Partnership Management Strategy for Sustainable Performance of Self Help Groups in Uasin Gishu County, Kenya

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Abstract
The study sought to establish effects of partnership on performance of self help groups in Uasin-Gishu County. This study adopted a cross-sectional descriptive survey research design. The study specifically targeted rural SHGs. The mathematical sampling approach given by Miller and Brewer was used. The study used questionnaires, interviews and secondary data. The data was analyzed using descriptive statistics. The study established that the groups are in partnership with other groups/ organizations. The major partners are; government agencies, banks and MFIs. Groups have business collaborations with different partners; these service providers assist the members through raising awareness on business management. The partners also offer financial support and training progammes to the self-help groups. The members get new ideas by interacting with other groups, which assist in improving income which enable the members to repay the loans. Correlation analysis indicated a significant positive relationship between partnership and SHGs performance.
Key words: Partnership, Management, performance, self-help groups

1.0 Introduction

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

Dale (2008) points to projects and programmes with extended networks and relationships, both with local communities and across government agencies, as evidence of sustainable development, this therefore points out that it's not possible for organizations to operate sustainably in isolation .

The government in its effort to strengthen these grass root institutions and also level the playing field so that the poor woman can also contribute to the country's economic growth, it has initiated Women and Youth enterprise fund (Uwezo fund). These funds are channeled through SHGs to boost the entrepreneurial activities. Other organizations such as N.G.Os and financial sectors have been attracted by its strong grass root network and their well knitted structures. According to Supriya (2012) Other agencies are currently working closely with SHG's to provide them with a good entry point to the community and a smooth ride in delivering their services .Despite its positive impact not only to individual and community in Kenya, but also to the government and banks there is scanty information to substantiate its impact. Thus this study therefore tries to assess whether participation in SHG by other agencies can be used as a strategic tool for the sustainability of the SHGs.

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

SHGs might be faced with difficulty when they are investing in strategic resources and creating capabilities due to their economies of scale, limited resources, professional expertise, and size implications (Hoffmann & Schlosser 2001). Hoffmann and Schlosser (2001) suggest that the solution might lay on alliances with other firms and institutions to reach enough dimensions to have the advantages of being large and to preserve the advantages of being small in terms of flexibilities, specializations, and cost reductions. They can have more advantages over their larger counterparts that are entrepreneurial dynamism, multifunctional management, less bureaucracy, internal flexibility and short-term re-orientation, relationship with customer, receptive to technical and market shifts, and responsiveness to changing circumstances (Scozzi, Garavelli & Crowston 2005; Zhu,

Wittmann & Peng 2011).

2.0 Theoretical and Empirical review

The study adopted empowerment Theory by (Fawcett et al., 2005). The theory postulates that the processes that influence performance of groups that share similar ideologies, empowerment theory is very important in understanding the dynamics of groups at the grass roots level in building their capability, cooperation at the native level. Empowerment theory suggests that grass roots self help groups (SHGS) empower their members' organizations to collaborate effectively and build the social capital to foster their development agenda. the theory focuses on varied factors that facilitate or impede performance of SHGs; such factors includes; democratic participation, understanding ways in which of exploiting their surroundings, collaboration to boost access to resources, and empowerment of the members (Perkins and Zimmerman (2005). Fawcett et al., (2005) developed a model of community empowerment through SHG initiatives and a framework for the method of empowerment in cooperative partnerships.

The SHG model, within the sort of the SHG-Bank Linkage Programme (SBPL) was initiated within the early 2000s by the National bank for Agriculture and Rural Development (NABARD). Consistent with Jonathan and Barbara (2002) aid cluster linkage relies on the principle of 'savings first'. These savings don't seem to be solely the way of making cluster commonality and testing people's temperament often to save some money aside, however they additionally produce a loan fund from that the group will borrow. Groups unremarkably comprise of 15-20 women. Their savings and also the accumulated interest the members charge themselves on loans could even create it gratuitous for the cluster to borrow from outside the least bit. Peer-pressure replaces ancient guarantees, like references and assets or collateral. the present network of government banks was controlled to link the SHGs to credit channels, and having incontestible the money success of this endeavour, private banks are progressively venturing into the sector (Jonathan and Barbara, 2002).While ideally, once members have managed to create up their assets, they ought to be ready to operate individual accounts; this is often not continually the case. Critics of the SHG movement argue that poor individuals, given the selection, like a private service and also the simplicity of a reliable distributor managing the records, instead of seizing the side responsibilities and risks of running their own mini-financial establishment (SHG).

Several studies have checked out participation in community based groups and different sorts of social capital. Within the Philippines, Godquin and Quisumbing (2006) found that asset-rich, higher educated, closer-to-town households were a lot of doubtless to participate in SHGs and have larger social and economic help networks. Though there wasn't a big distinction within the variety of groups during which men and women participated, the sort of groups was considerably totally different between men and womem. Men cared-for be part of burial and production groups, whereas ladies were a lot of doubtless to participate in welfare groups.

In Uganda, Katungi et al. (2006) found that social capital is incredibly necessary for information exchange. Social capital was measured in terms of happiness to associations, civic engagement (reading a newspaper, being attentive to radio), and attending social events like weddings and marketplaces. They showed that male-headed households have higher access to social capital, and cared-for use civic engagement and social events over female headed households. Whereas male-headed households had larger social networks, there have been no variations between male- and female-headed households on "weak ties" the relatives and friends from their social networks outside the sub-county. Female-headed households engaged less typically in information exchange. Finally, the researchers showed that men and women had associate equal propensity to affix groups, and therefore groups ought to be used for information diffusion.

Place et al. (2002) examined the performance of rural Groups in African countries. They gave empirical proof relating to varied hypothesized informative factors for organizational performance levels. They found that Self helps groups are dynamic, seizing new comes and abandoning others. They also found that women tended to join groups in order to purchase household items or for social insurance, while men often joined to gain market access or as a coping mechanism. Found that men and women engage in similar activities except for totally different reasons. The extent of participation is additionally totally different for men and women.

3.0 Methodology

Research design

This study adopted a cross-sectional descriptive survey research design. It involves collecting data in order to answer questions concerning this study. This design was justifiable because it compares the quantitative reasoning of a sample. In addition the design, by the virtual of being cross-sectional, gives a representation of the whole population with minimum bias. Moreover descriptive survey makes standardized measurement more precise by enforcing uniform definitions upon the respondents.

Target population

A population consists of a group that share common characteristics from which individuals or units of analysis are then chosen out of the population for the study (Fox and Bayat, 2007). The study targeted all registered SHGs in

rural areas in Uasin-Gishu County. The study specifically targeted rural SHGs because they face many challenges; retrogressive cultures, poverty and lack of empowerment among others which affects the performance and sustainability of SHGs.

Sample and Sampling Techniques

This study used stratified random sampling technique. Stratified random sampling is a modification of random sampling in which the population is divided into two or more relevant and significant strata based on one or more attributes (Saunders, et. al., 2007). The advantage of stratified sampling is said to be its ability to ensure inclusion of subgroups, which would otherwise be omitted entirely by other sampling methods because of their small number in the population. The sampling frame of SHG members who have been involved for at least five years were selected through stratified sampling technique. The list of registered SHGs was obtained from the respective District Social Services department. Among the listed SHGs, those whose maturity are at least five years and are situated in rural areas were purposely selected for impact assessment, as it is believed that SHGs with less than five years of maturation do not have impact on members. The study used the mathematical approach in the determination of the sample size for the research. The mathematical sampling approach given by Miller and Brewer (2003) that was used is stated as:

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

Where n = sample size

N = Sample frame

α = margin of error

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

Using a confidence level of 92%,

n=647/1+647 (0.08)2

n=647/1+4.813

n= 126

Data Collection Instruments

The study employed the use of structured and open-ended questionnaire with selected members from each group, various SHG documents was analyzed and data regarding group meeting attendance, individual savings and loan, and the general performance of the SHGs were gathered.

Questionnaire

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

Secondary Data

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

Validity

To ensure that the information that is collected from the field is accurate and reliable, there was need to determine validity of the instruments. Two supervisors and one departmental lecturer with relevant skills in the field of study assessed the content and face value of the instrument and gave feedback. The feedback obtained was incorporated in the final instruments before the actual study

Reliability

The researcher carried out a pilot study to test the research instruments. According to Cooper and Schindler (2003), the pilot group can range from 10 to 15 subjects depending on the method to be tested but it does not need to be statistically selected. The researcher randomly selected 20 SHGs in Nandi County to test the reliability of the research instruments. The reliability of the instruments was tested using Cronbach's alpha, which were found to be 0.83, which indicated that the instruments were reliable. Nunnally (1978) recommends that instruments used in basic research should have reliability of about 0.70 or above.

Data analysis

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

4.0 Findings

Effects of Partnership strategy on performance of SHGs

The study sought to determine the role of partnership strategy on the performance of SHG's in Uasin-Gishu County. From the study, majority of the respondents 87% agreed that their group is in partnership with other groups/ organizations, as shown in figure 1.
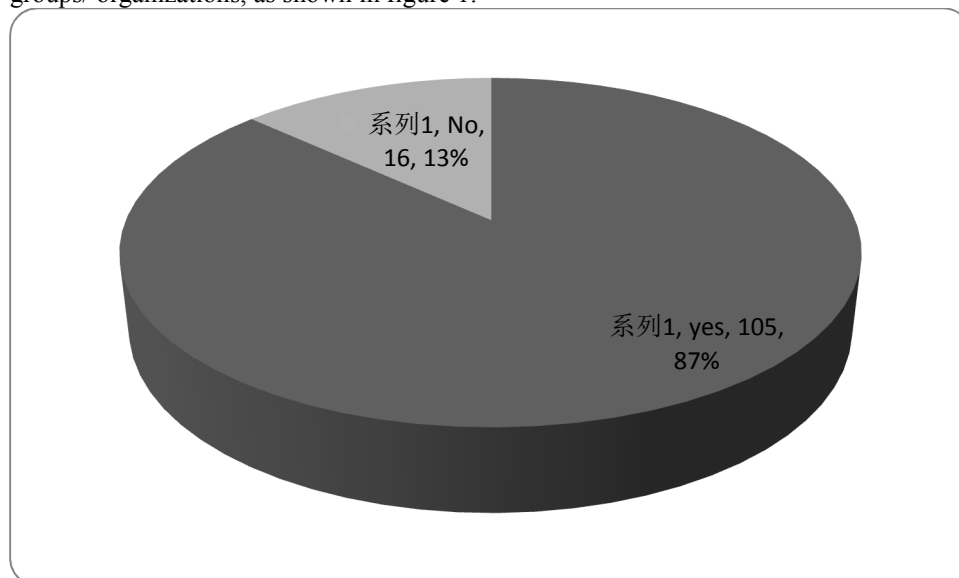

Figure 1: Partnership with other organizations

Most of the SHGs are in partnership with the government 82(67.8%), 11(9.1%) partner with banks, while 28(23.1%) have partnered with MFIs, as indicated in table 1.

Table 1: Organizations partnering with SHGs

	Frequency	Percent
Government	82	67.8
Banks	11	9.1
MFI	28	23.1
Total	121	100.0

Majority of the respondents 98(81.0%) access loans, 5(4.1%) access loans twice a year, while 16(13.2%) access loans on monthly basis, as indicated in table 2.

Table 2: Frequency of accessing loans

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

Most respondents 47(38.8%) received loans amounting to between 21,000 – 40,000, 23(19.0%) received loans below 20,000, 26(21.5%) receive loans between 41,000 – 60, 000, 15(12.4%) receive 61,000 – 80,000, while a small proportion 3(2.5%) access loans above 100,000, as indicated in figure 2.

Figure 2: Amount of loans obtained

Effects of Partnership strategy on performance of SHGs

The study further established that the groups have business collaborations with different partners, as indicated by 27.3% strongly agreed and 21.5% that agreed. These service providers assist the members through raising awareness on business management, as evident by 24.8% of respondents who strongly agreed and 22.3% who agreed. The partners also offer financial support to the self-help groups as indicated by 24.8% who strongly agreed and 26.4% that agreed. On statement that the service providers assist the group in Training programmes, 20.7% strongly agreed and 33.9% agreed. However, most of the respondents indicated that financial support received from the partners is not adequate for the group's operations, since 18.2% strongly disagreed and 31.4% disagreed.

The study established that the members get new ideas by interacting with other groups, as indicated by 42.1% of respondents who agreed and 19.0% who strongly agreed. On statement that the networks and linkages among partnerships improve income which assists the members to repay the loans, 33.1% strongly agreed and 19.0% agreed. The collaborating with other partners encourages others to join the group, as indicated by 25.6% of respondents who strongly agreed and 30.6% that agreed. The above information is presented in table 3.

Table 3: Response on Partnership strategy

Statement		SD	D	N	A	SA
The group has business collaborations with different partners	F	15	33	14	26	33
	%	12.4	27.3	11.6	21.5	27.3
Service providers assist the members through raising awareness on business management.	F	27	28	9	27	30
	%	22.3	23.1	7.4	22.3	24.8
Government agencies and other supporters offer financial support to the self-help groups.	F	21	33	5	32	30
	%	17.4	27.3	4.1	26.4	24.8
The service providers assist the group in Training programmes	F	13	35	7	41	25
	%	10.7	28.9	5.8	33.9	20.7
Financial support received from the partners is adequate for the group's operations	F	22	38	7	32	22
	%	18.2	31.4	5.8	26.4	18.2
The members gets new ideas by interacting with other groups	F	17	25	5	51	23
	%	14.1	20.7	4.1	42.1	19.0
The individual members can now access one stop shop of service providers	F	19	32	15	30	25
	%	15.7	26.4	12.4	24.8	20.7
The networks and linkages among partnerships improves income which assists the members to repay the loans	F	15	29	14	23	40
	%	12.4	24.0	11.6	19.0	33.1
The collaboration with other partners encourages others to join the group.	F	16	20	17	37	31

Correlation analysis

Correlation analysis was conducted to establish the relationship between the independent variable and dependent variable. There was a relationship between partnership strategy and performance of SHGs (r = 0.820, p = 000).

Table 4.13: Correlation results

Variables		SHGs performance
Partnership strategy	Pearson Correlation	.820**
	Sig. (2-tailed)	.000
	N	121

Conclusions

The study established that the groups are in partnership with other groups/ organizations. The major partners are; government agencies, banks and MFIs. Groups have business collaborations with different partners; these service providers assist the members through raising awareness on business management. The partners also offer financial support and training progammes to the self-help groups. The members get new ideas by interacting with other groups, which assist in improving income which enable the members to repay the loans. Correlation analysis indicated a significant positive relationship between partnership and SHGs performance.

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