

**INVESTIGATION OF FACTORS THAT AFFECT PERFORMANCE  
OF SMALL SCALE WOMEN GROUPS IN KENYA**

**(The Case of Women Groups in Central division of Machakos District)**

**BY**

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**D53/CE/10 187/04**

**A RESEARCH PROJECT REPORT SUBMITTED IN PARTIAL  
FULFILLMENT OF THE REQUIREMENTS FOR THE AWARD OF  
THE DEGREE OF MASTERS IN BUSINESS ADMINISTRATION  
(HUMAN RESOURCE MANAGEMENT) OF KENYATTA  
UNIVERSITY.**

**NOVEMBER 2007**

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*Investigation of  
factors that affect*



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## DECLARATION

This research project is my original work and has not been presented for the award of a degree in any other university.

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## **DEDICATION**

This work is dedicated to my dear parents Nyamai Mweu and Martha Ndulu for the good foundation they laid in my life and the encouraging moral and spiritual support they gave me throughout my education. May the almighty God continue blessing them.

## ACKNOWLEDGEMENT

Am highly indebted to the following people for either their direct or indirect support they gave me towards the completion of this research project. Firstly, I would like to thank my project supervisor, Mr. Shadrack Bett of the school of business – Kenyatta University, for his effective guidance in developing the study's problem and subsequent advancement to accessing data and ultimate reporting.

Secondly, I regard the contributions from my loving husband, Mr. Peter M. Wambua for his patience, encouragement and material support during my studies. The same goes to our dear children Salome Kavenge, Daniel Mwanga and David Nyamai for their understanding and prayers in my entire study life at Kenyatta University. Auntie Everlyne Nzilani also played a significant role in ensuring that I had sufficient time to concentrate on my studies.

Thirdly, I salute my course colleagues, Mr. Daniel Kioko, Mr. Mathew Mbinda Mutiso and Mr. Samson Kilavi Musyoki for the encouragements we gave each other from start until completion of the course.

Ultimately, I thank our Almighty God for His grace that has driven me through my studies.

## ABSTRACT

Women groups in the Central division of Machakos district brought about rural development through their small scale projects/activities. The groups were engaged in the primary sector activities, secondary sectors activities, and tertiary sector activities. Their projects/activities promoted women since through them they have educated their children, they have built good permanent living houses and provided quality food for their families. Benefits of their small scale business encouraged the coming up of many women groups though after a few month/years they stopped operating due to lack of profits or failure to expand their business thus poor performance.

This study sought to identify factors affecting the performance of the small scale women group projects/activities in Central division of Machakos district. The groups were stratified according to their categories of projects/activity. A portion of 40% of members in each group category was targeted to give a target population of 252 women. From the targeted population a random sample of 20% was chosen from each category to give a total sample of 50 women. Data for the study consisted of primary data collected by use of questionnaires. The data were analyzed using statistical package of social sciences software and findings were presented in form of tables. Findings showed that training of women group members, appropriate funding and management, external support from government agencies and NGOs, and the nature of main projects/activities affected the performance of the women groups. Availability of all these factors significantly boosted their performance while their deficiency hindered any of their progress both in the long and short terms.

## OPERATIONAL DEFINITION OF TERMS

**Team:** Small number of people with complementary skills who are committed to a common purpose, performance goals and approach for which they hold themselves mutually accountable.

**Controlling:** Arrangement function that involves determining whether or not an organization is progressing towards its goals and objectives, and taking corrective action if it is not.

**Financial management:** The job of managing a firm's resources so as to meet its goals and objectives.

**Performance:** How well or badly something works, it can be low or high performance. It is measured by performance indicators like behaviour and out put.

**Performance appraisal:** Evaluation in which performance level of employment is measured against established standards to make decision about promotions, compensation, additional training offering.

**Small scale:** Organization of not large in size and activity they do.

**Training:** The process by which people learn skills, knowledge abilities or attitudes to further organizational goals.

**Women group:** A number of women, of not less than ten who come together to form a group with a common purpose.

## **LIST OF ABBREVIATIONS**

<b>DSDC:</b>	<b>District Social Development committee</b>
<b>DSDO:</b>	<b>District Social Development Officer</b>
<b>KANU:</b>	<b>Kenya African National Unity</b>
<b>MSDD:</b>	<b>Municipal Social Development Officer</b>
<b>MNC:</b>	<b>Multinational Corporation</b>
<b>NGO:</b>	<b>Non Governmental Organization</b>
<b>NOW:</b>	<b>National Women's Organization</b>
<b>PA:</b>	<b>Performance appraise</b>
<b>SPSS:</b>	<b>Statistical packages for social sciences</b>
<b>UNMDG:</b>	<b>United Nations Millennium Development Goals</b>
<b>WGP:</b>	<b>Women Group project</b>
<b>WGS:</b>	<b>Women groups</b>
<b>VAT:</b>	<b>Value added tax</b>

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# CHAPTER ONE

## 1.0 INTRODUCTION

### 1.1 Background to the Study

Performance means how well or bad something is done. Also, the term implies how well or bad a system works. Performance can be high or low. Performance indicators show how well or badly such systems work. In women group projects, good performance can be told by the profit the project is making or by the expansion of the projects/activities (Nickels *et al*, 2002).

Performance standards are supposed to be established and be understandable subject through measurement and reason. The set standards should be communicated to the employees so that when they are evaluated they clearly and precisely understand the standards and expectations of the managers. Performance evaluation is relatively easy when performance standards are established. The standards are communicated to the subordinates (Ibid).

When the expected performance is not met, managers are required to sit with subordinates to discuss the results. In this case the subordinates are allowed to give suggestions on how best the set performance standards can be achieved. The manager is required to take corrective actions to provide corrective feedback to help the subordinates to meet set performance. Quantity and quality of performance are important factors to be evaluated (Nzuve, 1997).

Performance of a group is determined by its maturity. There are six characteristics of a mature group. These characteristics include members being aware of their own and each other assets and liabilities, groups tasks, acceptance of individual difference, without labeling them as good or bad, development of authority and interpersonal relationships that are recognized and accepted by the members, decision making being done through rational discussion, substantive group issues such as group goals and the effectiveness and efficiency of various means for achieving the group goals having no conflict and lastly not least members being aware of group processes and their own roles in them (Kreiner, 1983).

For a group performance to be boosted or improved, the members should believe the team has urgent and worthwhile purpose, and they need to know what their performance standards are. The members should be selected for attitude and skills, the leaders should be trained to ‘coach’ not boss, the manager should exploit the power of positive feedback. The group should select people who like teamwork spirit, the team members should be trained, and then cross- training for flexibility should be done (Dessler, 2004).

The mobilization of women in Kenya could be traced as far as the women’s councils of the Kikuyu in the ninetieth Century. During the first half of the twentieth century women in areas like Vihiga, Kakamega, Kiambu, Marang’a and Machakos, formed mutual assistance groups. Neighbours and relatives helped each other in birth, diseases and death. In 1951, women clubs were formalized (Were, 1985).

Under the National Women's Organization (NWO), Maendeleo Ya Wanawake (MYW) was set up by a small group of European women in order to promote advancement of African women and raise Africa living standards. The white middle-class women volunteered to provide assistance to rural women's club Welfare oriented matters such as teaching home management, children, sewing, Knitting, embroidery, music and others. The MYW was therefore not concerned with promoting and advocating for the national issues such as education of women, employment of women, and women representation in the legislation or political system (Mutoro, 1997).

In 1985, the Maendeleo Ya Wanawake was affiliated to the then ruling party KANU and was given a bigger role in coordinating most of women's group project in Kenya (Were, 1985). In the later years, it was expected its scope of work to include the implementation of income-generating projects using government funds and contributions from international donors. Many groups in the rural areas had extended their activities to saving groups and working parties. They had become known as women's groups. One of the most significant development efforts of rural women was to take affairs into their own hands through formation of self-help and income generating groups (Ibid).

Machakos District was one of the twelve districts that comprised Eastern province. From North to South the district stretched from 0°45' S to 37° 45' E. The district bordered Kitui and Mwingi districts to the Eastern, Makueni district to the South, Kajiado to the west, Nairobi city and Thika district to the North- West, Muranga and Kirinyaga to the North and Mbeere district to the North- East.

The district had a total area of 6,051 Sq.km and was divided into twelve divisions. The divisions were Athi- River, Central, Kalama, Kangundo, Kathiani, Masinga, Matungulu, Mwala, Ndithini, Yathui and Yatta. The district had six parliamentary constituencies. The constituencies were Machakos town Kathiani, Mwala, Kangundo, Yatta and Masinga (DSDC).

The women groups operated primary sector activities like crop production, livestock production and tree production. They also did secondary sector activities that included handcraft, tailoring, pottery and other tertiary sectors activities were done which included petty business, rotational saving and credit association, plot and rental houses, hotel and butchery business, making / selling energy saving stoves and other activities. In the division, women groups had the same activities and project like the other women groups in the country. The district social development committee (DSDC) and women development committee mobilized the community to forms, register, supervise and support undertakings. The projects helped both individuals and general community. The women groups undertook projects that were in accordance with their needs (Machakos development plan, 1997- 2001).

## **1.2 Statement of the Problem**

In the development debate in Kenya, it was often claimed that the women groups' movement appeared to be an important strategy of getting women involved in agriculture and rural development (Mutoro, 1997). However, the small scale businesses were not expanding due to lack of profits (Musimba *at el*, 2004).

The businesses were giving members losses or small profit that could not be used to expand the business or to share the profit. The study focused on how women groups, which faced the non-profit making disadvantages and yet wanted to continue with their businesses, dealt with the challenges of skills, funds, external support and marketability of products/services.

### **1.3 Objective of the Study**

The study's broad objective was to investigate the factors that affected the overall performance of small scale women group projects in Central division of Machakos district.

The specific objectives were:

2. To identify to what extent training of women group leaders and members affected their performance.
3. To determine if management and control of funds affected the performance of women groups projects/activities.
4. To establish if government and NGOs support in legal matters affected the performance of women groups' projects.
5. To find out to what extent the nature of projects activities of the women groups affected overall women groups performance.

### **1.4 Research Questions**

Towards the achievement of the above objectives, the study sought to answer the following set of questions:

1. To what extent has training of women group leaders and their members affected group project performance?
2. Does the management and control of fund affect the performance of women groups' project/activities?
3. How have the management bodies and members of the women group projects been supported by the government or NGOS on legal matters?
4. How has the type of projects/activities carried out by the women in the area affected performance?

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

The study's intentions were designed to help generate knowledge regarding the best way the women group managers could manage their groups and projects for better performance. The findings would also help the stakeholders in the area to plan and to make wise decisions. To the government, findings would help in formulating policy as it concerned development in the areas. In addition, development partners and donor institutions would benefit from the findings in designing decisions about development. The study would moreover form a basis for further research on women groups' projects with higher appreciation on the role of individual member participation.

## **1.6 Scope of the Study**

This study focused on women group projects in Kenya and covered the projects/activities that were mainly situated in Central division of Machakos district. A total of 252 members were targeted from the 37 groups to investigate how executive and member training, funds availability and adequacy, external support from government and NGOs, and nature of projects/activities affected the overall entrepreneurial performance.

## **CHAPTER TWO**

### **2.0 LITERATURE REVIEW**

#### **2.1 Introduction**

For the researcher to critically understand the problem area, a related review of literature was conducted on the research's key variables, which included the past studies on performance , training, funds management and control, government and NGOs support on investments, nature of projects/activities; review of critical issues and summary of key ideals.

#### **2.2 Introduction to Women Groups in Kenya**

The origin of women groups in Kenya is varied in explanation. A detailed analysis is given by Were (1985), by disclosing that in both Latin America and Africa, women groups' projects failed. He gave some of the reasons for failure as lack of education and relevant training skills for members and dearth of government support. In the development debate in Kenya, it was often claimed that the women groups' movement appeared to be an important strategy of getting women involved in agricultural and rural development (Muturo, 1997).

#### **2.3 Performance of Small-scale women Groups Projects**

Little and Mirrless (1982) defines project as a building block of an investment plan. They add that project is any scheme, or part of a scheme for investing resource that can reasonably be analyzed and evaluated as an independent unit. Projects can be broken down into parts for separates consideration.

Projects can be small or big project. It can also simple or complex. Business project can be big or small or they can be simple or complex. Women groups take part in small scale business.

According to Musiniba *et el* (2004), small scale business done by women included bee-keeping, selling of water from group-owned waters, thawing points, goat rearing and selling, food vending in markets, making and selling of ropes and ciondo, rearing and selling of chicken, growing and selling horticultural produce (vegetable) from group owned farm plots, planting and selling seedlings from group owned tree nurseries, growing of cereals during the rainy seasons in jointly owned plots, buying and operating posho-mills for the group, operating tailoring schools for the groups and other many projects. Women's group projects were usually of small businesses. According to Muturo (1997), the reasons as to why the women's groups' projects were of small scale business are given below.

Financial problem the groups lack capital to initiate meaningful projects. The amount of money each member contributes towards the group, Kshs 10, or Kshs 20 per month, is too little for the women to venture into projects that will be productive enough to give members monthly income. Political or administrative problems, the groups are either affected positively or negative, depending of their level of affiliation with and submission to the local politics. The running and functioning of most groups is very much influenced by the political administration of the area. Management problem, rural women have very few years of schooling. Therefore, most women are illiterate or semi or semi- literate.

Lack of literacy is often one of the major reasons for poor performance. However, also groups with literate officials show poor management performance due to lack of members and leaders training and supervision.

Problems of inadequate technology, the women had only traditional knowledge and this was concentrated above all in farming. This had led many women to invest primarily in agricultural enterprises and petty business. Therefore it was important to the women to be trained in relevant modern technology in order to be successful in their projects. Problems of marketing and pricing of goods, there is much duplication in what women groups are doing. Most of these are active in petty business, selling the same type of goods. It therefore becomes difficult for them to sell, their goods. Sometimes they sold them at throw away prices, making no profits at all. Transport problems, transportation of goods by women groups was a big problem. Most areas had no public transport, and where there was public transport, it was very expensive.

Many women had already experienced time constraints in the provision of labour for their tasks on their farms and homesteads, therefore finding time for women groups' projects/activities was quite a problem. Problems of staff and unsuitable government intervention, the government staff mainly visited the groups that received government grants ignoring the other groups. Many of the projects did not break-through in economic effectively, (producing the maximum valued output possible using cost-minimizing techniques of production and considering effectively market demand).

No planning was done to how each of the member of the group benefited or how long they had to wait for the rewards. Problems of parochial orientation, many groups deal with petty issues. Most women in the group were concerned with their immediate household's survival needs and did not concern themselves with larger problems facing women in their local area, Kenya and at the global level. They claim the problems are beyond their control.

Men in most cases contribute significantly to the problems in women's group movement. The women groups were patronized by men and local government administrators and so women were not free to make their own independent decision on projects and money issues. Problem of legislation, though the women's groups had been officially encouraged, and were formally registered under the Ministry of Culture and Social Services, no institutional legislation existed for women's group that could safeguard operation and protection. It appeared that many rural women's groups were voided so that when wronged they could not use the law to protect themselves. Problem of government support being primarily verbal though the government had placed a female officer at most of the district level to foster programmes and to assist women in the organizational efforts, the officers were hampered in their work by extremely limited budget and their lack of relevant skills.

According to Bryceson (1993), it may take a number of years before women groups become successful instrument for rural development. The success will depend on the governments, NGOs and international organizations' commitment and support for the movement. Bryceson point out those women groups can be important instruments for Agricultural and rural development. The groups can be as focus for agricultural services, credit and developments projects in the rural areas by the government and international organizations.

## **2.4 Performance**

Performance is how well badly something is done, or it can be how well or badly something works. According to Nickel *et, al* (2002) performance can be measured using performance indicators. Nickels (2002) argues that performance standards must be set that are understandable by all the groups in the organizations. The managers must communicate the expected standards in the organization. Incases where the expected performance is not met managers are required to take corrective action then give to the subordinate a corrective feedback to met the set performance standards. According to Kretner (1983) performance of a group is determined by its maturity. He urges that there are six characteristics of a mature group. Examples of the characteristics are acceptance of individual differences, empowerment, good decision making good communication, setting group goals and the means of achieving them.

Graham and Roger (1988) suggested that it is necessary to specify the quantity and quality of work which should be attained by the holder of a certain job. He agrees with Nzuve (1997) that performance quantity and quality are important factors to be evaluated. Graham states that performance standard is found in appraisal and training as well as in some wage systems. Graham and Roger argue that a performance standard should contain some reference to the quality of work. According to Torrington and Laura. (1998) there are range of variables emerging that are recognized as having a positive impact on performance. They state the variable as commitment, empowerment, leadership, culture and flexibility learning. Walton, (1985) support Torrington and Laura by saying that commitment is thought to have better quality results of performance, lower turnover of employees a greater capacity for innovation and more flexible employees.

Nickels *et al.* (2002) urges that performance appraisal is an evaluation in which the performance level of employees is measured against established standards to make decision about promotion, compensation, additional training or firing. He urges that performance appraisal consists of six steps that comprise, establishing performance standards, communicating those standards evaluating performance discussing results with employees, taking corrective action and using the results to make decision.

Managers and subordinate are required to meet and discuss their performance. This concerns the analysis by a manager of a subordinate success and failures experienced during a certain review period. Bennett, (1997) quotes the period to be typically the previous six or twelve months.

Rogers urges that performance appraisal (PA) is for promotion or training and possibility to compute performance related pay. The PA helps managers to discuss their assessment to subordinate, motivates employees helps management to get valuable feedback about the implementation of policies, it helps to correct statements or allegations of sub-standard performances. Employees are made aware of what is expected of them by the higher authority. PA helps to discover some of the useful information concerning previously unknown skills and special competence's possessed by subordinates and lastly the manager can be informed by subordinate the barriers that have prevented them from improving their performances.

Effective performance management aligns with department and a campus goal promote consistency in performance assessment, motivate all employees to perform at their best, and is conducted with fairness and transparency. The employees, the supervisor and the university are critical members of a partnership that ensures performance planning, assessment, coaching and development. Employees at all levels are responsible for actively communicating with their supervisors about their performance taking an active role in planning their development, being accountable for their actions and continually striving for excellence in their performance.

The supervisors are responsible for developing performance expectations with the participation of employees, communicating throughout the performance management cycle about employees' goals, performance and development.

Recognizing successful performance and ensuring employees have tools, resources and training and development needed to carry out their duties successfully.

## 2.5 Training

According to Nzuve (1997) training is a process characterized by acquisition of specific skills or knowledge in order to perform specific tasks. The overall objectives are to improve organizational performance. Because employees need to learn how to work with equipment-such as word processors computers and robots companies are finding that they must offer training programmes that often are quite sophisticated. Training and development includes all attempts to improve productivity by increasing an employee's ability to perform. Training focuses on short-terms skills, whereas development focuses on long-term abilities. The training and development programs include three steps: Assessing the needs of the organization and skills of the employee's to determine training needs. Designing training activities to meet the effectiveness of the training through their performance Nickel *et el*, (2002). Nickel et el cities some of the common training and development activities as employee orientation on the job training, apprenticeship, off the job training, vestibule training, job simulation and management.

Employee orientation, this is the activity that introduces, new employees to the organization to fellow employees, to their immediate supervisors, and to polices practices and objectives of the firm.

On the job training, training program in which the employee immediately begins his or her task and learns by doing, or watches others

For a while and then imitates them, all at the work place. Apprenticeship programs training programs involving a period during which a learner works alongside an experienced employee to master the skills and procedures of a craft. Off the job training that occurs away from the workplace and consists of internal or external programs to develop any of a variety of skills or to foster personal development. Online training program in which employees attend classes via the internet vestibule training- the training done in schools where employees are taught on equipment similar to that used on the job. Job simulation, this is the use of equipment's that duplicates job conditions and task so that trainees can learn skills before attempting them on the job.

## **2.6 Funds management and control**

Funds are sum of money available for a purpose. John and Graham, (1995) expresses money as the life blood of business. They further explain that lack of money jeopardizes a firm's future. Any successful business requires a first class combination of a product for which there is a strong demand and efficient management and adequate cash. John and Graham state that failure of money management skills will probably result in closure of the business or sale of the same even if it has a good product. Good financial management will guarantee success.

According to the internet, <http://san.com/industries/publicsector>, funds management with active availability controls sap for public sector plans and controls the flow of revenue and expenditure, guides you through planning and creating budgets, and use active availability control to monitor management appropriation. Funds management capabilities simplify the design of budget plans using special planning techniques and make it possible to differentiate provisional budget plans. The funds management tasks enhance the advanced functions of financial accounting for modern business. There are no limits, on how you can use funds, management capabilities, high performance is reported with control and management of earmarked funds and funds blocking.

Sources of funds for starting an organization can be acquired from a variety of sources. According to Nickels *et el* (2002) there are both short - term and long -term financing. Short - term financing means borrowed capital that will be repaid with one year. Long term financing means or refer to borrowed capital to be repaid over a specific time period longer than one year. Short- term financing can be gotten from trade financial institutions. The long - term financing include debt financing, secured and unsecured bonds, equity financing, selling stock and many others.

Management is the process of efficiently getting activities completed with and through other people. The process represents the functions or primary activities engaged in by managers. Robbins (1984) states that functions as planning, organizing, leading and controlling. Broadcast and John (2003), urges that management of financial resources can be considered at different levels of aggregation.

He states the levels to be individual level, organization level and the economy level as a whole. He urges that organization is like a complex household that has to meet its current expenditure with receipts while also providing for the replacement of any depreciating assets and the acquisition of others.

Control can be defined as the process of monitoring activities to ensure that they are being accomplished as planned and of controlling any significant deviations. Robbins, (1984) suggest that all managers should be involved in the control function even if their units are performing as planned. Robbins says that it is until they are evaluated the activities they have done comparing with the set standards that the actual performance can be determined. Robbins further states that financial control tools such as budgets, audits and financial analysis are important tools for controlling costs on hospital, school and government agencies.

Long term funds would be provided by ownership equity and long term credit, often inform of bond short term credit often are in the form of bond. Decisions lead to the company's capital structure short terms funding or working capital is mostly provided by banks extending at line of credit. In the case of a company, managerial or corporate finance is the tasks of providing the funds for the corporation activities. It generally involves balancing risk and profitability. Importance of financial control assists in planning and organizing activities. Control is the final link in the functional chain of management. Effective control system provides information and feedback on the performance of subordinate.

According to Robbins control is a process that is made up of three separate and distinct steps. The steps are stated as follows, measuring actual performance, comparing actual performance against standards and managerial action.

## **2.7 Government and NGOs support**

According to Kotler and Armstrong (2006), marketing decisions are strongly affected by developments in the political environment. The political environment consists of laws, government agencies and pressure groups that influence or limit various organization and individual in a given society. The government develops public policy to guide commerce sets of laws and regulations that limit business for the good of society as a whole. Bennett (1997) defines policy as a set of ground rules and criteria to be applied when taking decision relating to a particular function or activity. Robbins (1984) urges that a policy establish parameters for the decision maker rather than specifically stating what should or should not be done. The existence of a policy established boundaries that restrict the scope and nature of decisions concerning a specific issue.

The policies have some advantages, for example the problems. arising within the area covered by a policy do not have to be analyzed each and every time they appear, that is decisions are simply applied in accordance with company policy, precedents are established, and delegation becomes easier. Facilitation guidelines for co-ordination of diverse operations in ensuring that all decisions are compatible with the overall aims of the organization Policies avoid confusion and lead to consistency of action in the area concerned.

Legislation affecting business around the world has increased steady over the years. Kotler and Armstrong, (2006) the United States had many laws covering issues such as competition, fair trade- practices, environmental protection, product safety truth in advertising, consumer privacy packing and labeling, pricing and other important areas. The European commission has been active in establishing a new frame- work of laws covering competitive behaviour products standards, products liability and commercial transactions for the nations of the European Union. Importance of Business legislation as given by Kotler and Armstrong, it protects business companies from one another, it protects, consumer from unfair business practices and government legislation is finally there to protect the interest of society against unrestrained business behaviour.

Profitable business, activity does not always create a better quality of life. Regulation arises to ensure that firms take responsibility for the social costs of their production or products. According to Bennett government has policy towards new business. He urges that the government seek to minimize the rate of small business failure in a number of ways. The ways are given as follows, the provision of advice and information, free counseling, booklets, trade statistics, Subsidies training in the techniques. of small business management, grants for engaging external consultants, paying owners of new business a personal allowance during the first year of operations, guaranteeing the repayments of parts of loans that banks make a to newly established small firms.

The Non- Governmental organizations (NGOs) are as State Corporation. They work in all the sector of economy. Their main aim is to uplift the community they work with both socially and economically. According to the Daily Nation Friday 11th August 2006 column one pages 45, the NGOs have their co-ordination Board (NGOs Board) that was created by an Act of parliament of 1990. As a state corporation in the regulatory sector the NGOs board is charged with responsibility of overseeing the NGOs sector which *interalia* include NGOs registration, co-ordination, facilitation and policy development for the sector. According to <http://ww.ngobureayorke> the NGOs has grown to over 4,000 and operating in all sectors of our economy and in every corner of the country Kenya.

## **2.8 Nature of projects! Activities**

According to Little and Mirrless, (1982) project are building block of an investment plan. They adds that project is any scheme, or part of a scheme for investing scheme resource which can reasonably be analyzed and evaluated as independent unit. Project can be broken down into parts for separate consideration. Each of those parts would then be small or big project. The project can be simple or complex. According to Schiffer and Beatrice (2001), small firm might have more problems than large firms. They give the problems as economic of scale and entry costs and then political influence. Economic of scale and entry costs, business obstacles may be part particularly severe for small firms because they represents fixed costs that a large firm can absorb more easily. There are huge entry costs for small entrepreneurs who lacked access to higher level of the administration and who could not bribe their way through the system.

Political Influence, large firms may have more possibilities of collusion with other firms as well as with the public sector. Large firms might be more successful in influencing politics and obtaining new rules in their favour and thus gaining advantage over smaller firms. Large firms might also craft special deals with government exactly because of their power and their importance in the economy for lay off workers if they do not get tax reduction. Schiffer and Beatrice also say that large firms may have more problems than small firm because of informality and exposure. Informality as that small firm can easily slip into informal arrangement there by avoiding taxes and regulations. They argue that the size of informal sectors is increased by corruption and weak institutions.

Exposure, large firms may be exposed to corruption since they usually have higher profits than small firms they are more visible and they may be more interesting targets for black mailing and kick backs. Rogers has it that most basic form of business ownership is the single person firm without limited liability. This is referred to as a sole trader-ship. Bennett .R. claims that this type of business is simple to start but the proprietors are responsible for all the debts of their business. Bennett claims that large businesses are possible through partnership of two or more individuals. Each partners contributes capital and often have skills and talents not possessed by other partner. There are partnership regulations that govern the partnership.

Bennett goes further to group sole trader-ship partnership and cooperatives or limited companies as small business. He claims that small business has management problems substantially different from those of large firms.

He sites some of the problems to be resulting from the inability to employ specialist staff and or to conduct comprehensive marketing research. The owner/manager of small firms has to undertake all major management functions personally, and deal with every administrative requirement licensing, tax and national insurance, VAT, fire certificate, employment laws, redundancy regulations, audit requirement, and many others.

Rennett urges that there are complex businesses. These businesses are called multinational because of their size. The Multinational Corporation (MNC) is a business that has its headquarters (Domicile) in one country but which operates in many. The management of an MNC has responsibility for operation through out the world. It is run by aboard of directors. Bennett highlights the difference, between (MNC) and one country as follows: - Department dealing with individual national markets might have to give way to department that deals with markets segments. defines across, rather than within countries, Recruitment, training, performance appraisal and promotion procedure must be drafted on international scale; they have greater diversification issues and lastly they can afford to assume relatively more risk than domestic rival. A loss in one country can be offset against profit elsewhere.

According Nickels *et el* multinational corporation (MNC) are organizations that manufactures and markets products in many different countries, the organization have multinational stock ownership and multinational management. They say that multinational corporations are typically extremely large corporations. Though not all large firms involved in global business are multinational.

Kotler and Armstrong say that today almost every company large or small is touched by global competition in one way or other. They say today companies are not trying to sell more of their locally produced goods in international markets, but are also buying more supplies and components abroad. The skillful marketing of European and Asia American firms MC Carthy and Perreault, (1993) adds that multinational hire local workers and build local plants. They normally have relationship with local business and politicians. Those powerful organizations learn to plan marketing strategies that deal with nationalistic feelings and typical border barriers treating them simply as part of the marketing environment.

## **2.9 Critical Review of Major Issues**

Other than group training, financial management and control, government and other support and nature of project/activities there are other factors affecting performance. These factors are communication, technology, group dynamic and team spirit. Communication concerns the exchange of information, opinion and sentiment. According to Roger, (1997) communication system links together the constituent parts of a firms or organizational structure, and provide for the creation, distribution interpretation and execution of instructions. Communication transmits news of management's intentions to employees and provides feedback to management on employee responses to its proposal. Robbins, (1991) further urges communication is process that has seven parts namely: the communication sources, the message, encoding, the channel, decoding, the receiver and feedback.

There is formal and informal communication. Management does not approve informal communication. In an organization communication can flow downwards upwards, or laterally. These patterns are called network.

Technology, every organization uses some form of technology to convert inputs into outputs organizations uses equipment, materials, knowledge, and or experienced individuals and puts them together into certain types and patterns of activities. Robbins (1991) says that the term technology does not mean or apply to manufacturing firms. Robbins cites an example of college instructors who teach students by variety of method like formal lectures, group discussions, case analyses, programmed learning, and so forth. Each of these methods is a type of technology. Carrel *et al.* (1992) agrees with Robbins, (1991) that an organization's technology is the methods and technology used to produce goods and service profoundly affects the skills and abilities that an organization's employees posses.

Carrel *et al* (1992) claims that technology has dramatically increased the skills and training necessary to perform many of the job in today's organizations. Computers technology is changing dramatically. Nickels *et el* has also agreed with Carel *et el.* He aggress that computers can be used to record and analyze data and print out financial reports which allows managers to obtain up to date minute financial information for the business computers can do auditing computers help managers spot trouble earlier than before, today computers are doing sophisticated financial analysis within days.

Group Dynamic and Team spirit, according to Robbins, (1994) a group is two or more individuals, interacting and interdependent, they come together to achieves particular objectives. Armstrong (2004) states that a group must have an identity. The quality of the group makes it different and separate from the rest of the world. Groups can either be formal or informal. By formal Robbins means the organization's structure, with designated work assignments establishing tasks and work group. Informal groups, behaviours that one should engage in are stipulated by and directed towards organizational goals. In contrast informal groups are alliances that are neither structure nor organizationally determined.

They are natural formations of groups in the work environment; they appear in response to the need for social contract. Groups can also be sub classified as command tasks, interest or friendship groups command and task groups are dictated by formal organization whereas interest and friendship are informal alliances. According to Graham and Roger, (1998) working groups have following advantages: satisfaction of social needs, the benefits of shared experience for example an experienced worker showing the roles to a new corner, mutual supports for examples colleagues backing up someone who is having a dispute with management and then a basis for self- expression, because the security afforded by the group often encourages creativity.

Barny and Brandt (1999) state that groups are good at problem solving. Decision making, helping members to be allocated work in accordance to their ability, groups' makes- coordination and liaison effective, groups assist in equal sharing of work and helps in brainstorming and generating ideas. Therefore groups help in information processing. According to Tuckman, groups develop through four stages. Edward and Kate, (1990) urges that groups grow develop and eventually die. They agree that the stages of development are critical. The stages are namely. forming phase, storming phase, 'different' or forming phase and lastly the 'collaborations' or 'performing; phase of the processes.

A team is a special sort of group. All team are groups, but groups do not necessarily behave as team According to Graham and Roger, (1998) team has its characteristics that include, members are highly interdependent and each individual must to some extent interpret the nature of his or her particular role. Teams have leaders who may or may not be appointed by an outside body (higher management for example) whose authority is accepted by all its members.

Teams spirit is improved by the team leader through, representing and defending the team in the outside world, for example by fighting for extra resources on their behalf, clarifying territorial divisions among team members, hence ensuring that members are fully aware of their individual and collective responsibilities encouraging members to suggest new method Graham and Roger (I 998) adds that good team spirit will be caused by a fair distributed of work and responsibilities.

Within the group, well designed work programme with realistic completion dates and compatibility of the personal characteristics of participants are availed. Symptoms of poor teamwork are easily recognized as absenteeism, late coming, high staff turnover, bad temper, deprecatory remarks about other team members. When people are empowered by their management to make decision about their activities or project they feel that they are valued and their input is valid. Empowerment encourages team work in organization (<http://www.cc.hrei.c2html>). Team spirit in an organization leads to required or set standards of performance. Ministry of education and human resource development (1997) strong ties enables a group to be committed to the course of the group. They make sure that they achieve their objectives thus achieving their set performance (<http://www.unesco.org/mostlsfrics//.htp>).

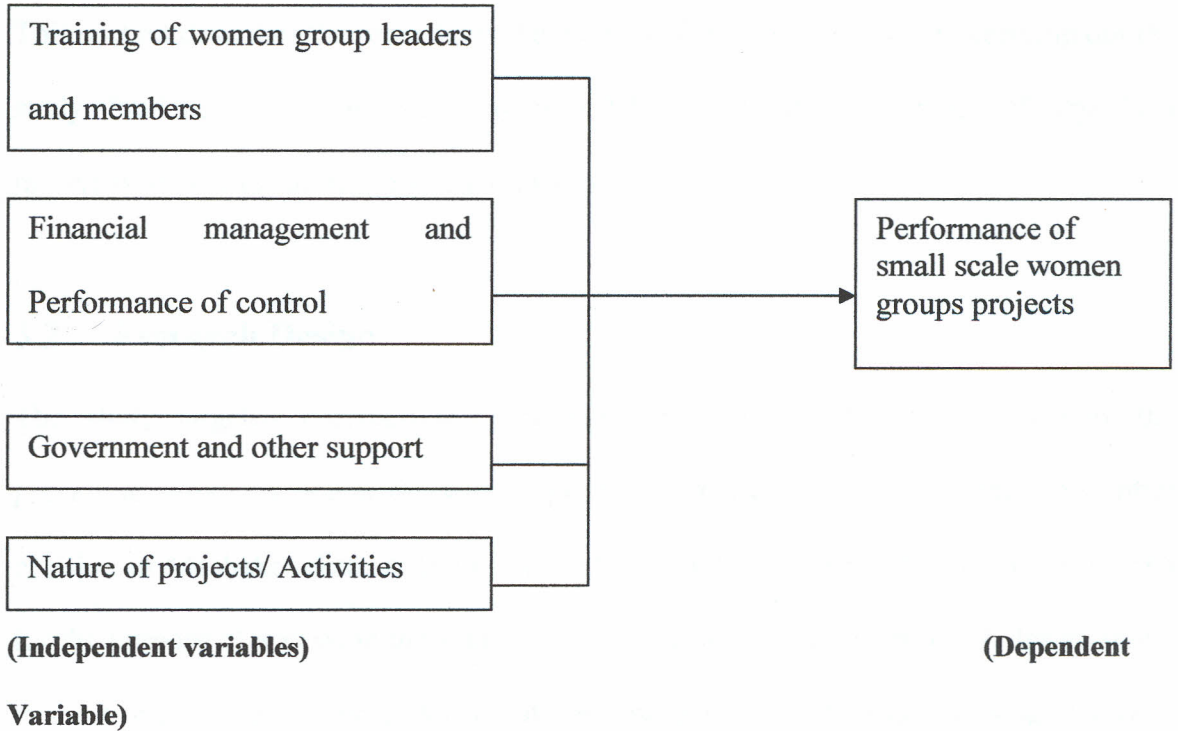
## **2.10 Summary and Gap to be filled by the Study**

From the studies sighted above, it is evident that training of women groups' leaders, and members, funds management and control has received considerable attention. The government and Non- government organizations support and nature of projects/activities has also been investigated. However there exists a gap focusing on the factors affecting the performance of small scale women groups' projects/activities in Kenya.

## 2.11 The Conceptual Frame Work

The variables of this study were as shown in the figure below

**Figure 2.1: Conceptual frame work**



Conceptual framework author (2006)

Factors affecting the performance of small scale women groups in Kenya were dissatisfied into four groups. The independent variable is trainings of women group's leaders and members, financial management and control, government and other support and nature of projects / activities. These will affect the dependent variable performance of small scale women group projects / activities.

## **CHAPTER THREE**

### **3.0 RESEARCH METHODOLOGY**

#### **3.1 Introduction**

This section describes the procedures that were used by the researcher in carrying out the study. Predominantly, the study was guided by the pre-determined list of objectives rationally sought to suit the problem on focus.

#### **3.2 Research Design**

The study targeted ascertaining information concerning what, why and how the prevailing situations within the women groups' entrepreneurial performance in Central division of Machakos district. In this respect, descriptive research design was employed for the purpose of accessing the study's general intent. Descriptive research design refers to a set of methods and procedures that describe the intended variables using statistical logic. It is the mainstay of research because it generally allows the researcher to make comprehensive inferences about the investigated variables in the target populations (Burns *et al*, 2000).

#### **3.3 Target Population**

The study's population of interest comprised of all the 630 members in 37 women groups in the Central division of Machakos district. However, the target portion constituted 40% of the general population. A list of all the women groups operating in the division was obtained from the district social and development office, in Machakos town. This target was appropriate as it represented a large number of active groups in the district.

The groups had variety of projects which they depended for their daily earnings. The table below shows how the target population was designed:

**Table 3.1: Target population**

<b>Category of Group</b>	<b>No of Members</b>	<b>Target Population</b>
Posho Mills	50	20
Poultry Keeping	160	64
Tree production	200	80
Water kiosk	120	48
Plots and rental Houses	60	24
Tailoring School	40	16
<b>Total</b>	<b>630</b>	<b>252</b>

**Source: social and Development office – Machakos**

### **3.4 Sampling Design**

The women groups were stratified into six categories or groups according to their of projects/activity. From each category target population, a sample ratio of 20% was selected randomly. The random sampling gave a samples size 50 women group members.

**Table 3.2: Sampling Design**

Category of women group	Target Population	Sampled Ratio	Sample Size
Posho mills	20	0.2	4
Poultry keeping	64	0.2	112
Tree production	80	.0.2	16
Water kiosk	48	0.2	10
Plot and Rental houses	24	0.2	5
Tailoring schools	16	0.2	3
Total	252	0.2	50

Source: SDO Machakos

### 3.5 Data Collection Procedure Instrument

Data were collected from primary source through the use of semi-structured questionnaires and interviews. The use of this instrument was advantageous because it required less man power and was conveniently cheap.

It also enabled the researcher to gather in-depth information on the phenomenon under investigation with a view to achieve the research objectives and answering the research questions. The methods were appropriate because they eliminated any bias or personal opinion on the respondents and also gave them ample time to fill the questionnaire.

### **3.6 Data Analysis**

The data collected from primary source were processed with aid of the Statistical Packaged for Social Sciences (SPSS) software. Descriptive statistics such as frequency table, proportions and percentages were used. The measures for the independent variable were determined by use of Likert scale, which ranked how strongly each independent variable affected the dependents variable.

### **3.7 Study Limitations**

The researcher encountered some intervening variables that partly hindered timely data collection and analysis. Most respondents were hardly able to understand the requirements of critical question items in the questionnaire, and this forced the researcher to be available all the time during the completion process. Other than this, a few questionnaires were not filled and returned in time due to suspected misconstruction of the intent of the study. However, this did not stop the researcher's progress as frequent repeats were instigated to ensure an average response rate.

## **CHAPTER FOUR**

### **4.0 DATA ANALYSIS AND PRESENTATION OF FINDINGS**

#### **4.1 Introduction**

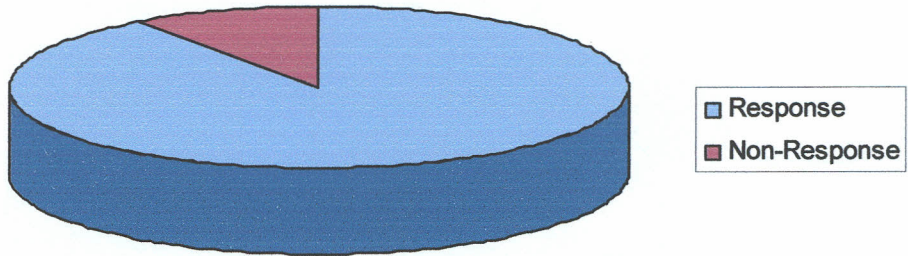
This section provides the main findings from the study in line with the pre-designed objectives which involved main variables in training, funding, external support and the nature of group activities. The findings are presented in graphical and table forms to facilitate quicker and easier understanding of the study's key concepts.

#### **4.2.0 Preliminary Information**

The study targeted accessing information from an aggregate 252 members of small-scale women groups in the Central division of Machakos district. The researcher distributed a total of 50 questionnaire copies to sample representatives, out of which 45 were completed and returned prior to final analysis. This represented a 90% response rate, which was regarded adequate to facilitate a valid analysis and reliable generalizations.

The pie chart below shows the study's response scale:

**Fig. 4.1: Study's Response Rate**

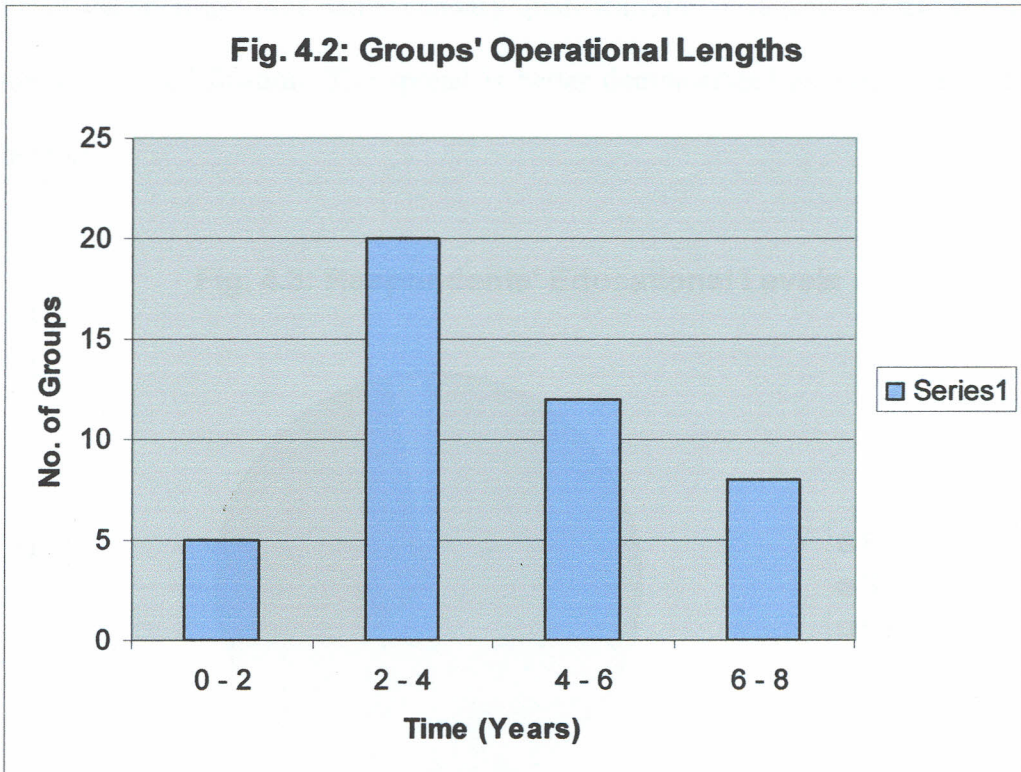


**Source: Research Data**

The unattainable 10% portion of target response was mainly due to lack of later respondent accessibility, open dearth of completion interest and little commitment to completion deadlines. However, this did not hinder generation of representative generalizations as the percentage was relatively insignificant.

#### **4.2.1 Groups' Years in Operation**

Different groups had been in operation for varied durational lengths as indicated in the bar chart below:



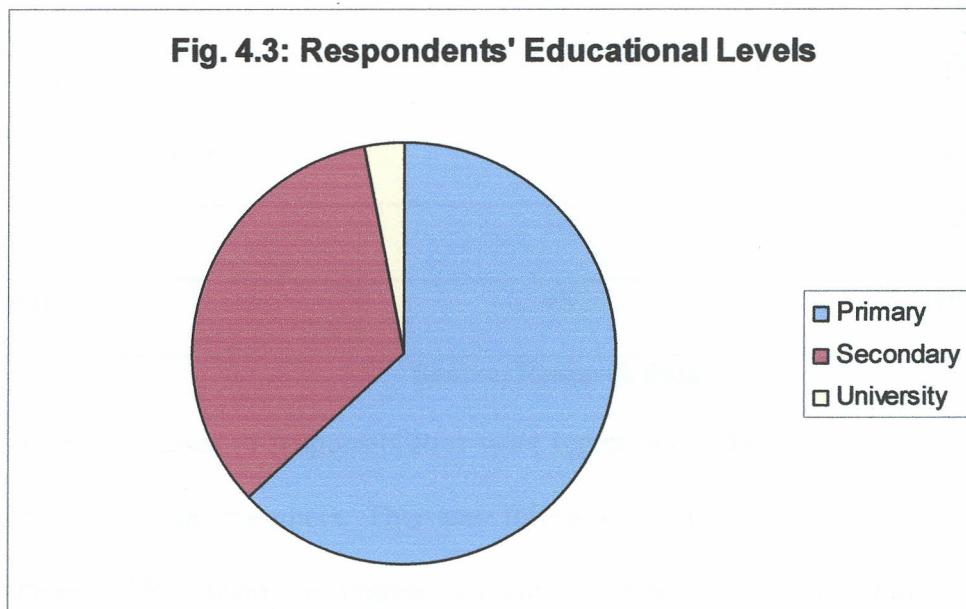
**Source: Research Data**

Most groups (44%) had a life operational length of between 2 – 4 years. This was followed by 27% of the groups who had operated between 4 – 6 years. In the remaining class of groups, 5% had a more than 6 years length while another 5% had the shortest duration of below 2 years. This mix of groups in terms operational lengths was quite essential in relating performance variables between groups of different operational cadres.

#### **4.2.2 Educational Levels of Members**

In relation to members' educational qualifications, only 30 responses were obtained; the rest 15 informants did not respond. Respondents were obliged to indicate their educational levels in the categories of primary, secondary, college and university.

From the findings 34% had secondary qualifications, 63% primary and a paltry 3% had university qualification. The spread is better demonstrated as indicated in the pie chart below:



**Source: Research Data**

The situation widely hinted that extra effort was needed to up-lift knowledge levels for the group members if performance was to be improved.

### **4.2.3 Respondents' Responsibilities**

In the quest of gathering information diversity, the researcher targeted respondents with different responsibilities in the groups. The ultimate pattern placed all respondents in five classes as shown in the table below:

**Table 4.1: Respondents' responsibilities**

<b>Classes</b>	<b>Number of Responses</b>	<b>Percentage</b>
Chairpersons	5	11
Secretaries	7	16
Treasurer	7	16
Committee member	8	17
Member	18	40
<b>Total</b>	<b>45</b>	<b>100</b>

**Source: Research Data**

Though all classes of responsibilities were represented, the majority (40%) respondents were mere group members. This was followed by a 17% contribution by committee members, 16% from secretaries, treasurers 16%, and chairperson constituted the remaining 11%. The different responsibility contributions signaled diversity in the quality of data collected.

### **4.3.0 Group Performance**

It was rational to primarily establish how the groups were performing prior to assessing the study's key independent variables. Critically, the researcher targeted the respondents' opinions on how their groups had performed towards goal-attainment, their strengths and weaknesses.

### 4.3.1 Respondents' Opinions on Performance

Various groups were rated differently by their study representatives. Notably, no response was obtained placing a group as a very poor performer. All responses spread from excellent performance to at least fair performance as shown in the table below:

**Table 4.2: Respondents' Opinion on performance**

<b>Rating</b>	<b>Reponses</b>	<b>Percentage</b>
Excellent	7	16
Good	16	35
Fair	22	49
Poor	0	0
Very poor	0	0
<b>Total</b>	<b>45</b>	<b>100</b>

**Source: Research Data**

It was found out that 51% of groups were at least good performers in the attainment of their target goals, while 49% were fairly placed in their performance. The least cluster partly did not attain their goals due to challenges regarding expertise and financial stability. Though slightly below average, the fairly classified groups needed urgent interventions in hedging part of their challenges if they had to compete and comply with the changing times of the economy and skill flexibility.

### **4.3.2 Groups' Strengths and Weaknesses**

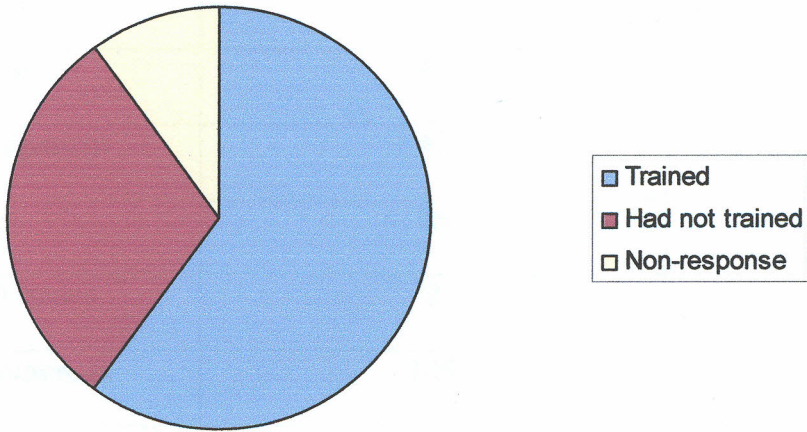
The target groups in the study were held together for a common purpose by different factors. However, the first five widely highlighted factors included leadership appropriateness, member autonomy, individual need to socialize and collectiveness, sharing of returns and high chances of winning external support. On the other hand, some weaknesses derailed the intended groups' progression. They included scarcity of inputs, geographical disadvantages and constrained formal training.

### **4.4.0 Training and Group Performance**

The concept of training is essential in organizational performance. It facilitates continuity in innovation and knowledge expansion. In the study, it was found out women groups in the Central division of Machakos district were sparingly not behind when training their members. About 60% of the respondents said that since joining hands in their respective groups they had once or more been sponsored for training sessions either within or outside their premises, while 30% mainly from newly launched groups had not undergone any training programmes. The rest 10% did not indicate if they had gone for any training while in the service of their groups.

The pie chart below demonstrates clearly on training differences:

**Fig. 4.4: Training and group Performance**



**Source: Research Data**

This was interpreted to imply that training was a key factor that was highly regarded and designed to improve groups' overall performance.

#### **4.4.1 Type of Training**

Different training packages were offered to different groups depending on demand through seminars, and workshops and open field days. The training materials were basically tailored to suit the expressed needs and simplified to the understanding of the audience, majority of who had not gone beyond the primary school levels. The different preferences for different training packages were as indicated in the table below:

**Table 4.3: Types of Training**

<b>Training type</b>	<b>No. of respondents Trained</b>	<b>Percentage</b>
Finance management	36	24
Record Keeping	40	27
Business Management	42	29
Customer care	25	16
Selected Legal Issues	2	4
<b>Total Responses</b>	<b>145</b>	<b>100</b>

**Source: Research Data**

The findings revealed that majority groups (29%) preferred training their members in business management issues, and 27% in record and book keeping. This first class preference was closely followed by a 24% interest in finance management and 16% customer-related trainings. The least preference was placed on selected legal issues that only saw 4% of the members trained by the community-based groups.

#### **4.4.2 Preferred Trainers**

The type and quality of trainers in community-based groups, characterized by deficient expertise in formal systems, are essential in determining success and continuity. Three categories of trainers were rated differently by different group members as demonstrated inn the following table:

**Table 4.4: Preferred Trainers**

<b>Trainers</b>	<b>Preference</b>	<b>Percentage</b>
Ministry agencies	1	02
NGOs	12	27
Successful Entrepreneurs	32	71
<b>Total</b>	<b>45</b>	<b>100</b>

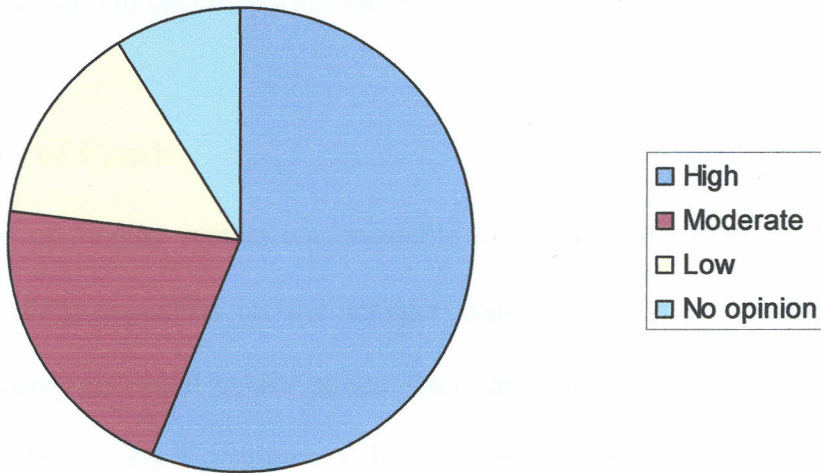
**Source: Research Data**

Most women groups highly preferred accessing training from successful village entrepreneurs (71%). The main reason underlying this was due to their easy accessibility and willingness to disseminate information to fellow residents. NGOs (27%) were relatively lowly preferred due to their dismal availability in the women groups' jurisdiction. Though ministry agencies were better placed to offer the training facilities required, they were least preferable because of their complexity in accessibility and formality.

#### **4.4.3 Effect of Training on Performance**

With all the varying positions regarding training in the women groups, respondents pointed out that group performance had greatly been affected as a result of individual increased effort and experience. Group members categorized the training impact differently in relation to their group's performance competence within the district. The different ratings are as indicated in the pie chart below:

**Fig. 4.5: Impact of Training on Performance**



**Source: Research Data**

A large portion (60%) of the respondents felt that much had been attained as a result of training on significant issues regarding group management, 21% suggested moderate impact, and 14% implied low impact while 9% did not have any idea on how training ideals had assisted their groups to attain their goals. This ultimately signified the need for advanced but tailor-made training programmes for the women groups on the basis of their primary and dependent activities.

#### **4.5.0 Funds, Its Management and Control**

Among the critical factors that determine organizational efficiency and effectiveness, financial resources and their control mechanisms vitally affected companies' liquidity and capital budgeting decisions. Additionally, sources of the intended funds and adequacy also played a complimentary role.

Key financial issues assessed among the target groups involved how they accessed the initial and subsequent funds, adequacy of the funds in sustaining the groups, funds management and funds impact on performance.

#### 4.5.1 Sources of Funds

A limited scope of funding system was available to the women groups in the division. Predominantly, they depended on the meager contributions from members through monthly and merry-go round subscriptions, and partly on sales. Non-Governmental Organization (NGOs) and Constituency Development Funds (CDF) provided some assistance but not to satisfaction of all groups in the division.

**Table 4.5: Women Groups' Sources of Funds**

Source	Response	Percentage
Bank loan	0	0
Members' subscription	45	100
CDF	12	27
NGOs	8	18
Sale of Products	45	100

**Source: Research Data**

All the women groups mainly depended on earnings from their products (100%) and members' contributions (100%). However, it was evidently noted that these sources were not sufficient in making the groups self-reliant. As a result some groups sought aid partially provided by the CDF kitty (27%) and Non-Governmental Organizations (12%).

This situation could be interpreted to mean that women groups in the division hardly accessed enough money to efficiently boost the groups' performance.

#### **4.5.2 Adequacy of Funds**

Based on frail and somewhat unreliable sources of operating funds, there was a unanimous resentment on if funds were adequate. All the groups deserved more resources than they had available on the reason that they still had unaccomplished mission of diversifying their businesses into more profitable ventures. Further, it emerged that returns on capital were entirely minimal due to limited range of operational inefficiency orchestrated by lack of adequate funding.

#### **4.5.3 Management of Available Funds**

A range of over-simplified methods were adopted by all groups in the management of available funds. All the secretaries were obliged to receive and maintain records of funds collected from members and outside sources. The funds were then put under the custody of the treasurer who together with other signatories deposited money in the local bank branches. Planning was considered critical before committing the group funds. However, the plans were not frequently audited by any external professionals prior to implementation. The reason given to this was unavailability of willing professionals and huge costs incurred. Despite this, most groups had internal auditors who were tasked with appraising funds utilization, while others fully relied on the knowledge of their leaders in managing and controlling the finances.

An aggregate of 74% respondents well understood the role of efficient management and control of funds in improving overall performance. The rest did not see the need of seeking knowledge in managing and controlling the funds usage. With respect to how well the funds were managed in their groups, the respondents gave different ratings as demonstrated in the table below:

**Table 4.6: Management of Available Funds**

Rating	Responses	Percentage
Excellent	4	10
Good	24	53
Fair	15	33
Poor	2	4

**Source: Research Data**

There were mixed reactions as to how funds were managed in the groups. 10% of the respondents rated their groups’ managers as excellent, 53% as good, 33% as fair and, though minimal, 4% of them opined that the managers were grossly incompetent in managing their resources. There was need to work with the lower 90% of the groups so that their finance management was improved to the same level of competition with the top 10% groups in the division.

**4.6.0 Government and NGOS Support**

In any organization, external support in vital undertakings is necessary to ensure n organization’s continuity and diversification.

The researcher assessed if the women groups had access to the external support through government and NGOs and how this affected their overall performance.

#### 4.6.1 Government Support

The government of Kenya through the ministry of gender and sports, and the CDF programme partly supported the groups. In fact all the 81% of the groups had almost direct access to the two agencies and had received funds once or more times, while the rest 19% frequently sought the help but did not meet the qualification criteria. However, it was noted that due to high level unpredictability and long chains of formality, most groups did not count on government as the main financing partner in their operations. Moreover, since inception of government aid the maximum amount a group had ever received in the division was Ksh. 20000. Different agencies in the government were rated differently by respondents on how they would influence the performance of women groups.

**Table 4.7: Agencies' Role in Influencing Groups' Performance**

Agency	High	Moderate	Low	No Opinion
Ministry of Gender	40	52	8	0
Legislation	63	30	7	0
CDF	67	28	5	0
Office of President	31	63	6	0
Ministry of Education	27	41	30	2

Source: Research Data

From the respondents' views, legislation unit of governance (63%) and CDF (67) were the highly rated agencies to influence women groups and issues in the division. Ministry of gender (40%), office of the president (31%), and ministry of education (27%) were either moderately or lowly rated. This implied that women groups were in urgent need of proper law and efficient utilization of resource meant to develop communities.

#### **4.6.2 Non-Governmental Organizations (NGOs) Support**

Internationally recognized NGOs were hardly on ground to help women group design and implement their operational strategies. Most of the NGOS that were operating in the region were locally initiated and lacked sufficient funds to run large-scale operations and hence did not satisfy all the interested parties. Respondents argued that they did not have automatic access to big NGOs due to 'adverse' requirements of writing proposal and business plans before they would be funded. This showed deficiency of critical knowledge issues in the management of the groups; a case that would have been addressed through tailor-made training and practice.

#### **4.7.0 Nature of Activities**

This last part aimed at appraising the effectiveness of the activities performed by the women groups. It involved asking on overall perceptions on group performance and market position, improvement of activities' potential, market accessibility and continuity, and general factors that influence group performance.

### 4.7.1 Group Performance and Market Position

Respondents were asked to generally comment and categorize the performance of their groups towards goal attainment. Different responses were given as shown in the table below:

**Table 4.8: Groups' Performance and market Position**

<b>Performance level</b>	<b>responses</b>	<b>Percentage</b>
Good	7	16
Average	32	71
Poor	6	13
<b>Total</b>	<b>45</b>	<b>100</b>

**Source: Research Data**

A paltry 16% suggested that their groups' performance was good and all the rest 84% either placed their performance at average or poor levels. In terms of market size, respondents thought that their groups were either medium (47%) or small (53%) in relation to local competition, but very small (100%) in relation to national level.

### 4.7.2 Improvement of the Projects' Potential

Despite the fact that most informants had placed their groups' operations at 'good' level, they unanimously admitted that some critical aspects were necessary to further improve the groups' performance.

The four mainly identified ones included: individual commitment to group ideals; soliciting more external support; agitation for women group legislation and involvement of professional partnership in the management of the community-based groups.

### **4.7.3 Market accessibility and Continuity**

The respondent women groups sold their products (poultry, tree seedlings, water, land and plots, textile materials and flour processing) directly to clients without passing them through middlemen. They opined that middlemen would not be relied upon and that they made the process longer and tedious than clients wanted the services. Additionally, each member wanted to be fully involved in the daily operations of the organizations and not delegate to non-subscribers. On business continuity, no group showed interest of termination; they all felt completely attached to their groups and preferred continued progression. Market competition was rife but not to the extent of elimination or employing unethical practice.

### **4.7.4 General Factors that influence Group Performance**

The study closed with an evaluation on the main variables in relation to how they impacted group performance. On a 5-point Likert scale, different views were collated and their mean score and standard deviations calculated as shown below:

**Table 4.9: General Factors on Group performance**

<b>Factor</b>	<b>Mean Score</b>	<b>Standard Deviation</b>
Training	4.8	0.31
Funds Management and Control	4.1	0.48
Government and NGOs	4.0	0.93
Nature of Projects/Activities	4.3	0.84

**Source: Research Data**

All the four factors were placed highly in affecting women groups' performance. Training (4.8) was placed first with minimal disparity among the respondents (0.31). This was closely followed with the nature of activities/projects (4.5) though with a relatively higher deviation (0.84). The other two factors, funds management and control (4.1) and government and NGOs support (4.0) had disparities of 0.48 and 0.93 respectively. Thus, all the four factors significantly affected the overall groups' performance in the Central division of Machakos district.

#### **4.8 Qualitative Analysis**

The study questionnaires involved question items which sought respondents' widened views or suggestions pertaining pertinent issues in the problem area. On overall performance they were asked to explain the factors that influenced their goal-realization trends. From the widely dispersed responses, the mostly referred to reasons included quality knowledge on field activities, availability and appropriate usage of funds, marketability of produce and efficiency in general group management.

With regard to training, it was highly preferable to design programmes that emphasized on overall management and technical applicability. Training impacted on personality since it made members feel adequate for the challenges that they faced, and were able to decide on their future operations. On this basis, it was rational to outsource qualified and technically competent resource persons to direct the groups as required.

Dearth of quick accessibility of funds also inhibited diversification and competition among the groups. This was explained to be a result of lack of collaterals, absence of NGOs within the locality, constrained government support and limited return ratio. Based on this limitation, members felt that appropriate women-group recognition through legislation would provide the urgently required solution. Further, they longed for downward flow of funds meant for them without unnecessary stagnation.

Finally, it was argued that marketability of the products was hindered most by poor market positioning, inaccessibility and irregular continuity. These hindrances would be solved if appropriate mechanisms were in place to assist the groups produce continuously, promote their products and create effective market segments to be served by the groups.

## **CHAPTER FIVE**

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

#### **5.1 Introduction**

This section focuses on the study findings' summary based on the predetermined research questions, study's major conclusions, ultimate recommendations and the identifiable room for further studies.

#### **5.2 Summary of Findings/Answers to Research questions**

The Central division of Machakos district in Eastern province was dominated by community-based women groups, whose main activities included tree planting, water projects, flour processing, textile design, buying and selling plots, and poultry farming. The groups were managed by three executives – chairperson, secretary and treasurer – on a rotational basis, which ensured that fairness and dynamism were incorporated.

At the local competition level, the women groups were highly rated but performed poorly in the national level. This was mainly suggested to have resulted from limited potential in terms of financial resources, minimal support from external partners and low-level knowledge in technical aspects of the main activities. Though, most groups seemed satisfied with what they had attained and were encouraged to maintain the standards without much intent to diversification.

The majority of the members in the groups (63%) had basic education of up to primary level; only 37% of the group members had post-primary qualifications. This potentially limited their perceptual capabilities in strategy design, implementation and sustainability. However, a total of 60% members had undergone some training either within or outside their business enterprises; 30% especially from newly launched groups had not accessed any training.

Despite the fact that remedial and tailor-made training sessions were conducted for the members, the providers were not well resourced; predominantly, successive entrepreneurs from the locality (71%) were consulted to provide such important and highly technical skills. This greatly inhibited the group resources' productivity and constrained innovation to a smaller scope. Some of the offered training programmes included business management, record and book keeping, customer care, selected legal studies and field practice. All these were administered through seminars and workshops, and open field days.

Concerning the impact of training on group performance, a large portion (60%) of the respondents felt that it was vital for members to undertake training on how to run their ventures into profitability. This was followed by those, 21%, who felt that training itself only had a moderate impact, while the rest 19% thought that training employees was a misdirection of resources.

Groups' funds sources were also a serious challenge that needed attention: the two main sources of funds were members' subscriptions (100%) and return from daily sales (100%). Support from CDF and NGOs stood at 27% and 18% respectively, while bank loans were completely not part of the sources. Evidently, this situation curtailed the members' potential in making major investment decisions and hardly diversified their operations into other areas of bigger returns. The presence of government support and Non-governmental organizations was too remote to assist in quicker growth and large-scale production. Not even a single group had accessed bank loans for the reasons that touched on lack of collaterals, lack of knowledge on how to apply and poor strategy that hardly attracted bank interests. Regardless of the investment size, the group members felt that their resources were well managed by those appointed to the executive positions.

Given the groups' situation of resources scarcity, external partners were of urgent need to up-lift the groups' diversification targets. However, this was not broadly available; some groups had access to the government agencies but received low-key support that would not translate into solid returns. From the government, the women groups mainly wanted appropriate legislation on groups financing and incorporation into formal programmes (63%), and efficient usage of available resources meant to benefit the community-based projects, such as the CDFs (67%). On the side of NGOs the ones that were available also had the disadvantage of diseconomies of scale and would not extend any support to the women groups.

Despite the fact that the groups had shown satisfaction with the already initiated performance standards, they further demonstrated that more was needed to boost their endeavors and create extra expectations. Among the intentions to boost the quality of the projects and activities included agitation for women legislation, self-commitment to group ideals, soliciting for more external financial support and involving expatriates in the management of the groups and enterprises. The products and services that the groups produced for the market reached their target clients through direct interaction without any involvement of middlemen. Members preferred an all-time-hands-on management styles and none wanted to be excluded from the daily operations and running of the enterprises.

### **5.3 Study Conclusion**

Well focused training programmes, adequacy of operational funds, availability of external funding support and the nature of projects or activities performed by the women group enterprises greatly affected the overall performance of the groups in their key operational scope. Training would be of greater impact if professionals and curricula developers were frequently involved. Additionally, a broader scope of training methods and interactions determined the members' motivation to undertaking programmes within their capacity.

Other than training, funding of group activities was of urgent need to make them vibrant and profit-making. This required the involvement of community based NGOs and government agencies that dealt with rural development.

Legislation on women agenda and appropriate usage of available resources meant for community development were regarded top in providing long-term solution to the challenges that affected Machakos women groups.

Ultimately, the nature of activities that women groups were involved in affected the enterprises' product/service marketability and operational continuity to the extent every person wanted endless involvement. However, some efforts were deficient in facilitating the critical role of qualified middlemen and promotional ability to increase sales and broaden market share.

#### **5.4 Recommendations**

It was noted that though training was offered to members of the different groups, the curricula were not well focused and standardized. Also, the trainers were not adequate in disseminating the intended and required information. To solve this situation there was need for the regional planners and development partners to design a well-structured and standardized curriculum based of realism and returns.

Since external financial support was highly influential in broadening the investment of enterprises, it would be necessary for the women groups to seek serious development partners to finance their operations and direct their performance to acceptable status. Moreover, the Kenyan government needed to intervene and support the groups if the intent of women empowerment was to prevail.

Lastly, for the groups to fully compete and not limited to a smaller operational scope, the responsible partners have to find an entry point that would boost the overall nature of projects and activities. This should target initiating appropriate promotional strategies for the women products/services, involvement of qualified middlemen to facilitate reaching wider markets, and quality designers to consistently evaluate competitiveness of the products.

## **5.5 Suggestions for Further Research**

This research predominantly dwelt on factors that affected overall performance of the women groups within Central division of Machakos district. Despite the study's findings, more should be done on other related critical areas such as translation of strategy into practice and women's preparedness for catastrophe or any other risk that may negatively impact their operations. In addition, funding strategies - either through bank loaning or revolving funds - should be well researched and put into practice to assist communities meet at least minimal levels of human satisfaction. Finally, effort is required to investigate how to prepare the general operational environment in order to boost and motivate all kinds of entrepreneurs regardless of gender differences within Kenya.

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**APPENDIX I**  
**QUESTIONNAIRES**

**Section A: General Questions**

1. Name of women group:.....

2. Sex            Male [ ]            Female [ ]

3. Years of operation of the women group

0-2    [ ]

2-4    [ ]

4 - 6    [ ]

Over 6 [ ]

4. Number of members of the women groups .....

5. Activity/project done by the women group.....

6. Education level of the respondents

Primary    [ ]

Secondary [ ]

College    [ ]

(c) University [ ]

Others:.....

7. Position of the respondent in the women group

Chairperson

Secretary

Treasurer

Committee members

Member

**Section B: Performance**

1. How has been the performance of the women groups since it started? (a) Excellent

Good

Fair

Poor

Very poor

2. What are the general influence or contribute to this performance?

.....  
.....

**Section C: Training**

1. Have you ever had any training since you started your group?

Yes  No

2. If yes, what type of training?

Finance management

Record keeping

Administration

Business management

Customer management

Other please explain

.....  
.....

3. If yes, who trained you?

Government officials

NGOS

Others (Specify):.....

4. Do you think training affect performance of your business?

Yes  No

5. Which area do you require more training?

.....  
.....

### **Section D: Funds and Its Management and Control**

1. How did you acquire funds to start you business?

Loan

Members' savings

Family assistance

(d) Other .....

2. Do you have adequate funds for running and expanding your business?

Yes  No

3. Do you think funds and its management and control affects the performance of your business?

Yes  No

4. Suggest what you think need to be done on funds to improve performance in your business.

.....  
.....

5. How would you rate funds management and control of groups' funds in your Women group'?

Excellent  Good  Fair  Poor

6. Do you think funds and its management control affect performance of your business?

Yes  No

### **Section E: Government and NGOs Supports**

1. Have you ever received any government support in your business?

Yes  No

2. If yes, explain:

.....  
.....

3. Do you think the government support affects the performance of your business?

Yes  No

4. How are the license and other regulation procedure?

.....  
.....

5. Do you think legislation regulation and license affect performance of your business?

Yes  No

6. Suggest what you think could be done by the government and NGOs to support you business.

.....  
.....

### Section F: Product Marketability

1. How do you rate the overall marketability of your products?

Good  Average  Poor

2. In your own view, what can be done to improve the nature of the market to expand your activities?

.....  
.....

3. Through what means do you market your goods and services?

Direct selling

Use of middle-men

Collective promotion

Others (Specify):.....

4. Are there other groups that compete with you in the market?

Yes  No

Please explain if they are better placed than you.

.....  
.....

5. What strategies do you have in place to expand your existing market?

.....  
.....

6. Identify the main challenges that hinder from fully accessing the utilizing the available market for your products.

.....  
.....

## **APPENDIX (II)**

### **WOMEN GROUPS IN CENTRAL DIVISION OF MACHAKOS**

#### **DISTRICT**

1. Township
2. Ndua
3. Kamina Ngui
4. Kvemutheke
5. Mikuyu
6. Kveni kya Mwania
7. Kalumoni
8. Tuminethina
9. Nthungi
10. Kamuo
11. Masaverii
12. Itangini
13. Kitanga
14. Kathese
15. Kusvomuomo
16. KwaMukonzo
17. Kyanguti
18. Waamani
19. Maendeleo

20. Kamuthange
21. Mua Catholic
22. Katheka Kal
23. Mwanzo mpya
24. Mbembani
25. Woni
26. Salvation army
27. AKaNdiwa
28. Kyanguti
29. Ngwatanio Nzeo
30. Mbukilye ngukilye
31. Kamuthanga B
32. Maanzoni
33. Kaminathina
34. Kathome
35. Miwani
36. Nzoweni
37. Ttambon

APPENDIX (III)



Source: Machakos development plan (1997 – 2001)

# APPENDIX IV

## TIME PLAN

WEEKS

	1	2	3	4	5	6	7	8	9	10	11	12
A	■											
B		■	■	■	■	■						
C			■	■	■	■	■					
D				■	■	■	■	■	■	■		
E										■	■	
F												■

### KEY

A: Pilot Study

B: Actual Data Collection

C: Data Organization and Presentation

D: Data Analysis

E: Report Writing

F: Editing and Submission

## APPENDIX V

### BUDGET

	<u>Kshs.</u>
Stationery	6,500.00
Traveling and Subsistence	4,800.00
Telephone and Postage	3,000.00
Research Materials	4,500.00
Other Costs	<u>6,000.00</u>
<b>Total Costs</b>	<b><u>24,800.00</u></b>

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