

**PROJECT FINANCING AND PERFORMANCE OF SELF-HELP GROUP  
PROJECTS IN NYERI COUNTY, KENYA**

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**DECLARATION**

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.....  
Date

I declare that the project was submitted for examination with my approval as University Supervisor

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Date

## **DEDICATION**

To my husband Geoffrey for his unwavering support, my sons Arthur and Max for their inspiration, my parents Alice and Stanley for their encouragement, my sisters Mary and Josephine for being great cheerleaders.

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## **ABBREVIATIONS AND ACRONYMS**

<b>CADP</b>	: County Annual Development Plan
<b>CIDB</b>	: Construction Industry Development Board
<b>CTP</b>	: Cash Transfer Program
<b>ESCAP</b>	: Economic and Social Commission for Asia and the Pacific
<b>GDP</b>	: Gross Domestic Product
<b>KCB</b>	: Kenya Commercial Bank
<b>MDGs</b>	: Millennium Development Goals
<b>NACOSTI</b>	: National Commission for Science, Technology, and Innovation
<b>NGO</b>	: Non-Governmental Organizations
<b>PMI</b>	: Project Management Institute
<b>PPP</b>	: Public Private Partnership
<b>SACCO</b>	: Savings and Credit Cooperative
<b>SDG</b>	: Sustainable Development Goals
<b>SHG</b>	: Self-help Group
<b>SME</b>	: Small and Medium Enterprises
<b>SPSS</b>	: Statistical Package for Social Sciences
<b>VIF</b>	: Variance Inflation Factor
<b>WEF</b>	: Women Enterprise Fund
<b>YEDF</b>	: Youth Enterprise Development Fund

## OPERATIONAL DEFINITION OF TERMS

- Availability of Financing** : This refers to ability to access financing for the purpose of investments. The available sources may include equity financing, debt financing and adequate cash flows.
- Financial Skills** : This refers to procession of relevant skills such as funds allocation, funds control, and fund management to handle and manage project finances.
- Project Financial Planning:** This is the process of determining project costs and developing a budget by determining estimated costs, revenues, profits and expected risks. It relates to business plan, project charter, and milestone tracking.
- Project Financing** : A defined amount and source of funds to sponsor project activities operationalized as stakeholder financing, project financial planning, type of financing, availability of financing and financial skills.
- Project Performance** : Refers to the completion of a project within the set budget, on time, to scope and to the satisfaction of stakeholders.
- Self-help group** : A nonprofessional association made by community members from a similar socio-economic background with a mutual problem or condition for the goal of amalgamating resources, gathering information and offering mutual services or care.
- Type of Financing** : These are the alternative financing strategies that may be adopted by the group. They include financing from financial institutions, institutions, donor financing and informal financing options.

## ABSTRACT

Project management practices are widely considered to be the backbone behind the performance of successful projects. Self-help group organizations face a challenge in financing project activities due to the poor track record of successful projects. The study's goal was to establish the effects of project financing on the performance of self-help groups' projects in Nyeri County. This inquiry was steered by the following goals, how stakeholder financing, project financial planning, type of financing, availability of financing and financial skills influence the performance of self-help group projects. The study was grounded on stakeholder theory, resource dependency theory, and institutional theory. Descriptive research design and explanatory design were adopted where both qualitative and quantitative methods of data gathering were applied. The targeted population for the study was the participants of 3800 self-help groups in Nyeri County which are formally funded. The sample size consisted of 362 members of self-help groups and community projects, Nyeri County. Stratified sampling was used to choose the self-help groups while simple random sampling technique was employed to select the members within the self-help groups. The tools of data collection were questionnaires and interview schedules. Data was analysed with the help of the statistical software for social sciences. Categories of the specific question responses were translated by the use of coding. Coding was used to condense research data into feasible summaries. In this study, descriptive statistics were employed to investigate quantitative data. Descriptive statistics deployed encompassed mean score, standard deviation, minimum, and maximum values to characterise the data while qualitative data was analysed using a content analysis method. Presentation of the analysed data was done using tables. The study found that stakeholder financing, project financial planning, types of financing, availability of financing, and financial skills are statistically significant in influencing performance of SHGs projects. There, the study concluded that stakeholder financing, project financial planning, types of financing, availability of financing, and financial skills positively influenced performance of SHGs projects in Nyeri County. The study recommends that the SHGs should involve the stakeholders in their project financing activities. The stakeholders' opinions are important in regard to financing hence this would improve project performance. The study also recommended that the SHGs should continuously evaluate the types of financing available. This would help them to choose the most appropriate to achieve better performance of their projects. The SHGs should also have knowledge on the availability of financing so that they can finish their projects within the scheduled time. It is also recommends that the SHGs should improve the financial skills of their members. This can be done by providing training and also getting support from external partners so that they learn things like financial management. This would improve their financial skills and they would be able to set an appropriate budget for projects.

## **CHAPTER ONE**

### **INTRODUCTION**

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

Self-help groups (SHGs) often formed by people who have a common goal of alienating some of the financial challenges engulfing them. These groups sometimes undertake projects aimed at improving social economic conditions of the members through income generation (Atteraya, Gnawali & Palley, 2016). Consequently, they helps in solving common problems perceived to exist among members. According to Larson and Gray (2014) SHGs projects are a vehicle of change for the poor and marginalized. The projects play a vital part when it comes to improving the economic status of the poor and the marginalized. Further, the SHGs play an important role in the economy by bringing progressive transformation in the society both individually and collectively (Setia, Singh-Tandon & Brijpal, 2017). Consequently, SHGs play a vital role in poverty reduction by helping boost individuals' income especially in rural areas. For this reason, they recognized as an engine for economic growth and development.

Globally, establishment SHGs in India has resulted in positive economic empowerment of the lower cadre individuals through generation of income, self-employment, and savings (Seibel & Khadka, 2011). Their practices have shown that they can improve the living standards of their members by mobilising savings and providing a means to access required capital for investment thereby increasing their income levels. They obtain contributions within them and advance such savings to members as short term credit at an interest which becomes an income to the group. The SHGs in India are a success story in enhancing livelihood among low income individual with minimal administrative help (Sullivan & Zayed, 2020).

Gugerty, Biscaye, and Anderson (2018) opined that SHGs are a common means of achieving economic growth and development in developing countries. In Liberia people form SHGs where they periodically save money into their accounts. This money is then redistributed to deserving members in a rotating work group, commonly known as merry go round (Seibel & Khadka, 2011). Rotating saving and credit association, such as those operated by Susu, Ghana, the Gamaiyah, Egypt, as well as the Isuzu of Nigeria, are a

common mode of informal finance that act as simple intermediaries. In a report by World Bank (2013) majority of the people enjoin in self-help groups with the motivation to save more money, and perceive groups as a strategy that forces them save. It is also noted that SHGs have been used to organize individuals into networks and organisations where participants help one another in Tanzania, Uganda, and Rwanda. In view of Larson and Gray (2014), SHG programs aim to increase members' participation in making decision thus enhancing life quality both in urban areas and rural areas.

In Kenya, Government and donors are increasingly using SHGs to deliver development projects. Kenya government initiatives like women enterprise fund, Uwezo fund, youth fund and biashara fund are all models of SHGs. Through such initiatives, women are required to form groups so that they are able to access the government resources, which can be used to improve their livelihoods (Gugerty, 2018). The promoters of such initiatives may also require members of such SHGs to save a certain amount of money over a certain duration. Similarly, the SHGs act as a guarantor system where members of the group guarantee each other to access credit externally.

### **1.1.1 Project Performance**

Project performance is viewed from diverse perspectives dependent on the context and objectives within the project. At the same time Watts and McNair-Connolly (2012) alluded that operationalization of project performance also depends on knowledge and experiences of individuals. Idoro (2012) indicated project performance is evaluated in terms of time, the allocated budget, and attainment of customer satisfaction. This way, the project will have met the firm strategy. Further, Sorooshian and Dodangeh (2013) measured project performance by considering effective communications, increased collaboration, and stakeholder involvement. On the other hand, Yadav and Sagar (2013) opined that project performance metrics should include but not limited to; project delivery on time and within the set budget, cost limits, environmental requirements, health, completion on time, adhering to quality measures, minimising risk, project scope achievement, and observing security as well as safety measures.

On their part, Patanakul and Shenhar (2001) viewed project performance from the perspective of accomplishing cost and time objectives while adhering to the product specifications. Yu et al. (2011) emphasized that performance in projects may be measured using following dimensions, time, cost, quality, client satisfaction and health and safety. Moreover, performance measures can have a single or several indicators. Ezeldin & Sharara (2012) posited that contract period and cost element depends on the project nature. Zulu and Chileshe (2018) posit that project performance measures include accomplishing the project to the satisfaction of major stakeholders as well as customers. Stakeholders are satisfied when the project is completed in good time and quality criteria are met. In this study, performance of project was assessed through completion on time, completion within budget limits, project quality as well as client satisfaction.

### **1.1.2 Project Financing**

Financing within a project is the act of providing funds to complete activities designated for a project (Ababa, 2013). Project financing provides a means for stakeholders in a project to share costs, risks, and benefits of a new project in an economically efficient manner. There are several ways in which financing can be achieved in a project. The stakeholders may have an agreement to raise funds among themselves or provide collateral to obtain funds required to finance a given project (Mawutor, 2014). In most large-scale projects, the determined future value of the project may be enough to act as collateral for investors to provide project financing (Albrecht, 2010). The revenues generated from the project are used to pay back the debt owed to the financiers. This is characteristic of large infrastructure projects such as highways, dams, and ports (Duflo, 2012).

In regard to availability of financing, the promoters of have several financing options to consider. They may agree to finance the projects from internally generated funds in which case they set aside a certain amount that they can conveniently save and contribute to a common fund (Brody, Dworkin, Dundar, Murthy & Pascoe, 2013). The advantage of internally generated funds is that they do not attract floatation costs such processing fees and finance costs. However, such funds are limited, and often, force the promoters to raise external finances. Other sources of project financing may include formal financial institutions including banks, SACCO and licensed micro financiers. These forms of

borrowed capital from financial institutions are referred to as debt and have a fixed maturity and interest is paid on the principal. The other form of financing is in terms of equity where stakeholders provide capital in exchange for partial ownership of project and project proceeds. Equity has a higher risk to the financial sponsor and a higher return (Mawutor, 2014).

About type of financing, donor funding is among the most widely used financing option for SHGs. In 2005 development aid to Kenya was at a figure of \$770M and has been on the increase since then (Ababa, 2013). This form of funding supports several projects across the country geared towards community development. The existing structures of most donor organizations lead to diminutive funding rounds which clash with the period needed for community projects to rouse the intended societal change desired. Without proper project management structures in place to inform the stakeholders, any intervention may no longer be financially viable after a certain period (Ababa, 2013). Project financing can also be obtained from financial institutions. Further, depending on the nature of the project some sources may be informal such as goods suppliers and money lenders (Oji, 2015).

Financial skills are the expertise and abilities that enable a company to make informed and successful decisions about all of its financial capital. Making the best financial decisions is a critical move for a company with long-term financial implications. Financial management is not a simple job for a small business; SHGs must choose from a wide scope of financial requirements, all of which have complex features. Financial skills are important for funds allocation, control and management (Oji, 2015).

Most self-help group projects are small scale in nature however tracking the intended deliverable benefits may be quite complex. It is important for financial sponsors coming in as stakeholders in a self-help group project to also understand this perspective. At times the project objectives may be less profit-driven and more geared towards sustainable development (Monson, 2000). Thus, from the beginning, there is a need for a method to establish that all stakeholder needs are being met. Project management practices within the initiating phase would cover this need (ESCAP, 2008).

A study by Mwendwa (2016) on financing of projects measured project financing in terms of type of financing, availability of loans, loan interest rates, collateral requirements, loan repayment and financial management training (Financial skills). Siborurema (2015) note that project funding factors include project technical design, funding policy and project cost estimation. Mawutor and Kwadwo (2014) indicated that the ultimate key to projects financing is planning, accurate estimation, and evaluation of project viability. In this study project financing will be measurement included, stakeholder financing, type of financing, availability of financing and availability of financial skills.

### **1.1.3 Self-Help Group Projects in Nyeri County**

A self-help association is a voluntary member association formed by community members from a similar socio-economic background to address a common problem or condition to amalgamate resources, gather information and offer mutual services or care (Self Help Associations Bill, 2015). The greatest strength of these groups within a project environment is the voluntary members' involvement. Most objectives of these groups are to have self-help group projects at the grassroots level which would have a long term impact of improving the people's wellbeing. It is also an opportunity for the members to participate in the development of their community as they know it best (Müller & Jugdev, 2012).

Most self-help groups get financing from the members using a rotational round technique where every one member contributes an equal agreed amount in a definite time period, for example, weekly or daily. Other sources of funding for these groups are member contributions, community contributions a, non-governmental organizations, international donor funding, county government, and the national government. In recent times, formal financing institutions have recognized the potential of self-help groups and have adjusted their operating environment to include these groups (Lemma, 2014).

Institute of Economic Affairs (2012) indicated that the Government of Kenya has in the recent past devolved funds to the constituencies with the aim of monitoring imbalances in regional development and provoking citizen participation in the management of public resources towards poverty assuagement and improving service delivery. Decentralizing

funds to the counties and sub-counties aims at ensuring that evolvment planning is done at the county level where community needs can be captured best through public partaking in the investigation, identification, and ranking of development projects and through participatory planning processes. Community immersion in project identification and performance ensures that projects executed through community funds respond to the needs of the community. It moreover contributes towards community ownership of projects.

In Nyeri County, there are approximately 14,391 registered members groups, including 8,564 self-help groups, 1,338 youth groups, and 4,489 women's groups. Youth Enterprise Development Fund (YEDF), Poverty Eradication Funds, Woman Enterprise Fund, Uwezo Funds, and other funds from various financial institutions in the county are among the available funds for youth and women. Line ministries in the County provide training to youth and women to prepare them for self-employment. There is also a Cash Transfer Program (CTP) for people with serious disabilities and the elderly. The program reach 80 people living with grievous disabilities and support 3,795 elderly people in the in the County. The SHGs in Nyeri County are involved in activities such as poultry farming, dairy farming, table banking, and water projects (County Government of Nyeri, 2020).

## **1.2 Statement of the Problem**

While literature on projects undertaken by self-help groups suggest that such projects help improve the living standards of the members through increasing their income levels, success of such projects has been put on scale in the last two decades. KPMG (2020) reported that, globally, approximately 70% of organizations suffer one or more project failure every year. It was illustrated that 30% of these projects failed to financing issues while another 50% failed to consistently achieve their intended goals. Literature further indicates over 122 million US dollars are wasted annually due to project failure while approximately 208 billion US dollars GDP is lost annually as a result of such failures (Hughes, et al., 2016). These statistics points to a dire need for proper project management and financing. Other challenges faced in project performance, especially in Kenya, include lack of cooperation by members, problems associated with raw materials, weak management of finance and inadequate financial help (Lambisia, Ngahu &Wagoki, 2016).

According to Zwikael and Smyrk (2015) proper project management calls for use of knowledge, abilities, tools, and techniques applied to project activities to achieve the desired results. For this reason, project goals can only be achieved if materials, financing, skills, as well as processes, and procedures that are fit for the project are identified (Wanjala, 2012). At the same time, financial sponsors need an indication of the potential returns rewarded from their input. The information necessary to obtain certain predictabilities may include a feasibility study, business plan, project plan, identification of project risks, satisfactory legal diligence and contractual agreements (Wanjala, 2012). Most self-help groups lack the capacity to generate this information and maintain the documents during the lifecycle of a project.

Thus, regardless of the noble intention of the community project, if there is insufficient information to convince financial sponsors of the viability of the project, the project will fail (Kerzner, 2017). Unfortunately, a promising idea is just not enough to get from concept to actualization of intended vision. Governments, donors, and NGOs no longer have the capacity to fund all community projects (Hay, 2014). To cater to this gap successful self-help groups have moved towards formal project practices to ensure funding for the survival of their groups and community projects.

In an empirical study Rao (2018) investigated factors responsible for infrastructural project financing among Asian banks. However, this study was based in Asia hence a contextual gap. Mawutor and Kwadwo (2014) studied the role of project finance in contemporary financing. However, this study mainly focused on project financing and failed to explain the influence on project performance hence conceptual gap. Siborurema (2015) studied the effects of projects funding on their performance in Rwanda. However, this study was based in Rwanda. Mwendwa (2016) studied the influence of bank loan financing on project performance: A case of KCB financed youth groups' projects in Imenti South District-Kenya. Nonetheless, this study focus was on bank loan financing on Youth projects, this shows the conceptual and contextual gaps. The current study sought to fill the identified gap by analysing various aspects of project financing influencing performance of projects undertaken by SHGs in Nyeri County.

### **1.3 Research Objectives**

#### **1.3.1 General Objective**

The general objective was to analyse how project financing influences project performance of self-help groups in Nyeri County, Kenya.

#### **1.3.2 Specific Objectives**

- i. To determine the extent to which stakeholder financing influences the performance of projects in self-help group projects in Nyeri County, Kenya.
- ii. To determine the extent to which project financial planning influence the performance of self-help group projects in Nyeri County, Kenya.
- iii. To assess the influence of the type of financing on the performance of projects in self-help group projects in Nyeri County, Kenya.
- iv. To assess the influence of the availability of financing on the performance self-help group projects in Nyeri County, Kenya.
- v. To establish the influence of financial skills on the performance of self-help group projects in Nyeri County, Kenya.

### **1.4 Research Hypothesis**

Study hypothesis were outlined as following:-

- H<sub>01</sub>: Stakeholder financing has no significant influence on performance of self-help group projects in Nyeri County, Kenya.
- H<sub>02</sub>: Project financial planning has no significant influence on performance of self-help group projects in Nyeri County, Kenya.
- H<sub>03</sub>: Type of financing has no significant influence on performance of self-help group projects in Nyeri County, Kenya.
- H<sub>04</sub>: Availability of financing has no significant influence on performance of self-help group projects in Nyeri County, Kenya.
- H<sub>05</sub>: Financial skills have no significant influence on performance of self-help group projects in Nyeri County, Kenya.

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

Many African groups are not part of the formal financial system and operate in the informal economy. The study findings would be of contribution to developing dynamic, innovative

ways to finance self-help group projects. The findings will highlight the financial aspects that enhance the performance of self-help group projects using accepted project management practices. The findings will inform Nyeri County officials on how project financing add to project success. The local community would benefit from the knowledge on how to positively influence a project environment. The study would also help financial providers have a glance at the project financing of self-help groups and understand their needs. This would help the financial sector to improve financial inclusion and access for these groups. On this premise it is realised that the study contributes significantly on the available knowledge relating to project financing. Therefore, the academicians would be able to use the study to identify further gaps in literature to enable them advance knowledge in the area of study.

### **1.6 The Scope of the Study**

This study focused on self-help group projects in Nyeri County over a period of 3 years. The study targeted self-help groups that had received funding within the last three years up to June 2020 from the Women Enterprise Fund. The project analysed stakeholder financing, project financial planning, availability of financing, type of financing and financial skills in the performance of self-help group projects.

### **1.7 Limitation of the study**

The study involved self-help groups in Nyeri County. Consequently, the generalization of the study findings is limited to Nyeri County. As a result, the inferences made based on the postulations of this study ought to be done with precaution. The study faced concealment of information by the respondents. However, the researcher was able to convince the targeted respondents that information availed would be confidentially treated and assuring them that the purpose of information and the inquiry was academic. The respondents were busy during data collection. This was overcoming by informing the respondents that minimum time would be taken.

### **1.8 Organization of Study**

The research project follows the following outline. The first chapter outlines the introduction to the inquiry covering background, objectives, hypotheses, importance of the

study, scope of the study. Finally, the chapter presents the associated limitations encountered. Reviewed literature was captured in the second chapter of the study. Particularly, the chapter presented the theoretical anchorage of the study and thereafter the empirical literature. A summary of the studies reviewed and the associated research gaps were also outlined. A conceptual framework was the final element in this chapter. The third chapter handled the research methodology followed in this inquiry, which include the design adopted, targeted population in the study, sample selection method and sample size, data collected, data collection tools and methods, pilot testing, data analysis technique as well as ethical consideration. The fourth chapter covered the research design and discussions. The summary of results, conclusion thereof, and study recommendation resulting from the findings were discussed in final chapter.

## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.1 Introduction**

This chapter presents reviewed literature on the research done relevant to the topic and study variables regarding how project financing influences the performance of projects. The chapter outlines the theoretical review of existing literature, the empirical review based on the variables, summary of literature reviewed and gaps identified and finally presented the conceptual framework developed on the basis of the reviewed literature.

#### **2.2 Theoretical Literature Review**

The study was anchored on stakeholder theory; resource dependency theory and institutional theory in analysing how project financing influences project performance of self-help groups in Nyeri County, Kenya.

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

Stakeholder theory attributed to Freeman (1984) addresses morals and values in organizational management and business ethics. The theory proposed that stakeholders' other than the owners or shareholders of an organization mattered to get the desired project outcome. Freeman (1986) provided ways by which management can consider identifying and model groups and their interests. He addresses the principle of finding out who really counts. From stakeholder theory, the other factions involved may include patrons, traders, backers, groups, governmental designations, communities, and employees. Bourne (2006) argues that project success or failure is determined by how it satisfies the aspirations and perceptions of its stakeholders.

According to Freeman, Phillips and Sisodia (2020), stated that understanding that different parties have different perceptions of the project is critical to establishing good project partnerships. This is because different stakeholders define project success in diverse parameters. Thus, the engagement of stakeholders forms a key component in defining the way the project is managed to realise stakeholders' expectations. Another attribute introduced by Vitolla, et al. (2019) in project management is the ownership structure of such projects. They argued that where the ownership and management of the project is the

same, there would be congruence of intent purpose, networks, teams, and culture. This way the measurement of project success becomes easier and easily attainable because resources are streamlined in a predetermined strategy.

However, where the sponsors and the implementers of the project are different, there is possibility of misalignment in the team goals, structure, and cultures (Schaltegger, Hörisch & Freeman, 2019). This is mainly because projects are temporary in nature and whose structure may or may not represent the sponsor's structure. As a result, the resulting structure may be a result of multiple inputs from the various groups represented in the project. Therefore, the engagement of stakeholders reflected in the overall culture of the project and its organization (Freeman, et al., 2020). However, since organisational and project culture may differ significantly, stakeholder management becomes paramount to the success of such projects. As a result, the study finds that stakeholders are a key ingredient if a project is to be successful and deliver value to the stakeholders. This theory was therefore used in explaining relationship between stakeholder financing and project performance of SHGs.

### **2.2.2 The Resource Dependency Theory**

This theory attributed to the works of Pfeffer and Salancik (1970) who opines that firms depend on limited resources that exist in the business environment resources for their survival. As a result failure to control these resources brings about uncertainty in organizations operating in such an environment (Schaffer, 2021). Therefore, organisations always endeavour to gain and maintain control of such resources. However, competing firms also want to control the same resources their own survival (Biermann & Harsch, 2017). In the end, organisations realise the need for collaboration since they all need the same resources for their survival (Schaffer, 2021).

The theory assumes that a firm has internal and external links which come as a result of social exchanges created due to influence and control behaviours. The business environment is assumed to have scarce and valuable resource vital for the firm survival (Biermann & Harsch, 2017). Therefore, the environment causes problems in the organization of uncertainty in resource acquisition. The theory further indicates that eternal

resources are scarce leading to a competition to attain them. Thus, resources are a source of power within an organization. Power is relational and mutual as Organization K's power over Organization N is equal to Organization K's dependence on Organization N's resources (Pfeffer & Salancik, 1978).

The resource dependency theory guided the study in the numerous ways by which self-help groups raise finances, as well as how finances are assigned to projects while considering the risk factors associated with them (Cuervo- Cazurra, Mudambi & Pedersen, 2019). It outlines the need for project implementers to be aware of the sources of finances, strategies to be adopted to acquire, control, and manage the finances for successful projects. Financing also means providing and apportioning of funds available to the most productive project which is a critical for self-help groups. This theory was thus used in explaining the influence of type of financing and availability of financing on SHG projects performance.

### **2.2.3 Institutional Theory**

The foundations of organizational institutionalism were laid Meyer and Rowan (1977), Zucker (1977), DiMaggio and Powell (1983), Meyer and Scott (1983) and Zucker (1983). They claimed that the atmosphere in any institution has a greater impact on the formal structure's development than market forces. Organizations, according to Meyer and Rowan (1977), are more than just distribution mechanisms operating in a world of manufacturers, customers, and competitors; they are social and cultural systems anchored in a "institutional" notion that encompasses a range of participants like as the state, professions, interest groups, the media, public opinion, and so on. Subsequently, it is impossible to comprehend organizational behaviour without considering the impact of this systemic framework.

The notions of institutional theory provide a useful guideline on the role of factors such as stakeholders and resources within an organization on project performance. The theory builds on the concept of acceptability rather than effectiveness and efficiency as the organization's primary goal (Mc Adam & Scott, 2004). Varied factors in organizations environment, Dimaggio and Powell (1988), put pressure on employees to comply to social norms, causing firms to adopt comparable practices. Project performance has received

increased attention from institutional theorists after the initial kick-off and organizational strategy and practice (Zajac, 2010). The theory is a powerful and popular explanation for both individual and organizational action (Scott, 2010).

In relation to the study, the theory notes that organization are interdependent and need each other if any of them is to survive. As a result these firms must create relations within their operational environments and beyond. Therefore, the need of acquisition of project financing from other actors. The independent variable was underpinned by the postulates and contributions of institutional theory.

**Table 2.1: Summary of Theories**

<b>Theory</b>	<b>Proponent (year)</b>	<b>Argument</b>	<b>Relevance to the Study</b>
<b>Stakeholder Theory</b>	Freeman (1984)	Stakeholders' other than the owners or shareholders of an organization mattered to get the desired project outcome	A project can be termed as successful when it delivers value to its stakeholders.
<b>Resource Dependency Theory</b>	Pfeffer and Salancik (1970)	There are limited resources in the environment and firms depend on the resources for survival. Therefore, the firm must engage with other organizations in the environment so that to get resources.	The SHGs should engages with other actors in the business environment to get resources like financing needed in carrying out projects
<b>Institutional Theory</b>	Meyer and Rowan (1977), Zucker (1977), DiMaggio and Powell (1983), Meyer and Scott (1983) and Zucker (1983)	The theory explains the role of factors such as stakeholders and resources within an organization on project performance.	The organization is not self-sufficient, that is why finances are acquired to support projects

Source: Author and Literature Review (2021)

## **2.3 Empirical Literature Review**

### **2.3.1 Stakeholder Financing and Performance of Projects**

Williams (2012) conducted research into successful stakeholder engagement techniques for IT programs. The aim was to evaluate the perspectives of two CEOs and four IT directors from two global corporations headquartered in Switzerland and learn about the tactics used by IT executives in handling IT project stakeholders. Data was gathered through semi-structured interviews and company documents, and themes were identified and coded using Yin's 5-step data analysis technique. The findings also revealed that leaders must communicate business strategies that allow stakeholders to share a shared understanding of project goals and serve as a basis for IT executives to develop successful stakeholder management strategies. The results also showed that factors like organizational culture, leadership style, competencies, and organizational maturity influence the implementation of effective stakeholder management strategies. However, this study was based in Switzerland and therefore the findings may not be generalized to Kenya since Switzerland is advanced in terms of economic development.

Retfalvi (2014) investigated project sustainability with the use of tried-and-true stakeholder engagement approaches. The study discovered that combining two key elements: project risk management principles and project management leadership, is a powerful way to approach stakeholder management. These two work together to create a catapult effect in stakeholder management and overall project performance when properly integrated. Nonetheless, this study focused on project success while the current study focus was on project performance.

In Nyeri County, Kenya, a study conducted by Maina (2018) aimed at establishing the effect of stakeholder management on project performance specially focusing on market projects. Specifically he examined stakeholder expectations, stakeholder's engagement, stakeholder's communication, and management of conflicts within projects and how they impacted performance of undertaken projects. This study used a descriptive as well as an exploratory research design. The study established that stakeholder needs and expectations, connectivity, management of conflict and stakeholder's involvement positively impacted

performance. While, this research is similar to current study, it failed to determine the impact of stakeholder funding on project output of SHGs in Kenya.

### **2.3.2 Project Financial Planning and Performance of Projects**

When it comes to project execution and completion, planning is critical. It is an ongoing phase that occurs over the course of a project's implementation (Idoro, 2012). In Pakistan, Naeem, Khanzada, Mubashir, and Sohail (2018) investigated the effect of project financial preparation on project performance, with risk management as a mediating factor and organizational culture as a moderator. The study's goal was to evaluate effects of project financial preparation on project performance, as well as the role of risk management as a mediating factor and culture as a moderating factor. Questionnaires were used to gather data from 100 project managers. The regression and correlation methods were used in the study. The findings revealed a correlation between project financial preparation and project progress. Since Pakistan is at an advanced stage of economic growth, the results of this study cannot be applied to Kenya. Furthermore, the report did not pay attention to self-help groups.

Farooque (2014) investigated the financial preparation and success of projects. The aim of the analysis was to provide an instrument to assess project financial preparation and success variables and their managerial consequences. The researchers used factor analyses and Pearson coefficients of correlation. According to the findings, there are nine factors that contribute to the relation between project financial planning and success. The most significant factor was compliance with regulations, followed by sound preparation, and perceived project completion criteria. The study, however, failed to show how project financial planning impacts SHG success in Kenya.

Mwanza (2020) researched on the influence of project financial planning practice on construction project performance. Purposefully, study aimed to determine if financial planning practice have any significant influence on construction projects. Mixed research design was adopted which included descriptive survey, census and correlation. The target population was 1761 respondents with a sample size of 313 respondents comprised of 160 managers of Early Childhood Development Education, 11 managers of county

polytechnics, 133 stall managers and 9 managers of county modern markets. The research discovered that project financial preparation and project stakeholder practices had a negative major impact on construction project results. The thesis has discovered that planning provides guidance to operations that must be completed on schedule and eliminates errors. Despite the fact that this research is similar to the current one, it concentrated on building projects, which are larger than SHG projects.

### **2.3.3 Types of Financing and Performance of Projects**

Finance helps a community accomplish a project objective by serving a range of objectives. It promotes communication, risk management, and investment for community members. With these objectives in mind, access to finance is widely regarded as a critical component of progress, owing to the widely held belief that it directly enhances welfare and promotes growth (Mbugua, 2015).

The effects of venture capital investment on SME performance and globalization was investigated by Smolarski and Kut (2013). The purpose of the research was to see how equity-based venture investment affects performance of SME. The type of equity-based venture capital financing has an impact on performance and internationalization, according to the findings. As proxies for performance, the annual sales growth rate and annual turnover were employed. As a proxy for internationalization, the export ratio was employed. When employed independently, staged financing and syndicated financing had a beneficial impact on performance and internationalization. The study further established a negative combined effect of staged financing and syndication on SME performance and internationalization. However, this study concentrated on financing of SMES, while the current study was about financing of SHGs projects.

Rao (2018) investigated the factors that affect bank funding of infrastructure projects in select Asian economies. The project finance modality was used to investigate the role of bank loans in public-private partnership (PPP) ventures. Bank project funding of infrastructure PPP projects is still in its infancy in many Asian countries, according to the findings, with banks being influenced mostly by macroeconomic considerations and the resilience of their balance sheets. The results of this study were conducted in Asia, which

is at an advanced stage of development; thus, they cannot be applied to Kenya, a developing country.

Harelimana (2017) looked at the impact of debt finance on market success in Rwanda, comparing I&M Bank and Bank of Kigali. The study compared I&M Bank and Bank of Kigali over a six-year period beginning in 2010 to determine the impact of debt financing on firm results. The research was both analytical and correlative. For both I&M Bank and Bank of Kigali, the analysis discovered a clear positive association between debt levels and profitability. However, the study concept was on financing on business performance while the current study concept is on financing on SHGs project performance.

Mwendwa (2016) in a study on the influence of bank loan financing on project performance based on KCB financed youth groups' projects in Imenti South District. Aim was to determine if bank loan financing influences project performance. The study objectives were establish influence of KCB bank loan interest rates, collateral requirements, availability of loans, loan repayment and financial management training bank on performance of youth groups' projects. Descriptive methods were used and questionnaires for data collection. The target population of the study comprised members of registered youth groups' funded by KCB bank. Qualitative as well as quantitative methods of data analysis were employed. High interest rates and with lack of entrepreneurial skills had a direct bearing on loan repayment, youth group owned projects lacked the necessary collateral, and were confronted with a dilemma of obtaining bank finance, most of youth groups' projects were very dissatisfied with loan repayment terms, financial management training promoted group investment culture and simplified the decision making process, including helping members implement their investment plans, enabled group leaders to manage project finances efficiently, prepare for taxes and possible audits, balance their books, predict profits and plan their future accordingly. Nonetheless, this study context was the banking sector while the current study context in self helps groups.

#### **2.3.4 Availability of Financing and Performance of Projects**

A growing body of research suggests that making financial resources available to disadvantaged households will help them meet the Millennium Development Goals

(MDGs) now relaunched to Sustainable Development Goals (SDG) (Littlefield & Hashemi, 2003). Ehlers (2014) researched on challenges of project financing. The study aim was to determine key obstacles for better and greater project finance and investment. The study found that one challenge is lack of investable projects. According to the report, projects are often misdesigned, and contractual frameworks mean a cost and return allocation that creates the wrong conditions among the different stakeholders. These issues can be mitigated by including more private investors and designing more cost-effective funding mechanisms. They also help infrastructure programs run more smoothly and successfully.

In Rwanda, Siborurema (2015) investigated the impact of project financing on project results. The aim was to see how project financing affected project results. Project cost assessment, project technical design, and the Rwandan project funding policy that affects project budgeting were the project funding considerations used in the report. Project success was calculated in terms of completion time. Personnel engaged in project preparation and finance, as well as people in project implementation management, made up the research community. Data was gathered by questionnaires, paper reviews, and interviews. It was discovered that both cost estimating and engineering architecture are incompatible with project financing policies and have a negative impact on project timeliness. However, since this research was conducted in Rwanda, it was unable to determine how project financing affects the success of SHG projects.

On the basis of evidence from African countries, Fowowe (2017) conducted research on access to finance and firm results. The research looked at the impact of access to financing on the development of businesses in African countries. Subjective and quantitative indices of financial access were included in the analysis. The arbitrary calculation of access to finance was derived from the classification of access to finance as a minor or major stumbling block to business operations. The objective indicator of access to finance was a predictor that determined whether or not businesses face credit constraints. The data was gathered from 10,888 businesses in 30 African nations. The results of the subjective measure revealed that a lack of financial resources had substantially negatively influenced business performance. Furthermore, findings using objective measure revealed that firms

that are not credit constrained rise faster than firms that are. This research, though, focused on African nations, while the new study is focused on Kenya.

In Nyeri County, one of the major development challenges is lack of access to credit facilities Nyeri County Integrated Development Plan (2017). For self-help groups availability of financing is linked to the groups' practices and governance. The more diligent a group is in implementing the formal project management practices the more credit options that may be available to them. When project management techniques are in motion, a project is more likely to succeed. This creates an advantage of seeking formal project management practices which generates a mind shift within the members of the group to include these practices in all projects that the group may have whether large or small.

### **2.3.5 Financial Skills and the Performance of Projects**

Omopariola and Windapo (2019) investigated how financial accounting practices affect project and organizational efficiency. The aim of the research was to see if better financial management leads to better project results in construction companies. A systematic analysis of existing literature and a quantitative methodology were used in the study. The Construction Industry Development Board (CIDB) Register of Contractors was used to conduct a questionnaire survey of construction firms in Grades 7 to 9. The mean ranking, regression analysis, and Z-test were used to analyse the data. Cash flow, debt, and liquidity are effective performance assessment systems for construction projects and companies in South Africa, according to the report. Budgeting, creditworthiness, risk assessment, analysis, and appraisal were also discovered to be successful financial management techniques, with the financial management tactics used having a significant impact on project and company success. This inquiry was based on South African context that has more advanced development. The finding cannot be inferred to Kenya.

In Rwanda, Gashuga (2016) investigated the impact of fund management on project success. The study's aim was to see how funds management affected project success in Rwanda. The study's specific goals were to look at the impact of budgeting, fundraising, money distribution, and fund management on project success in Rwanda. The thesis used

both qualitative and quantitative research methods and followed a descriptive-correlational framework. There were 91 respondents in the study from whom questionnaires were used to gather information. In the study, descriptive statistics were used while regression analysis and the Pearson correlation coefficient were used to determine the relationship between variables. According to the findings, budgeting, fundraising, money distribution, and fund management both have a positive relationship with project success in Rwanda.

In South Africa, Ngek (2016) investigated the efficiency of financial capital access on the financial literacy and performance. The aim of the study was to determine the influence of financial literacy on firm results, as well as the moderating effect of financial capital availability on the financial literacy – performance relationship, among SMEs in South Africa's Free State province. The findings revealed that small businesses had poor financial literacy and financial resource liquidity on average.

## 2.4 Summary of Literature and Research Gaps

**Table 2.2: Summary of Literature and Research Gaps**

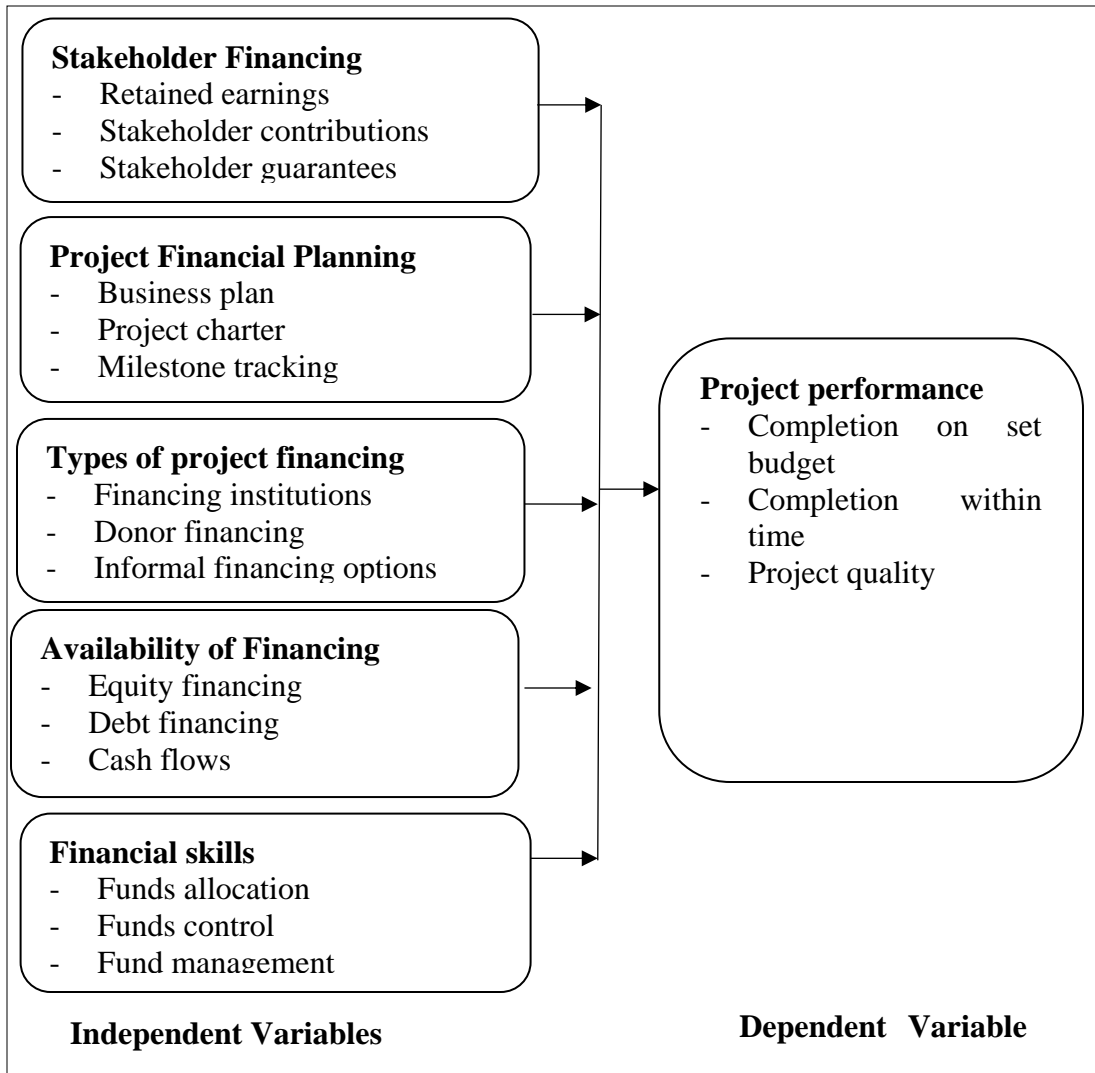
Author (year)	Title	Key Findings	Research Gaps	Focus of the Current Study
Williams (2012)	Effective stakeholder management strategies for information technology projects in Switzerland	Deployment of effective stakeholder management strategies were dependent on several factors, including organizational culture, leadership style, competencies, and organizational maturity	(Methodological gap) This study made use of semi-structured interviews	Use of questionnaires
Maina (2018)	Stakeholder management and open air market project performance	Identification of stakeholder needs and expectations, conflict management, stakeholder participation and communication had significant positive coefficients.	(Contextual gap) Focus on open air market projects in Nyeri County	Focused on SHG projects in Nyeri County, Kenya
Mwanza (2020)	The impact of project financial planning practices on construction project performance in Kenya	Project financial planning practice and project stakeholders' practice had a negative significant influence on performance of construction projects.	(Methodological gap) Made use of mixed research design	Adopted descriptive survey and explanatory design
Smolarski and Kut (2013)	The impact of venture capital financing method on SME	Equity-based venture capital financing affect performance and	(Contextual gap) Focus on SMEs performance	Focused on performance of SHG projects in

	performance and internationalization	internationalization		Nyeri County, Kenya
Harelimana (2017)	Effect of debt financing on business performance: a comparative study between I&M Bank And Bank of Kigali, Rwanda	For both I&M Bank and Bank of Kigali, the analysis discovered a strong positive link between debt levels and profitability.	(Contextual and conceptual gap) Focus on banking sector. Determined business performance	Focused on self-help groups. Determined performance of SHG projects
Sibururema (2015)	Impact of project financing on project performance	Both cost approximation and technical design are incompatible with project funding policies and have a detrimental impact on project timeliness.	(Methodological gap) Use of interviews in data collection	Used questionnaires in data collection
Omopariola and Windapo (2019)	Financial management strategies that influence project and organization performance	The study found that cash flow, leverage, and liquidity are effective performance evaluation systems for the construction project and organizations in South Africa.	(Contextual and conceptual gap) Study based in South Africa. Focus on financial management and project performance	Study based in Kenya. Focused on financial skills on project performance

Source: Author (2021)

## 2.5 Conceptual Framework

Conceptual framework shows relationships expected among study variables. Figure 2.1 illustrated the relationship between project financing and project performance. Specifically, outlined conceptual framework illustrates the relationship between stakeholder financing, project financial planning, types of financing, availability of financing, financial skills and project performance.



**Figure 2.1: Conceptual Framework**  
 Source: Author (2021)

## **CHAPTER THREE**

### **RESEARCH METHODOLOGY**

#### **3.1 Introduction**

The techniques that were employed to conduct the study have been detailed in this part. The research design, target population, sample and sample procedures, research instruments and data collecting, data analysis, and ethical considerations were all discussed.

#### **3.2 Research Design**

Descriptive survey and explanatory designs were used to determine if project financing has any significant influence on performance of self-help group projects. Descriptive study seeks to get facts that describe occurrences by asking individuals about their discernment, attitudes, behavior or values, (Mugenda & Mugenda, 2003). The descriptive design is applied to permit scholars to get, show, and understand information for the purposes of explanation (Orodho, 2002). The techniques of exploration employed include comparative and correlational methods which is suitable for the intended research methods for this study. The explanatory design was used to study the research problem in a greater depth so that to understand the problem efficiently. The method was also suitable in this study because it helped in the analysis of the study problem and explanation of the patterns of relationships between variables.

#### **3.3 Target Population**

Population for this study consisted of self-help group in Nyeri County. The study targeted self-help groups that had received funding of over one hundred thousand Kenya shillings within a period of the last three years up to June 2017 from the Women Enterprise Fund. The latest county report established that the county has 14,391 social development groups out of which 8,564 are self-help groups, 4,489 are women groups and 1,338 youth group Nyeri County Annual Development Plan (CADP) (2017). Of these 3800 groups had received funding from the women enterprise fund (WEF Status Report June 2017). On average the revolving fund loans each group Ksh.145,498.39 in Nyeri County. The target population was 3800 self-help groups.

**Table 3.1: Target Population**

WOMEN ENTERPRISE FUND CONSTITUENCY(C-WES) WOMEN ENTERPRISE SCHEME LOANS STATUS						
SUMMARY DISBURSEMENT PER CONSTITUENCY						
Region	County	Constituency	SINCE INCEPTION TO 22ND JUNE, 2017			Repayment Rate
			No. of groups	No. of members	Amount disbursed	
CENTRAL REGION	NYERI	KIENI	488	7,398	64,900,000	108%
CENTRAL REGION		MATHIRA	1,229	19,717	180,150,000	109%
CENTRAL REGION		MUKURWEI NI	268	4,098	36,350,000	112%
CENTRAL REGION		NYERI TOWN	1,018	16,001	167,400,000	106%
CENTRAL REGION		OTHAYA	418	6,264	48,950,000	100%
CENTRAL REGION		TETU	379	5,652	52,400,000	105%

Source: Excerpt from WEP Status Report June (2017)

### 3.4 Sampling Design

Sampling was done through stratified sampling to identify groups and member of self-help groups in Nyeri County to be included in the sample. Cluster sampling was employed as the total geographical area of interest happens to be large. The study considered the existing geographical subdivision into sub-counties. The study further divided the sub-counties into smaller non-overlapping smaller areas called geographical subclusters. This was especially useful in distributing the questionnaires since the field researcher can hand out many at each location. Stratified sampling was used to have a good representation of the population within all the categories as each has its own unique characteristics.

$$n = \frac{N}{1 + Ne^2}$$

The Slovin formula criterion used was as below where n, N, and e represent the sample size, the population, and margin of error (0.05) respectively.

$$n = \frac{3800}{1 + (3800 \times 0.05^2)}$$

Where n= 362

The sampled respondents were selected using a stratified random method to ensure all respondents had equal chances to be picked. The target respondent was active members of the self-help groups holding a participatory post.

**Table 3.2: Sample Size**

<b>Sub-County</b>	<b>Total Population Size</b>	<b>Sampled size</b>
Kieni	488	46
Mathira	1,229	117
Mukurweini,	268	26
Nyeri Town	1,018	97
Othaya	418	40
Tetu	379	36
<b>Total</b>	<b>3,800</b>	<b>362</b>

**Source :Author (2017)**

### **3. 5Data Collection Instruments**

Questionnaires were employed to collect data. This technique was chosen because questionnaires have the ability to capture large volumes of data, both quantitative and qualitative. The surveys were separated into sections, with each portion addressing questions related to a distinct goal. The advantages of using questionnaires included; they gave to a large number of respondents, the respondents took their time to go through the questions, the respondents responded to the questionnaires in any order and gave additional information useful to the study. It was also beneficial to note that the study did not have control over who fills in the data in the questionnaire and response rates may be low (Kothari, 2013).

### **3.6 Data Collection Procedure**

A pilot study was used to identify items in the questionnaire that are indefinite or blurred to the respondent so that changes may be made if need be. The pilot test was conducted in groups that had received funds from women enterprise fund in the neighbouring Muranga County. A pilot test can be conducted on 10% of the study sample (Mugenda & Mugenda, 2009). Since, pilot test was done on a sample of 36 respondents, it was found to be adequate. The researcher dropped and picked up the filled in questionnaires at later agreed upon time.

### **3.7 Data Validity**

The researcher sought expert opinion from the supervisors and from other professionals well conversant in research issues to assess the validity of the contents of the instrument. This confirmed that the questions in line with the topic under study were formulated with the research objectives as the guide. Peers advised on the face validity of the test instrument and whether it appeared to measure the described variables. Empirically testing of the hypothesized variables tested on the construct validity of the instrument.

### **3.8 Reliability**

Reliability of the research instrument was essential to point out any potential weaknesses the tool may have. The Cronbach alpha within acceptable limits of  $0.7 \leq \alpha \leq 0.9$  was calculated to measure the internal consistency of the instruments. It was used to help measure the degree to which the dependent variables affect the hypothetical construct of the independent variable.

### **3.9 Data analysis and presentation**

Analysis involves examining, converting, as well as exhibiting data aimed at finding useful linkage, making deductions as well as making conclusions Glen (2003). Descriptive and inferential statistics were used to analyse quantitative data. Descriptive statistics included frequencies, percentages, means, and standard deviations. This analysis was done through SPSS version 25.

Inferential statistics included the correlational and regression analysis. Correlational data analysis aimed at establishing the nature and strength of the relationships between study constructs. Regression analysis was conducted to assess the relationships between the study variables. The independent variables (stakeholder financing, project financial planning, types of project financing, availability of project financing and financial skills) and dependent variable (project performance). Summary of regression model was as illustrated below:

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5 + \varepsilon$$

Where Y = Implementation and adherence to formal project management practices and

$\beta_0$  = Constant

$\beta_1, \beta_2, \beta_3, \beta_4, \beta_5$  are Coefficients of the relationship between the independent and dependent variables.

$X_1$  = Stakeholder financing

$X_2$  = Project financial planning

$X_3$  = Types of project financing,

$X_4$  = Availability of project financing

$X_5$  = Financial skills

$\varepsilon$  = Error Term

### **3.9.1 Diagnostic Tests**

Since the study used regression analysis the following assumptions were tested, heteroscedasticity, multicollinearity and normality.

Heteroskedasticity test was done to establish if the variance of the error term across observations remained constant. The recommendations of Warner (2008) were adopted in testing heteroskedasticity using Breush Pagan test. The decision on existence or not of heteroskedasticity was based on P-value at 0.05 significance level. If  $P \leq 0.05$ , it was conclude that there is heteroskedasticity. However, if  $P \geq 0.05$ , it was concluded that there is no heteroskedasticity.

The study also tested for multicollinearity to establish if each independent variables predicted each other. Multicollinearity was tested using Variance Inflation Factor (VIF) as recommended by Iacobucci, et al. (2017). The existence of multicollinearity was based on a VIF of 3. A VIF lower than 3 showed lack of multicollinearity, whereas if the VIF was greater than 3 but less than 5 suggested possibility of multicollinearity but which is inconsequential. VIF greater than 3 but less than 5 indicated moderate multicollinearity. However, A VIF greater than 10 indicated a multicollinearity problem. This test was done using SPSS.

Normality test was done to establish if the error term for the obtained data was normally distributed. Normality test was done using the Shapiro-Wilk test following the recommendations of Field (2009). P-value at 0.05 significance level was used in forming the decision. Where significance level of the test statistic was observed to be higher than 0.05 then error term was normally distributed

### **3.10 Ethical Considerations**

Participation in the study will be free and voluntary for the participants. The data will be collected purely for academic purposes and the researcher will ensure the participants are aware of their anonymity. The researcher will ensure that there is accountability in the data collection by reducing the chances of plagiarism and misrepresentation. A permit from NACOSTI was obtained to offer permissions for the research study.

## CHAPTER FOUR

### DATA ANALYSIS AND FINDINGS

#### 4.1 Introduction

Study aimed to assess if project financing influenced their performance with special focus on self-help group projects in Nyeri County, Kenya. The researcher used numerical and statistical methods to analyse and presents the results in charts, graphs, and tables.

#### 4.2 Study Response

Total questionnaires administered in the study were 362. The self-administered questionnaires were produced and distributed to the various locations so that members of the local self-help groups would fill them out. Out of the total distributed 292 were filled in and sent back forming a rate of response of 81%. The remaining questionnaires were not collected as the group members did not attend subsequent meetings when the researcher was present. On a large sample of more than 30 items a response rate of 30% is considered representative enough (Orodho, 2004).

**Table 4.1 :Questionnaires Response Rate**

Questionnaires	n	Percentage
Received	292	81%
Not received	70	19%
<b>Sum total</b>	<b>362</b>	<b>100%</b>

Source: Research Data (2021)

#### 4. 2. 1Reliability Analysis

The Cronbach alpha within acceptable limit of greater than 0.7 was calculated to measure the internal consistency of data obtained through the instruments. Outcomes were illustrated in table 4.2 below.

**Table 4.2: Reliability Results**

Items	Cronbach Value	n
Stakeholder financing	0.908	6
Project financial planning	0.941	6
Types of financing	0.956	6
Availability of financing	0.765	6
Financial skills	0.765	6
Project performance	0.893	6
<b>Overall</b>	<b>0.871</b>	

Source: Research Data (2021)

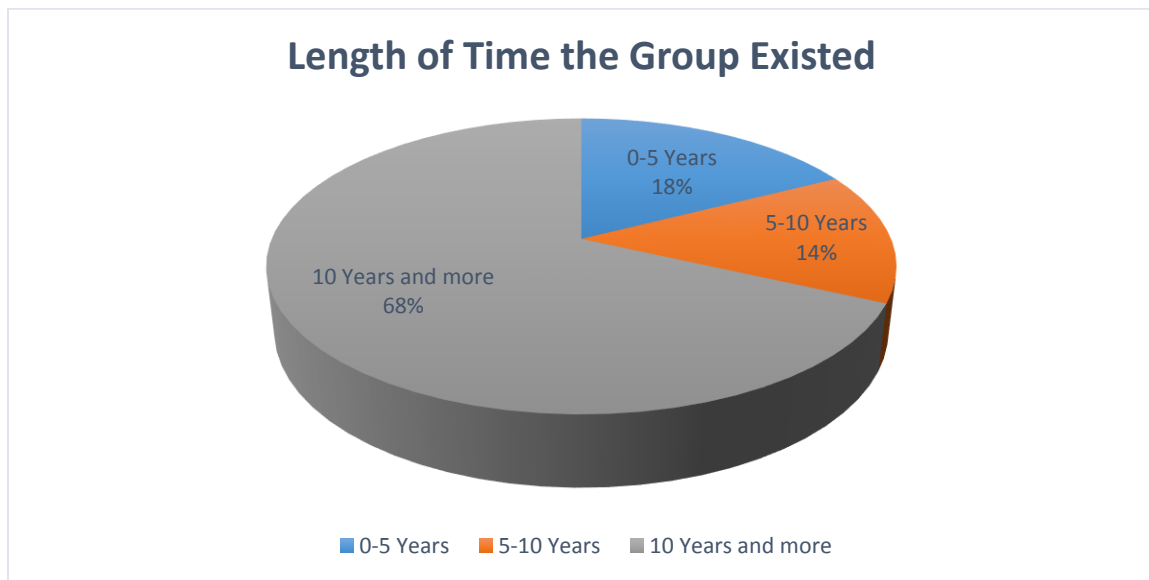
From table 4.2, stakeholder financing alpha value was 0.908, project financial planning value was 0.941, type of financing alpha value was 0.956, availability of financing alpha value was 0.765, financial skills alpha value was 0.765 and project performance alpha value 0.893. Overall of the constructs alpha value was 0.871. From the findings it was established that Cronbach's alpha for the study variables were greater the required threshold of 0.7 alluding that their measures were reliable.

### 4.3 General Background of the Respondents

The below was the feedback on the general background of the respondents. Results were presented for length of time the group existed, number of projects undertaken by the group, and size of the group respectively.

#### 4.3.1 Length of Time the Group Existed

In this section the study sought to establish the length of time within which the group has been in existence figure 4.1 shows the results.



**Figure 4.1: Length of Time the Group Existed**

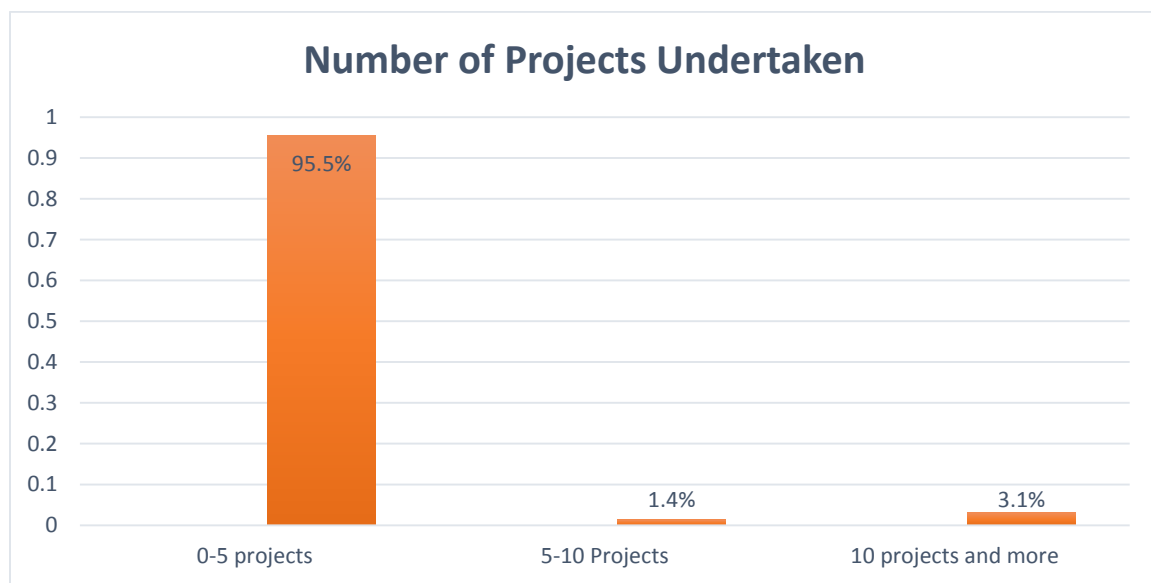
Source: Research Data (2021)

From the findings in Figure 4.1, on number years the group had been in existence, findings showed that 68% of respondents posited their groups had existed for more than 10 years.

Nearly a fifth of the respondents at 18% indicated that their groups were relatively new having existed for a duration 0-5 years. The remaining 14% have been in existence for between 5 and 10 years. Based on these results clearly, it is evident that majority of the groups have been in existence for more than 10 years. In line with the findings, Maina (2018) also observed that government and donors are increasingly using SHGs to deliver development projects aimed at improving the living standards of the people. Through such initiatives, women are required to form groups so that they are able to access the government resources, which can be used to improve their livelihoods.

#### 4.3.2 Number of Projects Undertaken by the Group

It was also the intent of the study to establish the number of projects that the groups considered had embarked on. Results were as summarized in Figure 4.2.



**Figure 4. 2: Number of Projects Undertaken by the Group**

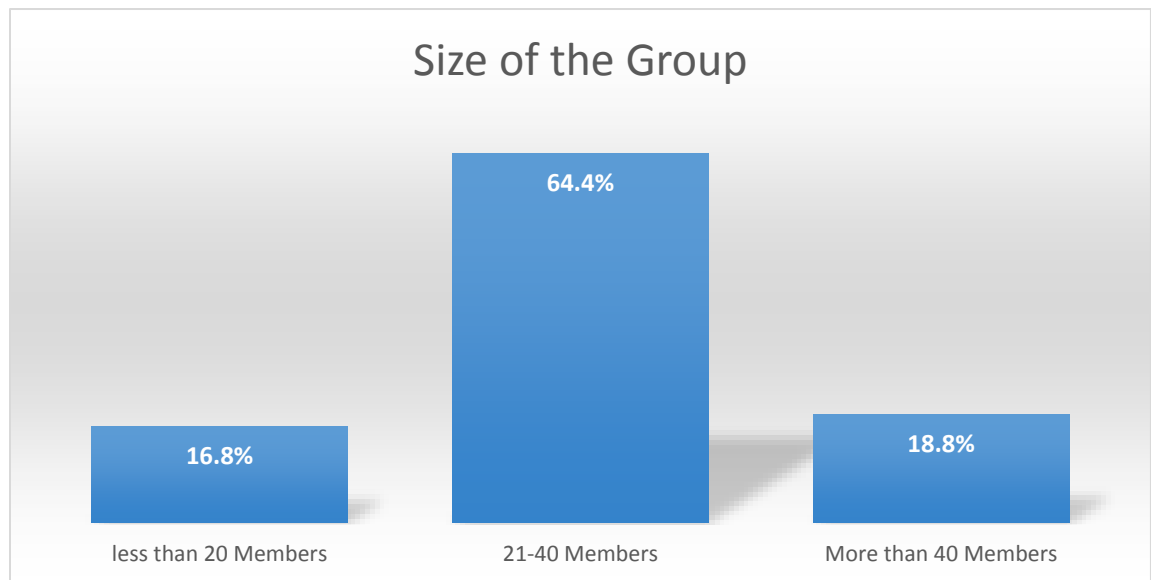
Source: Research Data (2021)

Regarding the number of projects the group has embarked on, results in Figure 4.2 alluded that 95.5% of the groups had embarked on less than 5 projects. The remaining 4.5% had embarked on more than 5 projects. Specifically, 3.1% of the group had undertaken 10 or more projects while 1.4% had undertaken between 5 and 10 projects. This implies most SHGs in Nyeri County undertake very few projects in a year. This is mainly because projects are Gugerty (2018) and in most cases promoters of such initiatives may also require

members of such SHGs to save a certain amount of money over a certain duration. At the same time, Lemma (2014) indicated that most self-help groups get financing from the members using a rotational round technique where every one member contributes an equal agreed amount in a definite time period, for example, weekly or daily. This suggests that with limited income among members, only a few projects can be undertaken. Although these groups get financing from other sources such as the central Government of Kenya, government initiatives such as Youth Enterprise Development Fund and women enterprise fund, these finances may not be adequate to undertake all projects (County Government of Nyeri, 2020).

### 4.3.3 Size of the Group

The study's goal in this section was to figure out how big each self-help group is, as measured through the number of members. The results were summarised in Figure 4.3.



**Figure 4.3: Size of the Group**

Source: Research Data (2021)

On size of the group, it was noted that 64.4% of the members were in groups that have between 21 to 40 members. Results further suggested that 18.8% of groups had more than 40 members while a minority 16.8% on groups had less than 20 members. This is important in project financing because the more the number of members the easier it becomes to raise

funds for project implementation. However, as the number of members increase it becomes more and more complex to manage the group (Duflo, 2012).

#### 4.4 Descriptive Statistics

Descriptive statistics of stakeholder financing, project financial planning, types of financing, availability of financing and financial skills have been presented in the following sections.

##### 4.4.1 Descriptive Statistics for Stakeholder Financing

To establish the extent of stakeholder financing, the researcher sought from the respondents how they would rate the stakeholder's financing of projects in their projects. The respondents data was presented in Table 4.3.

**Table 4.3: Description of Stakeholder Financing**

<b>Stakeholder financing</b>	<b>N</b>	<b>Minimum</b>	<b>Maximum</b>	<b>Mean</b>	<b>Std. Deviation</b>
Every member must contribute finances when financing a project	292	2.00	5.00	4.0342	.32983
Members often contribute to our projects	292	1.00	5.00	4.0171	.37497
The group use retained profits from other projects to finance current projects	292	1.00	5.00	4.0103	.38427
The group allow members to guarantee borrowings	292	1.00	5.00	4.0034	.42675
Stakeholders are the main financiers of the group activities	292	1.00	5.00	4.0027	.42675
We request donors to fund our projects	292	1.00	5.00	3.9829	.44995
<b>Aggregate Score</b>				<b>4.00855</b>	<b>.39875</b>

Source: Research Data (2021)

Table 4.3 revealed that stakeholder's financing was adopted to a great extent (mean score=4.00855). The standard deviation of 0.39875 alludes that there was general

agreement among respondents in regard to financing of project by stakeholders. Particularly, results suggested that whenever, the group has a project, every member must contribute finances when financing a project as shown by the highest mean score of 4.0342. There was concurrence among respondents regarding this attribute as shown by a low standard deviation of 0.32983. The statement with the least mean score (3.9829) was in relation to requesting donors to fund group projects suggesting that although self-help groups in Nyeri relied on donors to finance their projects, they were the least category to be adopted. Respondents largely concurred with this argument (standard deviation=0.44995).

Results concur Maina (2018) who found that specification of stakeholder needs and expectations, communication, and stakeholder participation all have a positive and significantly impacts on project performance. On their part, Mawutor (2014) alluded that stakeholders may agree to fund projects by raising funds among themselves or provide collateral to obtain funds required to finance a given project. At the same time Retfalvi (2014) concluded that project success is heavily dependent on stakeholder involvement in the project. Similar conclusion was made by Williams (2012) that stakeholder engagement in all stages of project implementation influences project success.

#### 4.4.2 Descriptive Statistics for Project Financial Planning

The study also sought to enquire on the tools used by the self-help groups in project management. Table 4.4 summarised the results.

The findings were as shown in

**Table 4.4: Tools Used by the Self-help Groups in Project Management**

<b>Tools used in project management</b>	<b>Yes</b>	<b>No</b>	<b>Total</b>	<b>Positive response %</b>	<b>Negative Response %</b>
Business Plan	277	15	292	94.9%	5.1%
Statement of work document	7	285	292	2.4%	97.6%
Project Charter	116	176	292	39.7%	60.3%
Project plan	276	16	292	94.5%	5.5%
Periodic project minutes	282	10	292	96%	3.4%
All the above	0	292	292	0%	100%
None of the above	9	283	292	3.1%	96.9%

Source: Research Data (2021)

It was noted that self-help group members were aware of some of the tools the group used to manage their groups' projects. It was established that 96% of the respondents relied on periodic project minutes, 94.9% used business plan, 94.5% used project plan, project charter (39.7%) while another 2.4% used statement of work document in financial planning. Interestingly, 3.1% of the respondents indicated that they used none of the tools presented to them suggesting that only 3.1% of groups did not use any tool to track the project performance. From these results, it was established that majority of self-help groups used multiple tools in financial planning for their projects. These results were consistent with the observations of Mawutor and Kwadwo (2014) who opined that for effective and efficient project management, there is need for proper financial planning using such tools as business plan and work plan. Similarly, Mwanza (2020) discovered that project financial planning and project stakeholders' practices had a negative significant impact on construction project performance.

The study also sought to determine the frequency of used by the self-help groups. Table 4.5 shows the results.

**Table 4.5: Frequency of Use of Tools Used by Self-help Groups**

Frequency of Use	Yes	No	Total	Positive responses %	
				Positive responses %	Negative response %
Daily	1	291	292	0.3	99.7
Weekly	9	283	292	3.1	96.9
Monthly	288	24	292	91.8	8.2
Quarterly	6	286	292	2.1	97.9
Annually	220	72	292	75.3	24.7
Don't know	13	270	292	4.5	95.5

Source: Research Data (2021)

Majority of the members were aware of some of tools being used in project financial planning and were updated on a monthly basis at 91.8%, others updated such tools annually (75.3%), few updated such tools on a weekly basis (3.1%) while others updated them quarterly (2.1%). The study also noted that only a few (0.3%) updated the identified tools on a daily basis. Idoro (2012) suggested that project financial planning should be a continuous process suggesting that project promoters should continuously update their financial planning tools so as to identify material deviations in time.

The informants were requested to express the degree to which they agreed with a number of attributes regarding project financial planning. Table 4.6 outlines a summary of the data obtained.

**Table 4.6: Description of Project Financial Planning**

<b>Project Financial Planning</b>	<b>N</b>	<b>Minimum</b>	<b>Maximum</b>	<b>Mean</b>	<b>Std. Deviation</b>
The group has a formal business plan and or feasibility study procedure	292	1.00	5.00	4.317	.42250
These practices have been in place since the founding of the group to your knowledge	292	1.00	5.00	4.291	.43863
The group has set procedures for implementing projects	292	1.00	5.00	4.1007	.36607
The group has formal minute taking procedure	292	2.00	5.00	4.0102	.34009
The group has a formal project management plan procedure	292	1.00	5.00	3.9532	.40152
The group has a formal project charter procedure	292	1.00	5.00	3.5218	.42609
<b>Aggregate Score</b>				<b>4.0323</b>	<b>0.39915</b>

Source: Research Data (2021)

The findings on project financial planning shown in table 4.6 illustrate that there was agreement among respondents regarding project financial planning as indicated by 4.0323 mean score. The results further indicated that there was consensus among the respondents regarding adoption of project financial planning tools and procedures as shown by a low standard deviation of 0.39915. The attribute with the highest mean score was that self-help groups in Nyeri County had a formal business plan and or feasibility study procedure for their project (mean = 4.317, Std.dev = 0.42250). The associated standard deviation further show that to a large extent there was agreement among the respondents in regard to business planning and conduction of feasibility studies. Conversely, the study noted that

adoption of formal project charter procedures was least embraced in self-help groups in Nyeri County (mean = 3.5218, Std.dev = 0.42609). However, as shown in table 4.7 while majority of the self-help groups did not have formal project charter procedures a few had as shown by the maximum score of 5.

The results posted on this variable echoed the conclusion reached by Idoro (2012) who opined that project financial planning should be treated as a continuous variable throughout the economic life of the project if positive results are to be realised. Naeem et al (2018) also found a positive link between project financial planning and project success. Similarly, Mawutor and Kwadwo (2014) indicated that the ultimate key to projects success the strategy adopted by the promoters in project financial planning, coupled with accurate estimation, and evaluation of project costs and financial needs and analysis of any deviation from the estimates. However, Mwanza (2020) concluded that project financial planning practice had negative significant influence on performance of construction projects.

#### 4.4.3 Descriptive Statistics for Types of Financing

Types of financing utilised by self-help groups in Nyeri County was equally sought in the study. Table 4.7 presented a concise findings obtained.

**Table 4.7: Types of Financing**

Types of financing	Yes	NO	Total	Positive response %	Negative Response
From members	269	23	292	93.2%	7.9%
From Money lenders	2	290	292	0.7%	99.3%
From suppliers	1	291	292	0.3%	99.7%
From Banks	128	164	292	43.8%	56.2%
From a Sacco	277	15	292	94.9%	5.1%
From Donors	272	20	292	92.1%	6.8%

Source: Research Data (2021)

The findings revealed three sources of funds were most dominant Sacco's (94.9%), member contributions (93.2%), and donors at 92.1%. 43.9% indicated that their groups sourced funds from banks. An insignificant minority at less than 1% sourced funds from

Suppliers and other moneylenders. These results concurred with the postulates of Mawutor, 2014 that stakeholders may have an agreement to raise funds among themselves to finance a certain project or raise funds externally and provide collateral to obtain such funds. Similarly, Albrecht (2010) stated that when undertaking large infrastructure projects financing may be sourced from multiple sources.

The following are statements on types of financing within self-help groups and community projects in Nyeri. The respondents were required to express to what extent they agreed with the stated statements and the findings were presented in table 4.8.

**Table 4.8: Types of Financing**

<b>Types of Financing</b>	<b>N</b>	<b>Minimum</b>	<b>Maximum</b>	<b>Mean</b>	<b>Std. Deviation</b>
Members are always called upon to support group projects	292	1.00	5.00	4.1610	.14184
The group obtains credit to finance project materials	292	1.00	5.00	4.1370	.35773
The groups relies on donors as a major source of financing	292	1.00	5.00	4.1058	.21485
Most of our projects are financed from members' contribution	292	1.00	5.00	4.0301	.25028
The adoption of project management practices has made it easier to get financing	292	1.00	5.00	3.7233	.52305
Groups often borrow from banks and Saccos to finance projects	292	1.00	5.00	3.0890	.45270
<b>Aggregate Score</b>				<b>3.8744</b>	<b>.32340</b>

Source: Research Data (2021)

Table 4.8 posits an agreement amongst respondents regarding relevance of type of financing (mean=3.8744; SD=0.32340). Results further suggested that to a large extent

self-help groups in Nyeri County always call upon members to support group projects (mean=4.1610; SD=0.14184). This suggests that most self-help group in Nyeri County prefer to finance most of their projects through members' contribution before raising debts from financial institution or donor funding. On the contrary, self-help groups in Nyeri County rarely borrow from banks and Saccos to finance projects (mean=3.0890 SD=0.45270).

Rao (2018) while analysis of the factors that influence infrastructure project observed that type of financing such as public-private partnership affects the success of project. This is mainly attributed to the fact that different sources of finances have different costs and conditions that may have a bearing on project performance. The findings on this variable also related to those of Smolarski and Kut (2013) who established a positive relationship between syndicated loans, staged financing, and project performance. Further, Mwendwa (2016) and Harelimana (2017) supported the arguments in this study by indicating that bank loans (principal repayment and interest thereof) may adversely affect the success of a project.

#### 4.4.4 Descriptive Statistics for Availability of Financing

This study also aimed to establish the organizations that have approached by the group to offer credit facilities. The findings were as shown in Table 4.9.

**Table 4.9: Organizations that have approached by the Group to offer Credit Facilities**

<b>Organizations approached the group for credit facilities</b>	<b>Yes</b>	<b>No</b>	<b>Total</b>	<b>Positive response %</b>	<b>Negative response %</b>
Commercial Banks	189	103	292	64.7	35.3
Saccos	277	15	292	94.9	5.1
Donors	275	17	292	94.2	5.8
Money Lenders	0	292	292	0	100
Suppliers	0	292	292	0	100
Investors	0	292	292	0	100

Source: Research Data (2021)

Results presented in table 4.9 alluded to the fact that at 94.9% Saccos approached the group for credit facilities closely followed by donors at 94.2% have approached the self-help groups to offer financing. Commercial banks have approached two thirds of the groups at 64.7%. None of the other sources of financial resources such as suppliers, money lenders, and investors have approached the self-help groups. These results suggest that Saccos are the largest providers of credit finance to self-help groups followed by donors and commercial banks. These results were in agreement with observations of Siborurema (2015) that Saccos provide credit at reasonable finance cost making them attractive in financing long-term projects. Fowowe (2017) on access to finance and firm performance also established that lack of financial resources substantially negatively influences business performance. Furthermore, the study findings revealed that firms that are not credit constrained rise faster than firms that are.

Organizations that self-help group has approached to request credit facilities were equally sought in the study. Table 4.10 presented the results.

**Table 4.10: Organizations that the Self-Help Group has approached to Request Credit Facilities**

Organization that the self-help group have approached to request credit facilities	Yes	No	Total	Positive response %	Negative response %
Commercial Banks	176	114	292	61%	39.0
Saccos	276	16	292	94.5%	5.5
Donors	272	20	292	93.2%	6.8
Money lenders	0	292	292	0%	100
Suppliers	0	292	292	0%	100
Investors	1	292	292	0.3%	99.7

Source: Research Data (2021)

It is noted that 94.5% and 93.2% of self-help groups in Nyeri County approached Saccos and donors respectively to silicate funds for their projects. There was moderate confidence to approach commercial banks with almost two thirds at 61% of respondents indicating their groups have approached a commercial bank to request for credit facilities. A negligible 0.3% of respondents indicated they had approached an investor and none had

approached suppliers or money lenders. Brody et al. (2013) also stated that internally generated funds are the most appropriate to finance projects. However, where internally generated funds are inadequate, more financing may be sourced externally.

The researcher sought to find out if the self-help groups were successful in getting credit from the financial organization they interacted with. Results as shown in Table 4.11.

**Table 4.11: Successful Financing**

<b>Successful Financing</b>	<b>Frequency</b>	<b>Percent</b>
Yes	276	94.5
No	16	5.5
<b>Total</b>	<b>292</b>	<b>100.0</b>

Source: Research Data (2021)

The respondents indicated that a majority (94.5%) of self-help groups in Nyeri County were successful in getting credit from the sources they approached or interacted with. A partly 5.5% were not successful in securing credit.

The study sought to find out if the organizations who provided financing followed up on the group's procedures for project management. The findings were as shown in table 4.12.

**Table 4.12: Follow upon Project Management Procedures**

<b>Follow-up on Project Management Procedures</b>	<b>Frequency</b>	<b>Percent</b>
Yes	275	94.2
No	17	5.8
<b>Total</b>	<b>292</b>	<b>100.0</b>

Source: Research Data (2021)

The respondents indicated that a majority (94.2%) of the financing organizations followed up on the methods used to tack performance of the projects within the self-help groups. A partly 5.8% did not track the procedures used.

Regarding availability of financing, the study sought the extent to which respondents agreed with a number of statements presented to them. Table 4.13 summarises the findings thereof.

**Table 4.13: Availability of Financing**

<b>Availability of Financing</b>	<b>N</b>	<b>Minimum</b>	<b>Maximum</b>	<b>Mean</b>	<b>Std. Deviation</b>
The group has multiple sources of financing available	292	1.00	5.00	4.3301	.65028
Financial institutions offer a variety of credit options to the group	292	1.00	5.00	4.1610	.54184
Practices make it easier to get financing	292	1.00	5.00	4.1370	.55773
Members are aware of types of credit	292	1.00	5.00	4.1233	.57305
Practices put in place to meet requirements	292	1.00	5.00	4.0890	.67270
Self-help groups easily get financing from donors	292	1.00	5.00	4.0582	.61485
<b>Aggregate Score</b>				<b>4.1498</b>	<b>.60174</b>

Source: Research Data (2021)

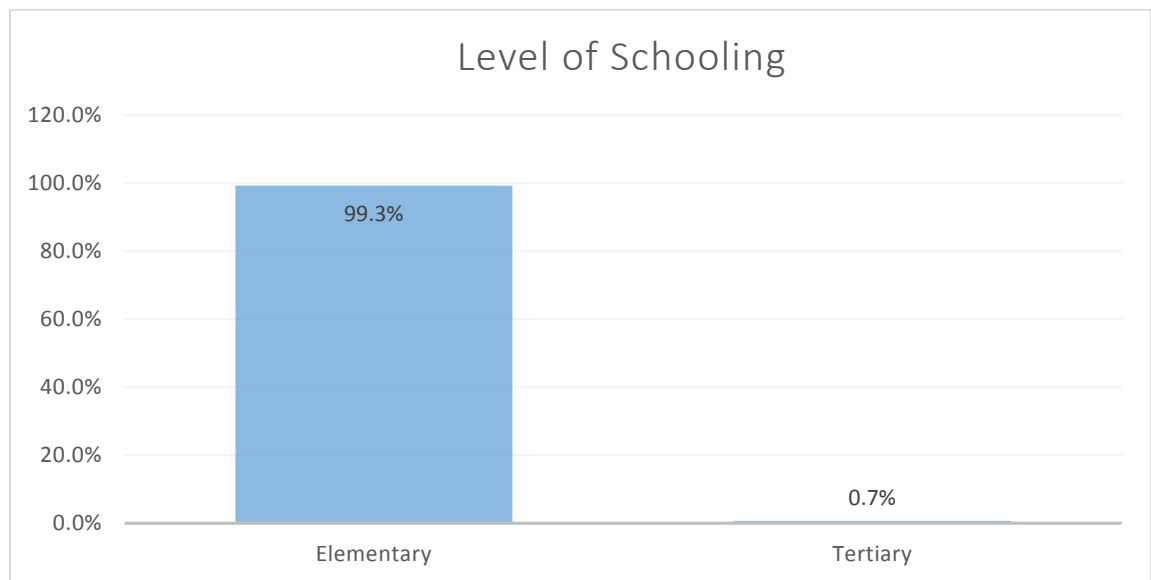
Respondents largely agreed that finances were available to self-help groups in Nyeri County (aggregate mean score=4.1498; Std. deviation= 0.60174). The low standard deviation suggests that there was concurrence among respondents on the availability of finances. Specifically, results showed that self-help groups in Nyeri County have multiple sources of financing available to them as shown by (M=4.3301, Std.dev=0.650). Majority of respondents as indicated by the low standard deviation shared the opinion. On the other end, although self-help groups in Nyeri County could easily get financing from donors, they did not over rely on this form financing as shown by least (M=4.0582, Std.dev=0.61485).

Findings concurred with the existing literature, for instance Brody, Dworkin et al (2013) who opined that promoters of projects have several financing options to consider. He study further showed that the manner in which a project is financed is influences its performance. For instance, internally generated funds attract less finance costs. Similar results were

posted by Siborurema (2015) who found that project funding policy negatively affect the scheduled projects time. Fowowe (2017), on access to finance and firm performance reported that constraint on access to finance exerts a significant negative effect on performance. However, results in the study were in contradiction with the findings of Ababa (2013), who suggested that donor funding is among the most widely used financing option for self-help groups.

#### 4.4.4 Descriptive Statistics for Financial Skills

The uppermost level of schooling of members in the groups was also established and Figure 4.4 summarised the results.

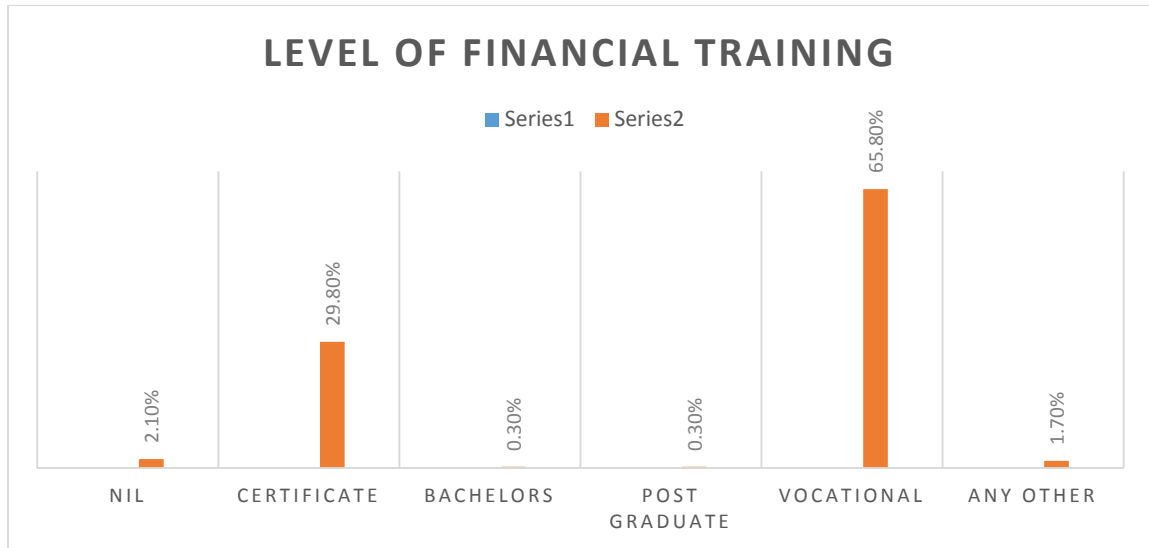


**Figure 4.4: Level of Schooling**

Source: Research Data (2021)

An overwhelming majority of the members in self-help groups have received elementary level schooling at 99.3%. Only 0.7% had a tertiary level of education and none had post graduate education. This is as shown in Figure 4.4.

The study sought to determine the respondent's highest financial training. Results were as presented in Figure 4.5.



**Figure 4.5: Highest Financial Training**

Source: Research Data (2021)

Majority of respondents have received vocational training on financial management at 65.8%. Nearly a third of the respondents at 29.8% had received a certificate or equivalent in financial training. Less than 1% of the respondents had tertiary level financial training while only 2.1% never had any kind of training.

The respondents were required to indicate their level of agreement on the statements about financial skills. The findings were as shown in Table 4.14.

**Table 4.14: Financial Skills**

Financial skills	N	Minimum	Maximum	Mean	Std. Deviation
Financial skills are always cultivated among project staff	292	3.00	5.00	4.6404	.55378
The members see the value of financial skills in project activities	292	2.00	5.00	4.6267	.57530
The members seek to gain financial skills from informal or formal methods	292	2.00	5.00	4.5959	.58125

A project should have a strict budget and timelines	292	3.00	5.00	4.4418	.56230
Financial skills are important in project management	292	2.00	5.00	4.4315	.57922
The county government assists self-help groups with financial information	292	1.00	5.00	1.2945	.87082
<b>Aggregate Score</b>				<b>3.9218</b>	<b>.60484</b>

Source: Research Data (2021)

Table 4.17 suggest financial skills were inculcated among the project staff in the self-help groups in Nyeri County (Mean=3.9218, Std.dev=0.60484). The low standard deviation is evidence that there was concurrence among the respondents. Among individual attributes, the study established that respondents agreed to a great extent that financial skills are always cultivated among project staff (Mean=4.6404, Std.dev=0.55378). Attribute with least score was the county government assists self-help groups with financial information (Mean=1.2945, Std.dev=0.87082). This suggest that, although the county government of Nyeri provided financial skills to self-help groups, this information was not adequate.

The findings of the study concurred with the existing empirical literature in that financial management skills such as budgeting, risk review, and evaluation, cash flow management have a positive effect on project performance (Omopariola & Windapo, 2019). Oji (2015) opined that financial skills are among the critical skills required for funds allocation, control, and management. Gashuga (2016) also reported that a positive relationship exist between budgeting, fundraising, fund allocation and funds control and project performance in Rwanda. Similarly, Ngek (2016) showcased that financial literacy positively influenced project performance among SMEs.

#### **4.4.5 Descriptive Statistics for Performance of Projects**

The presented the respondents with some statements on project performance in their groups on which they were supposed to express the extent to which they agreed with them. Results were summarised in table 4.15.

**Table 4.15: Performance of Projects**

	<b>N</b>	<b>Minimum</b>	<b>Maximum</b>	<b>Mean</b>	<b>Std. Deviation</b>
We put all measures to ensure that projects are completed within schedule	292	3.00	5.00	4.0788	.36697
We always ensure our projects are done to the required quality	292	3.00	5.00	4.0685	.37366
We always control for budget overruns	292	2.00	5.00	4.0548	.38495
We endeavour to ensure that our projects re competed within budget	292	1.00	5.00	4.0274	.51031
We regularly evaluate our projects based on the budgets	292	1.00	5.00	4.0240	.49337
All our projects are always completed within the required time limit	292	1.00	5.00	3.2774	1.49975
<b>Aggregate Score</b>				<b>3.9218</b>	<b>.60484</b>

Source: Research Data (2021)

It was noted from the results in table 4.15 that respondents were in agreement about the performance of project undertaken by their self-help groups. Results showed an aggregate mean score of 3.9218 with an associated standard deviation of 0.60484 indicating that there was consensus on the agreement with regard to project performance. Results further showed that self-help groups in Nyeri County always put all measures to ensure that projects are completed within schedule as shown by the highest mean score of 4.0788. The attribute with the least mean score was that all projects are always completed within the required time limit (Mean=3.2774, Std.dev=1.49975). These results suggest that although some projects were completed within the required time limit as shown by a maximum score of 5, majority were not completed within the required time limit. This was further supported by the high Std.dev of 1.49975.

Idoro (2012) also indicated that project performance is often evaluated in terms of time, the allocated budget, and attainment of customer satisfaction. Further, Sorooshian and Dodangeh (2013) indicated that among the major concerns in project performance is time and budget overrun. Hughes et al. (2016) showed that majority of projects suffer lack of cooperation from members, access to raw materials, inadequate finances, and poor financial management. On the other side Yadav and Sagar (2013) indicated that project performance metrics should include project delivery on time, within budget, project scope achievement, cost targets, project quality requirements, project risks, and safety.

#### **4.5 Diagnostic Tests**

Diagnostic tests were conducted in order to find out whether regression assumptions of normality, heteroscedasticity and multicollinearity were met.

##### **4.5.1 Tests for Heteroskedasticity**

The Breush Pagan test was used to determine heteroskedasticity in this investigation.

Table 4.16 summarizes the findings.

**Table 4.16: BP and Koenker Results**

	<b>Statistics</b>	<b>P-value</b>
Breusch-Pagan statistics	8.499	.187
Koenker test statistics	12.810	.063

Source: Research Data (2021)

The P-value for the Breusch-Pagan test statistic was 0.187, according to the data in Table 4.16. This value was greater than the 0.05 significance level, indicating that there was no heteroskedasticity in the data.

##### **4.5.2 Tests for Multicollinearity**

Multicollinearity was measured using the Variance Inflation Factor (VIF), as indicated in table 4.17.

**Table 4.17: Results for Multicollinearity Test**

	<b>Tolerance</b>	<b>VIF</b>
Stakeholder Financing	.889	1.286
Project Financial Planning	.856	1.459
Types of Financing	.867	1.491
Availability of Financing	.855	1.784
Financial Skills	.860	1.541

Source: Research Data (2021)

The VIF values for all of the variables were less than 5, indicating that there was no multicollinearity amongst the research variables, as shown in Table 4.17. Because the variables had low correlations with one another, the results of multiple regression analysis were not deceptive.

#### 4.5.3 Test for Normality

Shapiro-Wilk test conducted in this study helped to determine if the obtained data error term was distributed normally. Table 4.18 summarised the findings.

**Table 4.18: Normality Test Results**

	<b>Shapiro-Wilk</b>		
	<b>Statistic</b>	<b>df</b>	<b>Sig.</b>
Stakeholder financing	0.877	292	.059
Project financial planning	0.866	292	.087
Types of financing	0.942	292	.094
Availability of financing	0.971	292	.074
Financial skills	0.879	292	.057
Project performance	0.887	292	.059

Source: Research Data (2021)

From findings, the Shapiro-Wilk test score for stakeholder financing was 0.877, project financial planning was 0.866, for types of financing was 0.942, for availability of financing was 0.971, for financial skills was 0.879 and project performance was 0.887. The values of P for each of the variable were greater than 0.05 implying that their error terms were normally distributed.

#### 4.6 Correlational Analysis

Using the Pearson moment correlation the study determined the strength and direction of relationship between financial planning and project performance. The results were as presented in table 4.19.

**Table 4.19: Correlational Results**

Variable		Project performance	Stakeholder financing	Project financial planning	Types of financing	Availability of financing	Financial skills
Project performance	Pearson Correlation	1					
	Sig. (2-tailed)						
	N	292					
Stakeholder financing	Pearson Correlation	.609**	1				
	Sig. (2-tailed)	.014					
	N	292	292				
Project financial planning	Pearson Correlation	.542**	.274**	1			
	Sig. (2-tailed)	.023	.067				
	N	292	292	292			
Types of financing	Pearson Correlation	.526**	.268	.269	1		
	Sig. (2-tailed)	.031	.078	.081			
	N	292	292	292	292		
Availability of financing	Pearson Correlation	.489**	.264	.184	.164	1	
	Sig. (2-tailed)	.036	.082	.087	.090		
	N	292	292	292	292	292	
Financial skills	Pearson Correlation	.516**	.239	.227	.136	.166	1
	Sig. (2-tailed)	.025	.064	.070	.084	.093	
	N	292	292	292	292	292	292

Source: Researcher (2020)

From the results in table 4.19, stakeholder planning had moderate positive correlation with project performance as indicated by (Correlation coefficient=0.609, p-value=0.014), project financial planning and project performance had a moderate positive correlation as shown by (Correlation coefficient=0.542, p-value=0.023), type of financing had a positive a moderate positive correlation with project performance as shown by (Correlation coefficient=0.526, p-value=0.031), availability of financing also had a moderate positive correlation with performance of SHGs projects while financial skills had a moderate positive correlation with performance of SHGs as shown by as shown by (Correlation coefficient=0.516, p-value=0.025).

These results were similar to those reported by Mawutor (2014) who alluded reported a positive relationship between stakeholders management and project performance. Similarly, Retfalvi (2014) concluded that project success is heavily dependent on stakeholder involvement in the project. Mawutor and Kwadwo (2014) reported that for effective and efficient project management, there is need for proper financial planning suggesting that a positive correlation exist between the variables. Naeem et al (2018) also found a positive link between project financial planning and project success. At the same time, Smolarski and Kut (2013) reported a positive relationship between financing planning and performance.

Fowowe (2017) on access to finance and firm performance reported that constraint on access to finance exerts a significant negative effect on performance indicating a positive relationship exist between access to finance and firm performance. Finally, Gashuga (2016) reported that a positive relationship exist between budgeting, fundraising, fund allocation and funds control and project performance. However, Mwanza (2020) concluded that project financial planning practice had negative significant influence on performance of construction projects. Similarly, Siborurema (2015) found that project funding policy negatively affect the scheduled projects time.

#### **4. 7 Multiple Regression Results**

The study computed multiple regression analysis to establish the relationship between stakeholders financing, project financial planning, types of financing, availability of financing, financial skills, and performance of SHGs projects in Nyeri County. The findings were presented in three tables presented hereunder.

The results on model summary presented in table 4.20 indicated the  $R^2$  that as used to interpret how the variations in performance of SHGs projects variable reacted to the variations in the project financing.

**Table 4. 20: Model Summary Results**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.863 <sup>a</sup>	.745	.730	.36190

Predictors: (Constant), stakeholder financing, project financial planning, types of financing, availability of financing, financial skills

Source: Research Data (2021)

From model summary results, adjusted R<sup>2</sup> was 0.730 showing that projecting financing predicted 73.0% of variations in performance of SHGs projects in Nyeri County. The results also show that 27.0% of performance of SHGs projects variations was explained by other variables other than those discussed in this study.

The ANOVA was used to determine whether the study model was fit to make conclusions. The results were as shown in Table 4.21.

**Table4.21: ANOVA Results**

Model	Sum of Squares	Df	Mean Square	F	Sig.
Regression	13.617	5	2.723	170.188	.000 <sup>b</sup>
1 Residual	4.521	286	0.016		
Total	18.138	291			

a. dependent Variable: Project performance

b.predictors :(Constant), stakeholder's financing, project's financial planning, types of financing, availability of financing, financial skills

Source: Research Data (2021)

From the findings in table 4.21, the F-statistic for the model was 170.188 > (5, 286=2.276) f critical indicating that the model was fit. The findings also showed that the F-statistic p-value was 0.000<0.05 indicating that the overall regression model was statistically significant.

The study sought to establish the significance of stakeholder financing, project financial planning, types of financing, availability of financing, and financial skills in influencing project performance. Table 4.22 presented the results.

**Table 4.22: Beta Coefficients Results**

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	1.480	0.156		9.487	.000
Stakeholder financing	.346	0.087	.298	3.977	.019
Project financial planning	.385	0.081	.303	4.753	.000
Types of financing	.417	0.086	.395	4.849	.004
Availability of financing	.548	0.094	.479	5.830	.000
Financial skills	.471	0.099	.455	4.758	.003

a. Dependent Variable : Project performance

Source : Research Data (2021)

Summary of the model was as illustrated in the following function;

$$Y = 1.480 + 0.346X_1 + 0.385X_2 + 0.417X_3 + 0.548X_4 + 0.471X_5$$

From the stated model, it was revealed that the constant had a coefficient of 1.480 indicating that holding stakeholder financing, project financial planning, types of financing, availability of financing, financial skills at a constant at zero, projects performance would be 1.480. Stakeholder financing had a positive coefficient (B=0.346; P=0.019) suggesting a change in stakeholder financing would result in a positive change in project performance. This relationship was found to be significant at 0.05 significance level. The results on this variable were consistent with the postulations of stakeholder theory that argues that a project's success is influenced by how well stakeholder's expectations and perceptions are met (Freeman et al., 2020). The results were also consistent with empirical literature. For instance, Mawutor (2014) indicated that stakeholder financing positively influences project success. The study further noted that stakeholders may fund a project directly through contributions or indirectly by providing collateral to obtain funds required to finance a given project. Similarly, Retfalvi (2014) concluded that a positive relationship exist between project success and stakeholder involvement.

Regarding project financial planning, the study established that the variable was significant in influencing project performance among self-help groups in Nyeri County (B=0.385; P=0.000). These results illustrate that improved project financial planning would lead to a better project performance. These results support the tenets of institutional theory that the formal structures existing in the firm, put in place by the management, affects the performance the firm (Scott, 2010). In this sense, the study establishes that the financial plans adopted by project promoters affect the success of such projects. The findings were also consistent with existing literature which showed that financial planning effective project performance (Mawutor & Kwadwo, 2014). At the same time, Naeem et al (2018) found a positive link between project financial planning and project success.

In relation to types of financing, the study established that the variable had a significant positive influence on project performance among self-help groups in Nyeri County (B=0.417; P=0.004). This demonstrates that careful selection on type of financing significantly affects the project performance. The results were in congruence with the doctrines of resource dependency theory which suggests that a firm must optimally utilize limited resources available to them for their survival (Schaffer, 2021). The theory also opines that project implementers to be aware of the sources of finances, strategies to be adopted to acquire, control, and manage the finances for successful projects (Cuervo-Cazurra et al., 2019). The findings further supports the existing empirical literature. The findings of Rao (2018) who concluded that the manner in which a project is financed affects its performance. However, the study findings contradicted the findings of Smolarski and Kut (2013) who showed a negative relationship between type of financing and performance.

Availability of financing also had a positive and significant influence on project performance among self-help groups in Nyeri County (B=0.548; P=0.000). The results suggests that increasing project financing significantly affects the performance of the projects. Findings echoed provisions of resource dependency theory which asserts that availability of both internal and external resources influences firm performance (Biermann & Harsch, 2017). The theory also supports that there is need for collaboration among actors since they all need the same resources for their survival (Schaffer, 2021). Consequently, a

firm must consider all viable projects and allocate the available resources among the competing projects on the basis of their risk and return. The results also concurred with the findings of Ehlers (2014) that involvement of private investors and the design of economically rational financing structures helps improve the success of a project.

Finally, the study aimed at establishing the significance of financial skills on projects performance in SHGs in the County of Nyeri. The results showed a positive significant influence of that financial skills on performance of SHGs projects in Nyeri County. The results agreed with the tenets of resource dependency theory that availability of resources, though scarce affects performance of the firm (Biermann & Harsch, 2017). As a result availability of financial skills that are scarce and valuable is vital for the project survival. The conclusion agreed with conclusion of Omopariola and Windapo (2019) that proper financial management result to improved project performance in construction firms. Similarly, Gashuga (2016) found that an existing positive relationship between project performance and financial skills availability.

#### **4.8 Conceptual Analysis of Qualitative Data**

In this section, qualitative data obtained via the open-ended questions in the questionnaires was analysed through conceptual content analysis. The analysis aimed at deriving meaning from the information provided by the respondents based themes aligned with the study objectives.

##### **4.8.1 Stakeholder Financing**

Respondents were requested to explain, based on their experience, how stakeholder's financing influence performance of projects among self-help group projects in Nyeri County. Respondents indicated that stakeholders are often the main contributors to the success of group projects where majority are financed through their contributions. The study also noted that respondents believed that members' contributions are cost free and therefore the cost of investment is very low since no floatation cost is incurred in financing projects. Other respondents alluded that since all members are required to contribute to the projects, they often follow-up to determine how the projects are progressing thus holding the leadership to account. This ultimately improves efficiency in utilization of group funds

and success of their projects. It was also noted that in some cases, where members' contributions are not adequate, they would guarantee borrowings by their self-help group against their contributions. This ensures that the group obtains adequate funds required for investment.

#### **4.8.2 Project Financial Planning**

In this section, the respondents were required to explain ways in which project financial planning influenced the performance of projects in their self-help group. The results obtained indicated that most respondents believed that by outlining what is expected to be done on specific projects and the associated timelines facilitates completion of projects within the required time and with the required specifications. Respondents also indicated that financial planning ensures that the required financial need are identified well in advance which allows adequate time to plan for them. Respondents were also of the opinion that by planning for the financial needs of the firm, the group is able to estimate beforehand the material requirements for the projects. Consequently, quality materials are obtained in time ensuring that the project meets the quality standards. Similarly planning for the financial need of the project ensures that work is done continuously and effectively without stoppage. At the same time, the respondents pointed out that by planning, all aspects of the project will be identified and budgeted for and therefore possibility of project's cost overflow will be minimised.

#### **4.8.3 Type of Financing**

When the respondents were asked to state how the type of financing influenced performance of projects in their self-help group projects, the study noted that different sources of finance attract different costs which may affect the overall cost of the project. Consequently, type of financing was found to have a bearing on the budget aspect of project performance. Respondents also indicated that by carefully evaluating the alternative types of financing available for the project, the group leadership is able to select the most appropriate combination of projects of project financing that minimises the overall cost of the project. Evaluating the sources of financing also enables the group to determine the available sources of financing well in advance. This enables the group to secure the

finances well in time to finance the project. At the same time the group is able to identify shortfalls and plan for beneficial short term bridging financing.

#### **4.8.4 Availability of Financing**

Respondents were also required to explain in what ways availability of financing influence performance of projects in their self-help groups. It was observed that most respondents believed that availability of finances greatly influenced the outcome of their projects. Respondents noted that if finances were unavailable to complete a certain project such a project stalls, drags for long or the project may be abandoned in totality. It is therefore paramount to establish the availability of finances so as to guarantee project success. Respondents indicated that the most common form of financing is members' contribution and donor funding. However, it was realised that where deficits are foreseen debt financing is applied. The group therefore must identify institutions from which they can raise capital and how quickly such capital can be raised.

#### **4.8.5 Financial Skills**

In this section, respondents were asked to explain how availability of financial skills influence performance of projects among self-help group. Respondents indicated that financial skills are important in the success of a project because the leaders are able to control the available resources optimally. At the same time, financial skills were observed to evaluate the available projects so as to separate viable from unviable projects. Similarly, with financial skills, self-help groups were able to establish which projects should be undertaken immediately and which project can wait or be postponed. Especially where there is capital limitation. Finally respondents indicated that with availability of financial skills the leadership of self-help groups would be able to rank projects in order of their viability.

Finally when asked how self-help groups can learn from previous projects and other group projects, respondents indicated that there is need for self-help groups to carefully evaluate financial needs of projects so as to ensure that finances are readily available even before the project is commissioned to guarantee its success. Respondents also lauded the need for financial skills so that the group does not undertake projects that should have been rejected

or rejecting projects that should have been accepted. The need for financial skills would also help the groups to rationally allocate available resources among competing projects by ranking those projects using available financial models in order of their viability. The ability of the group to project cash flows generated by the project was as seen as an important lesson that groups should learn from past projects. Group leaders should be able to carefully estimate cash flows from projects. Moreover, determining the type of financing to adopt for specific projects. This is because different financing modules attract different costs that affect the cost and performance of the project.

## **CHAPTER FIVE**

### **SUMMARY, CONCLUSIONS AND RECOMMENDATIONS**

#### **5.1 Introduction**

The chapter presented a summary of the findings based on the objectives outline in chapter one it also presented conclusions and recommendations based on the results. In addition, further advised on areas that may need further future research.

#### **5.2 Summary of Findings**

The study objective was to analyse how project financing influences project performance of self-help groups in Nyeri County, Kenya. Specifically, the study sought to determine the influence of stakeholder financing, project financial planning, types of financing, availability of financing and financial skills on performance of SHGs projects. The summary is presented as per the study objectives.

##### **5.2.1 Stakeholder financing and Project Performance**

The first study objective was to determine the effect of stakeholder financing on performance of SHGs projects. Results showed SHGs had formal methods of evaluating stakeholders; there is an existing communication plan for all projects, there is an environment where stakeholders can express their needs, a stakeholder register and a designated resource assigned to manage stakeholders. The findings also showed that self-help groups have a positive inclination towards stakeholder financing. Most have put in place procedures to involve stakeholders and see value in these procedures.

##### **5.2.2 Project financial planning and Project Performance**

The second objective was to determine the effect of project financial planning on performance of SHGs projects. It was established that the tools used by SHGs include business plan, project plan, project charter, and project minutes to track the performance of a project. The study also revealed that the tools were updated frequency, monthly and annually. However, some of were updated on a daily, weekly or quarterly basis. It was noted that the SHGs had a formal business plan and or feasibility study procedure, formal project management plan procedure, set procedures for implementing projects, formal minute taking procedure and formal project charter procedure.

### **5.2.3 Types of Financing and Project Performance**

The study also sought to determine the effects of types of financing on project performance. The study found that the groups had following sources of funds mainly member contributions, Sacco's, donors, banks, suppliers and moneylenders. The study also revealed that most projects in self-help groups were financed from members' contribution, members were often called upon to support group projects, groups often obtain debt to supplement project financing, groups obtained credit to finance project materials, groups often borrow from banks and Saccos to finance projects and groups rely on donors as a major source of financing.

### **5.2.4 Availability of Financing and Project Performance**

The study sought to determine the effect of availability of financing on project performance. The study revealed that organizations have taken proactive steps and recognized the importance plus mutual benefit of offering financial services to self-help groups. Leading the pack was Saccos, followed by donors. It indicates that these institutions have exposure to the financial workings of self-help groups and are confident to engage with them. Commercial banks have approached two thirds of the groups. The study also established that the SHGs mainly approach Saccos and donors for financial support and mostly they are successful in getting credit from the sources they approached or interacted with. The study also established that financing organizations followed up on the methods used to track performance of the projects within the self-help groups.

### **5.3.5 Financials Skills and Project Performance**

Finally, the study pursued to determine the consequence of financial skills on project performance. The study established that majority of the group members has received elementary level schooling and tertiary level of education. It was observed majority of the respondents sought vocational training on financial management and others had received certificate training. The study also found that group members have an interest in getting financial skills in an informal manner through vocational training as opposed to the more formal approach of certificate training. Financial skills had a positive effect on the performance of the project.

### **5.3 Conclusion**

The study found that stakeholder financing had a moderate positive correlation with performance of SHGS projects in Nyeri County. It was also noted that an increase in stakeholder financing would result to increase in project performance of SHGs. The study concludes that stakeholder financing significantly influence performance of SHGs projects in Nyeri County.

The study revealed that project financial planning had a moderate positive correlation with performance of SHGS projects in Nyeri County. It was also noted that an increase in project financial planning would result to increase in project performance of SHGs. The study concludes that project financial planning significantly influence performance of SHGs projects in Nyeri County.

The study found that types of financing had a moderate positive correlation with performance of SHGS projects in Nyeri County. It was also noted that an increase in types of financing would result to increase in project performance of SHGs. The study concludes that types of financing significantly influence performance of SHGs projects in Nyeri County.

The study revealed that availability of financing had a moderate positive correlation with performance of SHGS projects in Nyeri County. It was also noted that an increase in availability of financing would result to increase in project performance of SHGs. The study concludes that availability of financing significantly influence performance of SHGs projects in Nyeri County.

The study established that financial skills had a moderate positive correlation with performance of SHGS projects in Nyeri County. It was also noted that an increase in financial skills would result to increase in project performance of SHGs. The study concludes that financial skills significantly influence performance of SHGs projects in Nyeri County.

#### **5.4 Policy Recommendations of the Study**

Since stakeholder financing significantly influences project performance. The study recommends that the SHGs should involve the stakeholders in their project financing activities. The stakeholder's opinion would be important in regard to financing hence this would improve project performance. The study also recommends that the SHGs should have a detailed plan on where to get the finances for their projects. This would ensure that the projects are carried out as required to achieve the set objectives.

The study also recommends that the SHGs should continuously evaluate the types of financing available. This would help them to choose the most appropriate to achieve better performance of their projects. The SHGs should also have knowledge on the availability of financing so that they can finish their projects within the scheduled time.

The study also recommends that the SHGs should improve the financial skills of their members. This can be done by providing training and also getting support from external partners so that they learn things like financial management. This would improve their financial skills and they would be able to set an appropriate budget for projects.

#### **5.5 Suggestions for Further Research**

It would be prudent to carry out further research in other counties within the country to establish the relationship between project financing and performance. A further investigation on other respondents other than the self-help group members would be prudent to get a fuller view of the impressions of project financing on project performance.

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## APPENDICES

### Appendix I: Questionnaire

This questionnaire is for the purpose of gathering data on the influence of project financing on the performance of self-help groups in Nyeri County. All information gathered will be handled with confidence and only used for the need of the study.

Your cooperation is highly appreciated

#### Instructions

Please tick to indicate the chosen answer in from the selection given

#### Section A: General Background

1. How many years has your group been in existence?

- a) 0-5Years
- b) 5-10 Years
- c) 10years and more

2. How many projects has your group embarked on?

- a) 0-5 Projects
- b) 5- 10 Projects
- c) 10 Projects and more

3. How many members do you have?

- a) 10-20 Members
- b) 21-40 Members
- c) More than 40Members

#### Section B: Stakeholder financing

The following are statements evaluate the extent of stakeholder financing within self-help groups and community projects in Nyeri County. Please tick where appropriate to show your level of agreement with each statement.

Strongly Agree=5   Agree=4   Don't Know=3   Disagree=2   Strongly  
Disagree=1

	Statement	1	2	3	4	5
a.	Members often contribute to our projects					
b.	The group use retained profits from other projects to finance current projects					
c.	The group allow members to guarantee borrowings					
d.	Every member must contribute finances when financing a new project					

e.	We request donors to fund our projects					
f.	Stakeholders are the main financiers of the group activities					

4. How does stakeholder financing influence performance of projects among self-help group projects in Nyeri County?

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**Section C: Project financial planning**

5. Kindly tick below against the tools your self-help group uses in project management

- a) Business Plan
- b) Statement of work document
- c) Project Charter
- d) Project plan
- e) Periodic project minutes
- f) All the above
- g) None of the above

6. How often are the above tools updated?

- a) Daily
- b) Weekly
- c) Monthly
- d) Quarterly
- e) Annually
- f) Don't Know

7. The following are statements that assess the existence of project financial planning within self-help groups and community projects in Nyeri County. Please tick where appropriate to show your level of agreement with each statement.

Strongly Agree=5    Agree=4    Don't Know=3    Disagree=2    Strongly Disagree=1

	<b>Statement</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
a.	The group has a formal business plan and or feasibility study procedure					
b.	The group has a formal project charter procedure					
c.	The group has a formal project management plan procedure					
d.	The group has set procedures for implementing projects					
e.	The group has formal minute taking procedure					
f.	These practices have been in place since the founding of the group to your knowledge					

8. In what ways does project financial planning influence the performance of projects among self-help group projects in Nyeri County?

#### **Section D: Types of financing**

9. Where does the group source funds?

- a) From members
- b) From moneylenders
- c) From suppliers
- d) From Banks
- e) From a Sacco
- f) From donors

10. The following are statements on types of financing in projects among self-help group projects in Nyeri County. Please tick where appropriate to show your level of agreement with each statement.

Strongly Agree=5   Agree=4   Don't Know=3   Disagree=2   Strongly Disagree=1

	<b>Statement</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
a.	Most of our projects are financed from members' contribution					
b.	Members are always called upon to support group projects					
c.	This group often obtains debt to supplement project financing					
d.	The group obtains credit to finance project materials					
e.	We often borrow from banks and Saccos to finance our projects					
f.	The group relies on donors as a major source of financing					

11. Does the type of financing influence performance of projects among self-help group projects in Nyeri County?

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**Section E: Availability of financing**

12. Please tick any organization below that may have approached the group to offer credit facilities

- a) Commercial Banks
- b) Saccos
- c) Donors
- d) Money lenders
- e) Suppliers
- f) Investors

13. Please tick any organization below that the self-help group may have approached to request credit facilities

- a. Commercial Banks
- b. Saccos
- c. Donors
- d. Money lenders
- e. Suppliers
- f. Investors

14. Did the group get project financing from the organization?

- a) Yes
- b) No

15. Was there a follow up on the project management practices by the organization offering the credit facility?

- a) Yes
- b) No

16. The following are statements influence the availability of project financing on the performance of projects in self-help group projects in Nyeri County, Kenya within self-help groups and community projects in Nyeri County. Please tick where appropriate to show your level of agreement with each statement.

Strongly Agree=5   Agree=4   Don't Know=3   Disagree=2   Strongly Disagree=1

Statement	1	2	3	4	5
a. The group has multiple sources of financing available					
b. Practices have been put in place to meet the requirements by providers of funds					
c. Meeting the requirements makes it easy to access financing					
d. Financial institutions offer a variety of credit options to your group					
e. Our members are always made aware of the types of credit taken					
f. Self-help groups easily get financing from donors					

17. From your own perspective, in what ways does availability of financing influence performance of projects among self-help group projects in Nyeri County?

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**Section F: Financial Skills**

18. Kindly tick against your uppermost level of schooling

- a) Elementary level (Primary and/or Secondary school)
- b) Tertiary level (Colleges and/or University)
- c) Post Graduate (Masters and/or Ph.D. studies)

19. Kindly tick against the highest level you have been trained on financing projects?

- a) Nil
- b) Certificate

- c) Bachelors
- a) Post Graduate
- b) Vocational
- c) Any other

20. The following are statements in relation to the influence of financial skills on the performance of projects in self-help group projects in Nyeri County, Kenya within self-help groups and community projects in Nyeri County. Please tick where appropriate to show your level of agreement with each statement.

Strongly Agree=5   Agree=4   Don't Know=3   Disagree=2   Strongly Disagree=1

	Statement	1	2	3	4	5
a	Financial skills are important in project management					
b	A project should have a strict budget and timelines					
c	Financial skills within the self-help group contribute to the improvement of the group's project management practices.					
d	The members see the value of financial skills in project activities					
e	The members seek to gain financial skills from informal or formal methods					
f	The county government assists self-help groups with financial information					

21. How does availability of financial skills influence performance of projects among self-help group projects in Nyeri County?

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**Section G: project Performance and management practices**

22. The following are statements in relation to project performance within self-help groups and community projects in Nyeri County. Please tick where appropriate to show your level of agreement with each statement.

Strongly Agree=5   Agree=4   Don't Know=3   Disagree=2   Strongly Disagree=1

	Statement	1	2	3	4	5
a.	All our projects are always completed within the required time limit					
b.	We put all measures to ensure that projects are completed within schedule					
c.	We endeavour to ensure that our projects re competed within budget					
d.	We regularly evaluate our projects based on the budgets					
e.	We always control for budget overruns					
f.	We always ensure our projects are done to the required quality					

23. How can self-help groups learn from previous projects and other group projects?

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## Appendix II: Financial Access

Use of banks by region

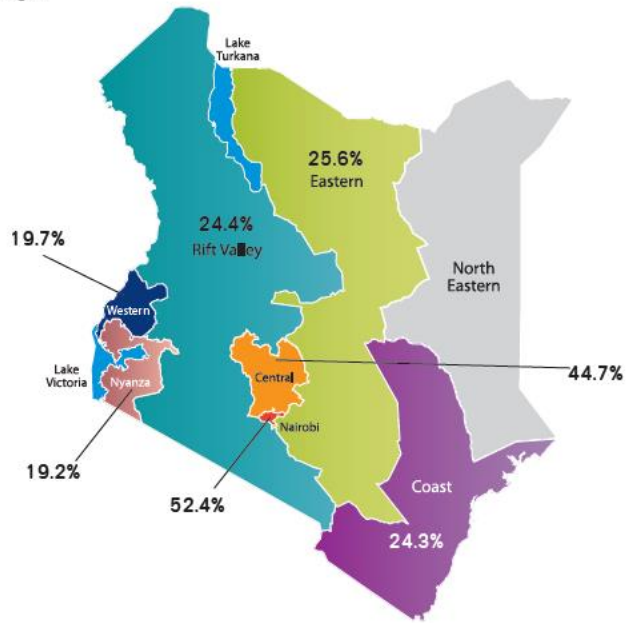


Figure 2. Use of Banks by Region. Source: Financial Access National Survey 2016, Central Bank of Kenya

### Appendix III: Research Authorisation



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Our Ref: D53/CTY/PT/31573/2015

DATE: 8<sup>th</sup> July, 2019

Director General,  
National Commission for Science, Technology  
and Innovation  
P.O. Box 30623-00100  
NAIROBI

Dear Sir/Madam,

RE: RESEARCH AUTHORIZATION FOR KEZIAH NJERI MWANGI- REG. NO. D53/CTY/PT/31573/2015.

I write to introduce Keziah Njeri Mwangi who is a Postgraduate Student of this University. The student is registered for M.B.A degree programme in the Department of Management Science.

Keziah intends to conduct research for a M.B.A Project Proposal entitled, "Project Financing and performance of self-help group projects in Nyeri County, Kenya".

Any assistance given will be highly appreciated.

Yours faithfully,

  
PROF. ELISHIBA KIMANI  
AG.DEAN, GRADUATE SCHOOL

