Investment groups in Kenya are becoming powerful investment vehicles that the government is now looking to tap into for some of the big projects under Vision 2030.This is evidenced through funding programs that are aimed at financially empowering women Self Help groups e.g. Women Enterprise Fund and Uwezo funds. Investment groups are slowly becoming an integral way of performing businesses and even Financial Institutions and private sector including banks are keen on provision of funding to women self help groups as well as developing other products targeting women investment groups. The challenge for women investment groups therefore has been the ability to cohesively and successfully work together in order to achieve their goals and objectives. Bruce Tuckmans theory on group development stipulates that groups undergoes four stages of development the first being forming then storming followed by norming and performing then adjourning. The very last stage being undesirable since the groups disintegrate at this stage hence they fail to meet their objectives.

If the investment groups disintegrate, then their original and main purpose will not be achieved. This means that women will have challenges in meeting their household needs hence poverty circle will continue. In order to ensure a group does not disintegrate, there is a need to ensure that Women investment groups adopt a given set of guidelines in order to keep members united and work together, It is against this background that this research sought to determine the extent to which factors such as such as training, meetings, record keeping as well as savings and borrowings affects the performance of Women Investment Groups in Gucha Sub County, Kisii County.

### 1.2. Objectives of the Study

The main objective of this study was to determine the factors that affect the performance of women investment groups in Gucha Sub County, Kisii County.

The study was guided by the following specific objectives:

1. To access how frequency of meetings affect the performance of women investment groups in Gucha Sub County.
2. To determine the extent to which record keeping affects the performance of women investment groups in Gucha Sub County.
3. To examine the extent to which savings and borrowing affect the performance of women investment groups in Gucha Sub County.

### 1.3. Justification

This study is justified because; it will assist enable Women Investment Group to develop standards for the performance of the group as well acting as a guide in helping through the formative stages. The research will also help minimize the most undesirable stage of adjournment therefore helping women groups achieve their goals. The research will be of significance to Microfinance's and Financial Institutions to develop loan products that will aim at unifying members. The research will provide information to the policy making organs of the government on establishing monitoring and sensitization programs that will ensure SHG meet their goals translating to economic benefits for the country. It will be of significance to scholars who will access information of the factors affecting the performance of women investment groups. It will act as guide to the researchers on the basis upon which further studies will be carried out on the broad aspect on performance factors for women investment groups.

## 2. Theoretical Literature Review

This section will study the theories relating to the study that has been studied by various scholars.

### 2.1. Tuckmans Theory of Group Development

For the SHG groups to be successful, they must be cohesive. A cohesive group acts together and sees itself as unified. SHG typically goes through five stages. The last stage which is the adjourning is usually not desirable. From this theory, it is clear that the women SHG go through the forming stage whereby the women are mobilized to form SHG. Since the group comprises of women of different background, the self help group go through storming stage as they try to cope with each other in order to achieve the main purpose of the SHG. To overcome this stage, the SHG group usually formulate rules to govern all their activities. These rules are discussed and agreed upon by all the members. At this stage, members make regular savings and meet on a weekly basis. Failure to attend the meetings attracts fine which is stipulated in the group rules. At the fourth stage, the self help groups are performing well as members are able to take loans, contribute savings and repay loans. The self help groups which are not able to go through the fourth stage usually disintegrate and hence the purpose of forming the SHG is not achieved.

### 2.2. Homans' Theory

According to George C. Homans the more activities persons share, the more numerous will be their interactions and the stronger will be their shared activities and sentiments; and the more sentiments persons have for one another, the more will be their shared activities and interactions". The Homans' theory has contributed a great deal to the understanding of group formation. It is based on three concepts, namely, activities, interactions and sentiments, which are directly related to each other. The members of a group share activities and interact with one member of a group share activities and interact with one another not just because of physical proximity, but also to accomplish group goals. Their key element is interaction because of which they develop common sentiments for one another.

## 3. Empirical Literature Review

### 3.1. Regular Group Meetings

SHG meetings open up a space for women not only to engage in financial activities, but also a place of discussions. Through regular meetings women become more comfortable in sharing ideas and learn to speak up for themselves and others in turn they begin to increase their voices outside the SHGs (Mohindra, 2003). The members should decide the place of the meeting, the day and the time of the weekly basis. It is very important for the members of the SHG to meet weekly. The regular meetings give them a sense of belonging, they start sharing their lives with one another, which leads to strong support system. The regular meeting leads to collective action, which may be beneficial to themselves, to the community or even enable them to take necessary action against unfair and harmful practices in the community (Kinder, 2008)

A group generally has ten to twenty members indicates that the women (Mohindra). The women meet weekly on a rotational basis at each other's home. Groups begin their meeting with a prayer, proceed to business affairs, and conclude by socializing. During each meeting they will make their weekly contribution, the funds are collected and deposited in the bank by the book writer who also is carefully records all transactions and minutes from their meetings in the notebooks. This position is rotated each year, distributing power and sharing responsibilities among members.

(Sowjanya, 2007) conducted a study on comparative analysis of performance and non performing SHGs in Gadag District, India using sixteen SHGs. He found out that in the performing SHGs the majority (75%) of the groups conducted meetings on a weekly

which is indispensable. If they have to maintain frequent contact with the SHG members to discuss about ongoing activities and also to enable them carry out weekly transactions of the group.

The participation of all members in the SHG meeting is very important. The attendance of all the members guarantees the correctness of the account and the performance of the group

(ILO, 2006). Regular meetings are crucial in enhancing group cohesion. When the group does not meet regularly, it is an indicator that there are problems within the group hence they are not able to perform optimally.

The performance of members business are attributed to members attending regular group meetings as well as trainings where members gain skills and share business experience which help them to overcome the day to day hurdles. It has also helped members without any experience of running businesses who are usually nervous and worry of starting their own businesses, to overcome such fear (Subramaniam, 2012) meetings also help improve technical and practical skills of entrepreneurship through the experience and exposure brought about by sharing of business experience (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 enhanced their articulation abilities such as self confidence and self esteem. There has also been a boost in the entrepreneur qualities such as risk taking, creativity; novelist (Panda, 2009). A study conducted by Swain noted that women after joining SHG were able to solve conflicts among themselves even without the leaders. Members can openly express their opinion without fear of criticism (Young, 2012).

### 3.2. Regular Savings and Borrowing of Loans

SHG members contribute their savings which are convenient to all members and are agreed upon and relend to other members in the group (Karmakar, 1998) Savings increases the groups resources for investment in productive activities. Most of the SHG start without any external financing capital, they normally do weekly contributions. The contributions are mandatory by all the members. The various purposes for obtaining loans by the members are to start business, to educate their children, to meet medical expenses, to meet marriage expenses, to maintain house expenses, to redeem other loans and to meet festival expenses (Saluja, 2010)

A study was conducted on the impact of member's composition on savings and repayment performance in group lending programs offered by a Peruvian organization. The author established that geographical distances among members significantly reduces savings rate, while cultural dissimilarity has a negligible effect (Karl, 2001). Regular attendance of meetings and savings habit is likely to influence the performance and sustainability of SHGs (Puhazhendi, 2000). Therefore SHGs are required to provide the financial (savings and credit) services as financial intermediaries in a cost effective and sustainable manner to facilitate access for rural women (Sing et al, 2011). According to a performance story of Annai Indhira WSHG in India, thirteen members started conducting regular weekly meetings and influencing small savings, which gradually led to increase of savings amount in their savings account with Indian Overseas Bank, Odathurai. They started withdrawing small amounts of money as internal loans to meet their consumption and other needs. The savings habit helps members to escape the clutches of money lenders (Saluja, 2010).

Loans are one of the greatest benefits of SHG. Loans enable members not only to invest in business but also to have a long term relationship with the group. The performance of SHG depends on the way the group manages the loans that are given to the members. It is the responsibility of the members of the group to ensure that the loans are given responsively are paid back on time (ICA, Zimbabwe, 2010)

Lalitha Shivakumar (1995) pointed out that small savings by rural women can generate the requisite resources which can wean the people away from the exploitation of money lenders. Savings depends on habits and voluntary savings constitute the key for economic progress. It has also been proved that the poor people can save substantially through group efforts. Promotions of SHGs have the potential to bring women into mainstream of economic development paving the way for sustainable development.

### 3.3. Accurate Record Keeping

Accurate record keeping is very crucial in the performance of SHGs, the record kept by the groups include both the financial and non financial records. The records should be transparent as possible and reflect the true picture or status of the group. SHG has a bookkeeper who maintains the record for the group. Where the members of the group may not be literate, they may request the literate member of the community to keep the records on their behalf (Kinder, 2008). Record keeping builds the confidence of the members that their money is safe, helps to monitor their progress of the group, provides information to follow up on loans payment. Each SHG maintains a record of the group activities (Mohindra, 2003). Members of the SHG also keep individual passbooks to keep track of their personal finances.

SHGs are required to maintain certain accounts books like loans and savings ledger, cash and receipt book, payment and bank pass book, in addition to attendance cum minute book where the attendance of the members and the agenda of the meetings are recorded (Sowjanya, 2007). All the fines collected, loans given out and loans repaid are recorded accurately in the books. These books and records are to be maintained and updated on regular basis, especially during meetings. The cash book is also maintained by the bookkeeper, this is where the financial transactions of the group are maintained. Open and documented financial transactions are essential to the operations of the group (ICA, Zimbabwe, 2010).

Reviews of studies done in India shows that SHGs that perform well maintains and keep records in systematic manner. For instance, Puhazhendi found out that record were maintained either by a literate member of the group, or by an animator (Puhazhendi, 2000). Suriankanthi (2000) in the study conducted at Tamil Nadu reported that since majority of the women were illiterate, records were maintained with the help of their husbands or educated wards. Vasudeva Rao (2003) in the study conducted at Andhra Pradesh

reported that in maintenance of records, group leaders were a major role because the other members have faith in the group leader or avoid taking responsibility.

#### 4. Research Methodology

##### 4.1. Research Design

The researcher used survey research design. The research design was appropriate as it helped in collecting of original data from a representative and objective sample, which was drawn from a larger population hence enabling the researcher to draw correct conclusions.

According to Mugenda and Mugenda (2003), a survey is an attempt to collect data from the members of a population in order to determine the current status that is, behavior, perception and attitude of the population with respect to one or more variables. It is the best method of collecting original data for the purpose of describing the population which is too large to observe directly (Mugenda and Mugenda, 2003)

##### 4.2. Target Population

Population refers to the aggregate or totality of those conforming to a set of specifications (Denise, 2004).

The study targeted 354 women investment groups in Gucha Sub County. This included the seven divisions within Gucha Sub County including; Ogembo, Mangere, Egetuki, Misesi, Bomachoge and Nyamasenge

Division	Target Population	Sample size
Ogembo	78	11
Mangere	51	8
Egetuki	46	7
Misesi	86	8
Bomachoge	49	7
Nyamasenge	74	11
Total	354	52

Table 1: Distribution of Women investment groups

#### 5. Results and Discussion

##### 5.1. Introduction

This chapter reports the study findings by representing the comprehensive analysis of data. The reason for this qualitative section in a study that is mainly considered quantitative in nature was to provide more information of the underlying issues pertaining performance of women investment groups in Kenya. This insisted to understand and interpret the quantitative results. The study benefited from a rich quantitative data through the questionnaire. The nature of the questionnaire was exploratory, and focused on the practical issues facing women investment groups in Gucha, Kisii County. This section relied mainly on inductive reasoning process and basic exploratory statistics to interpret and give meanings that could be derived from the data collected. A total of 52 questionnaires were distributed to the respondents in the Women groups in the 7 divisions in Gucha Sub County. A response of 100% was obtained from the 7 divisions in the sub county. The main objective of this section was to use quantitative data in a process of inductive reasoning within the context of economic theory in order to generate ideas as opposed to hypothesis testing.

##### 5.2. Group Meeting

The study sought to establish the extent to which holding of group meetings affect the performance of women investment groups. The response obtained was recorded and analyzed in table 2.

Statement	5	4	3	2	1	$\Sigma f$	$\Sigma fw$	$\Sigma fw/\Sigma f$
Regular periodic meetings	34	15	1	1	1	52	236	4.538
Fixed meeting places	32	15	3	2	0	52	233	4.481
Fixed meeting time	36	12	3	1	0	52	239	4.596
All members attend meetings	25	19	7	1	0	52	224	4.308
Penalties for meeting defaulters	35	12	3	2	0	52	236	4.538
Meetings help reduce group conflicts	25	20	5	2	0	52	224	4.308

Table 2: Group meeting

As shown in table 2, generally all the forms of conducting group meetings in the various investment groups affect the performance of the groups because they all have a mean of more than 4. However the effect penalties for meeting defaulters, fixed meeting time and regular meeting time greatly influence their performance as they have a mean of more than 4.5.

### 5.3. Group Records

The study sought to establish the extent to which keeping of records affect the performance of women investment groups. The response obtained was recorded and analyzed in table 3

Statement	5	4	3	2	1	$\Sigma f$	$\Sigma fw$	$\Sigma fw/\Sigma f$
Keeps accurate updated records	35	14	2	1	0	52	239	4.596
Records accessible to members	29	17	4	1	1	52	228	4.384
Members have pass books	12	10	13	15	2	52	171	3.288
Records auditable by members	20	17	7	7	1	52	204	3.923

Table 3: Group Records

As shown in table 3, generally all the practices of keeping group records in the various investment groups affect the performance of the groups. Keeping accurate and updated records and making of records accessible to group members for scrutiny have a  $\pi$  of more than 4 showing that they greatly affect performance of investment groups. However the effect of the auditing the records and members having pass books have a  $\pi$  of less than 4 showing that they least influences performance of the investment groups in the sub county.

### 5.4. Savings and Borrowings

The study sought to establish the extent to which regular saving of money by the members of the investment groups affect the performance of women investment groups. The response obtained was recorded and analyzed in table 4.

Statement	5	4	3	2	1	$\Sigma f$	$\Sigma fw$	$\Sigma fw/\Sigma f$
Group members save regularly	35	12	5	0	0	52	238	4.577
Conducts merry go round	36	10	3	2	1	52	234	4.5
Defaulting loans or savings attract penalties	28	15	3	3	3	52	218	4.192

Table 4: savings and borrowings

As shown in table 4, generally all the practices of saving and borrowing loans in the various investment groups affect the performance of the groups. Group members saving regularly and groups conducting merry go round to enhance togetherness have a  $\pi$  of more than 4.5 showing that they greatly affect performance of investment groups. However the effect of attracting penalties through defaulting or savings has a  $\pi$  of 4.1 showing that it least influences performance of the investment groups in the sub county.

### 5.5. Recommendations

Anyone reviewing the overwhelming of theory, research and practice wisdom in this field may end up being confused about ultimate practice implications. At the risk of oversimplification, the following summary of principles for leadership to enhance group performance in the human services will be offered. This study was designed to examine the effect of group practices on the performance of women investment groups in Kenya. The result shows that the four group practices, that is, implementation of proper group training, attending regular group meetings, having regular savings and borrowing of loans and accurate record keeping positively influence the performance of women investment groups in Kenya particularly in the Gucha sub county. This signals that the functions of proper group training, attending regular group meetings, having regular savings and borrowing of loans and accurate record keeping needs to be improved in all women investment groups so that they can play a better role of increasing their performance thus raising their living standards. The government through the ministry of gender and social services should introduce programs where officials and members of women investment groups are required to hold special sessions, guided annual reviews and meetings to help the groups create better procedures of organizing group meetings, group records and increasing savings.

The government should through the management of women investment groups encourage the use of all the procedures to improve performance of the groups. The government should also encourage proper communication by group officials. This will promote timely delivery of information to all the members without any delay or distortion. The future studies should include more practices that influence the performance of women investment groups to give a more comprehensive because it can give a broader picture of what factors lead to increased performance of investment groups. This will give a broader overview of which practices should be encouraged so as to improve growth and development of women investment groups in Kenya.

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