

**INFLUENCE OF FINANCIAL LITERACY TRAINING SKILLS ON FINANCIAL
PERFORMANCE OF EQUITY BANK TRAINED WOMEN SELF HELP
GROUPS IN MACHAKOS TOWN**

CHARITY NTHAMA MBERIA

**A Research Project Report Submitted in Partial Fulfillment of the Requirements for
the Award of the Degree Master of Business Administration (Finance Option) of
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DECLARATION

I understand that plagiarism is an offence and I therefore declare that this research project is my original work and has not been presented to any other institution for any other award.

Signature..... Date.....

Charity N. Mberia

Reg. No. D61/MAC/20229/2012

This research project has been submitted for examination with my approval as University supervisor.

Signature..... Date.....

Dr. Kevin Wachira

Department of Business and Entrepreneurship

South Eastern Kenya University

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DEDICATION

This research project is dedicated to my husband and my children who have been very supportive and patient with me during my period of study. Special dedication my parents Mr. and Mrs. Jeremiah Mberia.

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ABBREVIATIONS AND ACRONYMS

FIKA	:	Financial Knowledge for Africa
INFE	:	International survey of Adult Financial literacy
KWEF	:	Kenya Women Enterprise Fund
OECD	:	Organization for Economic Cooperation and Development
ROE	:	Return on Equity
SCF	:	Survey of Consumer Services
WSHG	:	Women Self Help Groups

DEFINITION OF TERMS

This study adopts the following definitions:

- Bank products and services:** These are bank items and services designed to aid access to bank services directly or through alternative bank channels which can be accessed by women self-help groups.
- Budgeting skills:** These are financial management skills that enable individuals in making plans for estimating the future income expenses and savings.
- Debt management skills:** These are perceptions, attitudes or norms acquired by women self-help groups that aid appraising group loans and making their lending and borrowing decision.
- Financial literacy training:** This refers to the process of educating women on money management skills which include; saving, budgeting debt management and on bank products and services.
- Financial performance:** This refers to the degree to which financial objectives have been accomplished.
- Self Help groups:** These are a team of self-organized individuals brought together by common interest and purpose to provide support for each other to achieve set goals.
- Savings skills:** Refers to perception, values or norms acquired by individuals that enhance saving of one's income.

ABSTRACT

Women are half the population as the other half cover men worldwide. Women are extremely important in shaping economy matters and it is only fair that they help build the economy as they are dependent on the same. Therefore the need for financial literacy among women self-help groups is a fundamental concern where economies are growing and to the already grown. Performance of women owned businesses has continued to be poor compared to that of their male counterparts. This study sought to find out the influence of financial literacy training on financial performance of Equity bank trained women self-help groups in Machakos Town, Machakos County, to establish if there are financial improvements in women's lives after going through financial literacy trainings. The general objective of the study was to establish the influence of literacy training on financial performance of women self-help groups in Machakos Town. Specific objectives were to confirm whether saving skills training affect financial performance of women self-help groups in Machakos Town, to find out how budgeting skills training affect financial performance of women self-help group in Machakos Town, to assess how training on debt management influence financial performance of women self-help groups in Machakos Town; to find out how training on bank products and services influence performance of women self-help groups in Machakos Town. The study was guided by two theories namely; The Bruce Tuckman's Theory of group development and Expectancy Theory. Empirical studies were outlined and existing literature critiqued hence the research gap. Descriptive research design were used in this study. The target population was 33 women self-help groups that are registered and trained by Equity Bank within Machakos County. Census technique was used for accuracy of the subdivisions of the subdivision characteristics of the population. The study used a questionnaire as its data collection instrument. The questionnaire comprised of both open and close ended questions. Analyzed data is presented through graphs and charts. Chi-square test of association was used to analyze the data, results of which was used to answer research questions. The study established that the four variables had a significant positive relationship on financial performance of Equity bank trained women self-help groups in Machakos Town; saving skills training, budget training, debt management training and bank products and services training. The study recommends that stakeholders should continue to impart financial literacy skills on savings, budgeting, debt management and banking products which were found to positively influence women entrepreneurs. The study also recommends further research to investigate the effect of investment of equity bank or other financial institutions on financial performance of women enterprises that the banks' or institutions' training programs have.

CHAPTER ONE

1.0 INTRODUCTION

1.1 Background of the Study

Women are half of the world population (World Bank, 2009). They are extremely important in shaping economic matters. It is only fair, therefore that they help build the economy as they are dependent on the same. Therefore, the need for financial literacy among women self-help groups has raised a concern of paramount attention in economies that are developing and already developed (Hilgert and Hogath, 2003). Particularly, it empowers women to counter effectively the ever- changing personal, social and economic circumstances, (Mbithe, Mbuva and Shisia 2016). Financial literacy is regarded as a key requirement of the firm's success or failure. Therefore, it is imperative to carry our studies focused at evaluating the level of financial literacy among the local citizens such as women.

Women Self Help Groups have emerged as one of the major strategies for the convergence of services and activities for purposes of empowerment.

According to Mutuku (2015) Self Help Groups are significant tools to adopt participatory approach for the economic empowerment of women. It is an important institution for improving the life of women on various social components. It acts as the forum for members to provide space and support to each other. Whereas informal groups are locally formed, informal in nature and operate with informal rules, they are short-lived and their activities are informed by certain situations to address particular problems at a given time and do not last for long. Bruce Tuckman's Theory (1965) brings out the challenges expected by the groups so they prepare how to confront them and overcome them. These groups start with savings through table banking and not with credit, the groups then use the savings to give loans to members to meet their needs. The interest rates on the loans are market driven. The members decide on savings per member, maximum size of loans, guarantee mechanisms in loan sanction. Expectancy theory by Victor Vroom believes that effort, performance and motivation are related. As such women self help group members expect reward from the savings, which is motivation, as members in these form of organizations.

In today's complex and high-powered economy, financial awareness has become imperative in operating businesses and managing of organizations. Governments all across the world are interested in developing methods and techniques of enhancing funds management with a goal of providing the population with a variety of learning opportunities, according to Atkinson and Messy (2012). Financial education as described by (Aniet *et,al*, 2016), is a process of perfecting the potential of individuals to help them make effective conclusions that are best in managing finances successfully. It is, therefore correct to conclude that financial education is a knowledge instilling process which is, among other factors, contributes to financial literacy. Numerous countries have come up with different approaches for the implementation of financial education to upgrade financial literacy of their citizens as it is considered as a life-skill necessary for intelligent financial conduct in modern life and an important foundation for the economic and financial stability of society and the state (Tali, 2016).

Previous studies on the topic depict an interrelation between financial knowledge and monetary performance trend of women Self Help groups, however the causality is unclear (Hilgert and Hogarth, 2003).A study by Mutuku (2016) on elements affecting performance of women self help groups in Kathiani Sub County, Machakos County, observed that financial literacy training positively influenced entrepreneurial skills and access to finance to women self help groups. The study recommended frequent tutoring conferences on the leadership for women organized groups on financial governance and project management. Mwaniki (2014) studied influence of financial literacy training on women self help groups on financial performance in Isiolo County and observed that financial literacy training increased the lifespan of women self-help groups and also helped members manage finances better. This study was intended to find out the impact of financial literacy training on the Equity bank trained women self-help groups on financial performance in Machakos town, Machakos County.

1.1.1 Global Perspective of Financial Literacy Training

Continuous changes in money matters, economic, population and regulatory landscape, as well as gradual risk transfers to individuals, has turned financial literacy into a critical

life-skill requirement in today's societies (OECD, 2016). Financial and service providers are developing new and complex financial products to provide to customers, investors and small businesses with better access to a choice of payment options credit offers and long-term savings and investment tools (OECD, 2016). Individuals and small businesses must be equipped with the know-how, competence, and motivation to make crucial financial decisions that will help ensure their financial future in this changing and challenging business environment. Money knowledge policies that enable individuals and small enterprises, in combination with enabling financial consumer protection structures, can effectively contribute to the financial well-being that supports financial stability and inclusive growth. Given the growth sophistication of retail financial markets, the influence of ageing populations, reforms of state pension systems, and pervasive effect of the financial and economic crisis on household debt. These developments are particularly pertinent to Europe. According to initial results from an OECD/INFE study on adult financial literacy and inclusion conducted in 2015, European citizens often lack the financial awareness and skills to face these changes. In step with global trends and using the OECD/INFE Principles, 21 of the 48 European economies covered in this report are taking action by developing national strategies for financial education. Financial literacy trainings increasingly are becoming a major component in financial policy reforms worldwide (World Bank, 2012). Indeed, the Organization for Economic Cooperation and Development (OECD, 2013) asserts that the G20 leaders at a summit in June 2012 recognized the need for women and youths to gain access to financial services and financial education. These findings require that a study on influence role of financial literacy training be carried out to find out if financial literacy training affects financial performance of women and therefore scaling to women self-help groups.

1.1.2 Regional Perspective of Financial Literacy Training

Regionally, Africa is characterized by inadequate knowledge on money management and high limitations to financial inclusion (Messy and Monticone, 2012). A number of factors contribute to Africa's lack of financial inclusion. These include supply-side factors, such as product and service restriction, terms and conditions, high fees and physical access; demand-side factors, such as low income and low financial literacy; and psychological

factors and cultural barriers (Messy & Monticone, 2012). Similarly, developing economies are making remarkable efforts to integrate financial literacy. Indeed, countries like Ghana came up with programs, whose motive is to increase financial awareness (Lyons, Chang, & Scherpf, 2006, OECD, 2005, 2013) survey on financial literacy levels in Kenya, Ethiopia and Tanzania established low financial literacy levels at the lower end of the income distribution with women in the three countries displaying lower financial skills and confidence than men. Stevenson and Onge (2005) argue that the combined impact of globalization through changing patterns of trade and technologies call for financial skills that women entrepreneurs in the African continent do not possess because many more women than men lack the requisite level of technical entrepreneurship skills, hence the current financial literacy disparity that favors men.

Poverty is highly concentrated in Sub-Saharan Africa, among the areas. It is so pervasive that many of the policies concerned with poverty alleviation encompass practically most of the development plans. Small-scale informal sector firms, according to Ziderman (2003), provided huge chances for women employment in Sub-Saharan Africa. Women's training could help them operate better in the informal sector. Developing expertise through focused programs is critical to improve the livelihoods of disadvantaged populations, including women, could Countryside communities find it difficult to organize themselves for effective participation in economic and social growth activities that ensure equitable distribution of the benefits. Local communities continue to be economically disenfranchised by the macroeconomic changes that have affected the removal of social programs and the diminution of the state's role in fighting poverty, (Ziderman, 2003).

1.1.3 Kenyan Perspective of Financial Literacy Training

The paper published by the Kenyan Government "Vision 2030 Development Strategy for Northern Kenya and other Arid Lands (GoK, 2011) argued that financial literacy training equipped people with the capacities to make informed choices about their lives enabling them to make positive contribution to society and providing them with an exit out of poverty through transformation of behaviour. In deed Vision 2030 seeks to champion the

development of full capacities of all Kenyan citizens through training on skills that enhance the quality of their lives and enable them to make informed decisions. Despite the government's effort to empower women in Kenya, the Kenya Women Enterprise Fund Strategic Plan 2009 – 2012 estimate that 40% of all Kenyan women have no access to finance at all, 40% have access to only informal financial systems. The plan concluded that women financial marginalization in Kenya is perpetual because they possess poor financial skills and they are often exposed to unfavorable financial options.

In Kenya, there is a link between financial services use and financial information exposure. Radio, word of mouth from friends and family members are most popular sources of financial knowledge, and urban teenagers' better access to television and other media, (Amisi 2012).

Globally, financial and service providers are developing new and complex financial products to equip individuals and businesses with the know-how, competence, and motivation to make crucial financial decisions that will help ensure their financial future in this changing and challenging business environment, (OECD 2016). According to initial results from an OECD/INFE study on adult financial literacy and inclusion conducted in 2015, European citizens often lack the financial awareness and skills to face these changes. Poverty is highly concentrated in Sub-Saharan Africa, and is so pervasive that many of the policies concerned with poverty alleviation encompass practically most of the development plans, Ziderman (2003). In Kenya, Vision 2030 seeks to champion the development of full capacities of all Kenyan citizens through training on skills that enhance the quality of their lives and enable them to make informed decisions. These findings require that a study on influence role of financial literacy training be carried out to find out if financial literacy training affects financial performance of women and therefore scaling to women self-help groups.

1.1.4 The Concept of Self Help Groups

Self-help groups (SHGs) are small informal organizations formed with the objective of equipping members with the knowledge to garner economic benefit out of mutual help,

solidarity, and joint responsibility. Mobilization of savings and credit facilities and pursuit of group enterprise activities (Mutuku, 2016). The team-based strategy not only makes it possible for the poor to build funds by way of small savings, but also enables them to get access to formal credit facilities (Shylendra, 1998). These organizations help the unprivileged to solve the problem of collateral security requirements and thereby escape the clutches of money lenders.

The shared accountability enhances group members' access to loans and also develops processes that lead to greater loan recoveries, such as peer monitoring mechanisms. Furthermore, several among the fundamental attributes of SHGs such as small membership size and homogeneity of composition promote togetherness and effective participation of members in the functioning of the group. In general, SHGs formed along these lines of operation have been successful in reaching the poor effectively, particularly women and assisting them in gaining easy access to facilities like savings and credit thereby and empowering them (National Bank, 1995).

SHGs have played an important role in women's empowerment by making it possible for them to form a team for collective bargaining. Because they have minimal economic resources and generally rely on time and non-monetized labor exchange, women's networks rarely acquire corporate or political benefits. Self-help groups, on the other hand, when combined with savings and credit, have enabled women to benefit economically by monetizing their contributions and in the process have empowered them to become change agents. Self-help groups have also aided the building of social capital, which occurs when people learn to work together in a group or organization for a common goal. The ability to associate is determined by how closely societies share rules and values and how well they can put individual interests aside for the good of larger groupings. Trust develops as a result of these shared principles, with the potential for social, economic, and political changes (Mutuku, 2016).

These organizations, are however, not often broad concentrated on micro-credit, which, may seem helpful as a starting point, can and confine these groups to very small-scale

operations with limited effect beyond the immediate family (Putnam, 2000). By forming and operating small organizations in communities, women provide essential services, some that are income generating, education, mutual support and communal labour. According to Mbugua and Murithi, (1997), women who come together are able learn basics in accounting and management skills of group affairs and skills to run projects. When women groups are operational, they become organizational structures that can be useful in rural development strategies (Srujana, 1996).

1.1.5 Equity Bank Support for Women self-help groups

Equity bank has been one of the financial institutions conducting financial literacy trainings across Kenya. The research narrowed down the study to its activities in Machakos Town. The study found the number of Equity bank trained women self-help groups they have reached out to, their financial performance prior to trainings and their performances after the trainings. Financial performance was analyzed by conducting an analysis on their increase in savings and asset acquisition in their household and businesses.

1.2 Statement of the Problem

According to Equity bank Machakos branch 2018 customer status report (2018), 455,796, customers had opened an account with Equity Bank Machakos Branch. However 64.2% of these accounts are classified as dormant and Equity Bank Machakos branch management attribute the high account dormancy rate to low financial literacy levels among the branch customers. The Equity bank purpose states that the bank envisions to transform the lives and the livelihoods of its people socially and economically by availing them with modern, inclusive and financial services that maximize their opportunities.

To enhance financial management of women self-help group customers, Equity Bank through Equity Group Foundation introduced financial literacy training in 2010 that trains women self-help group customers on, saving skills, skills on budgeting, skills on managing debts and skills on bank product and bank services access through a curriculum that is facilitated within twelve weeks after financial facilitation.

Further, Equity Bank Group 2018 financial report indicate that over USD 363 million equivalent to 36.3 billion Kenyan shillings has been disbursed to over 338,000 women group customers in Kenya since 2007 as credits as well as 39,070 entrepreneurs being educated in partnerships with Norfund International Labour Organization, Mastercard Foundation and Loundin Foundation. Through Financial Knowledge for Africa (FIKA), the bank has so far tutored over 1.7 million women and youth in financial literacy and money management skills, receiving loans totaling to USD 680 million. Through Equity Bank Kenya women group lending model, 33 women self-help groups have been registered and trained by Equity Bank Machakos branch. These are the active women self-help group customers in Machakos town that are saving and accessing credit facilities from the Equity Bank, Machakos branch. The report further indicates that 11 women self help groups customers have defaulted on their loans and performed poorly because of poor financial skills.

Financial literacy is a problem to many women and this affects the profitability of their businesses, Northern Range Trust, (2013). Despite all the financial assistance the government has put in place to empower women and their businesses such as the launching of Uwezo Fund (2013), women enterprise fund (2007), and directive from the president (2014) that in all government procurement, 30% of the contracts should be given to women, performance of women owned businesses has continued to be poor compared to that of their male counterparts, Nduku and Memba (2013).

Many studies have been done on financial literacy training of women self-help groups in Kenya but none has been done exhaustively on the influence of financial literacy training on financial performance of women self-help group customers in the cosmopolitan Machakos Town; Mutuku (2016) studied factors that influence the performance of Women Self Help in Kathiani Sun-County, Machakos County and concluded that factors such training on Entrepreneurial skills, personal attributes, record keeping skills and access to finance significantly determined the performance of self-help groups. This is because there is a positive correlation between all these independent variables and performance of self help groups. Kiseru and Muturi (2015) investigated the indicators of

performance of women SHGs in Gucha Sub County Kenya, and discovered that training was a critical element for effective financial performance of women self-help groups, as evidenced by the adoption of training programs by women self-help groups in Gucha Sub County.

A study by Mwaniki (2014) on the effects of financial literacy training on women self-help groups on financial performance in Isiolo County concluded that training on budgeting skills, saving skills, debt management skills and bank product and services increased the lifespan of women self-groups and helped members to manage finances better. The study suggested that a comparative research can be done to find out the influence of financial literacy training in other parts of Kenya.

This study therefore, intended to investigate the influence the financial literacy training of women self-help groups on financial performance in Machakos town, Machakos County.

1.3 Objectives of the Study

The study had the general objective and specific objectives.

1.3.1 General Objective

The general objective was to investigate the influence of financial literacy training on financial performance of equity bank trained women self-help groups in Machakos Town.

1.3.2 Specific Objectives

The study was guided by the following specific objectives:

- i. To find out the influence of savings skills on financial performance of Equity bank women self-help groups in Machakos Town
- ii. To determine the influence of budgeting skills on financial performance of Equity bank women self-help groups in Machakos Town
- iii. To establish the influence of debt management skills on financial performance of Equity bank women self-help groups in Machakos Town

- iv. To find out the influence of training on bank's products and services skills on financial performance of Equity bank women self-help groups in Machakos Town;

1.4 Research Questions

The study sought to answer the following research questions:

- i. What is the influence of saving skills training on financial performance of women self-help groups in Machakos Town?
- ii. What is the influence of budgeting skills training on financial performance of women self-help groups in Machakos Town?
- iii. What is the influence of debt management skills training on financial performance of women self-help groups in Machakos Town?
- iv. What influence does training on bank products and services have on financial performance of women self-help groups in Machakos Town?

1.5 Justification of the study

The study is significant to policy makers and financial institutions in their attempt to understand and address numerous financial challenges that are facing women self-help groups in Kenya which have emerged over time as an alternative vehicle for advancing credit to women entrepreneurs in Kenya. It is expected that women self-help groups would benefit as the study sought to find out how financial literacy training influences their performance positively and recommend necessary actions. Therefore, it is justified on the basis that it would help government agencies and financial institutions in establishing areas of financial awareness training that strengthen financial performance of women self-help groups. The research would also benefit the academia fraternity in acquiring knowledge on how funds management education programs affect financial performance of women self-help groups and eventually add to the body of literature for further studies. It particularly points out areas of further research as a way of expanding the knowledge and continuous research on the topic.

1.6 Scope of Study

The research was carried out in Machakos Town, which is administratively the headquarters of Machakos County. The primary focus was the Women Self Help Groups, duly registered with the Department of Gender and Social Services, and narrowed to the 33 Women Self- help groups that were active and were receiving training on financial literacy skills and also those that had been trained by equity bank between 2018 and 2020 when the study was done. The study was guided by two theories; The Bruce Tuckman's Theory of group development and Expectancy Theory.

The study embarked on finding out how saving skills training had influenced the financial performance of the self-help groups, how budgeting skills training had influenced the financial performance of women self-help groups, how debt management skills training had influenced the financial performance of women self-help groups and finally whether training on bank products had affected the financial performance of Equity bank women self-help groups in Machakos Town between 2018 to 2020 when the study done.

1.7 Assumptions of the Study

The researcher assumed that the respondents gave honest and accurate answers during the data collection. It also assumed that the women self-help groups would be operational after the study.

CHAPTER TWO

2.0 LITERATURE REVIEW

2.1 Introduction

This chapter presents literature relating to financial literacy training and performance of women self-help groups. The Chapter provided literature on variables studied; whether saving skills training influence financial performance, whether budgeting skills training has any impact on financial performance, how training on debt management skills affect financial performance and whether bank's products and services training affected financial performance of women self-help groups in Machakos County. The chapter outlined and critiqued the existing literature on the variables. The chapter also looked at two theories that guided the study. These were; Bruce Tuckman's theory of group Development and Expectancy theory. Research gaps were identified and a conceptual framework for the study was also developed.

2.2 Theoretical Framework

A structure that agree or back a hypothesis of a problem investigation fall under theoretical framework (Kalekye and Memba 2015). It introduces and outlines the theory that describes why the research problem under investigation is relevant. The study adopted the following theories.

2.2.1 Bruce Tuckman's Theory of Group Development

Bruce Tuckman's Theory Tuckman's (1965) acknowledges the belief that small organizations do not begin fully formed and functioning, but gradually undergo growth to distinct defined phases starting from inception as groups of individuals to compatible teams with focused targets. Group members get to know one another during this forming stage, which is the initial stage of self-help groups. They figure out roles of each member and where they support one another. Tuckman also emphasizes how these small organizations at this phase put their interactions to the test (rivalries begin, etc.). The second phase is the Storming phase and it is characterized by disagreements and divisions, as well as the possibility of a revolt against the chairperson. This creates a difficult moment for the group, which is also an important phase for the evolution of the

group. The third phase is the Norming phase in which members work together to achieve common goals, resulting on group cohesion and increased mutual respect. At this stage people feel at ease in expressing intimate personal opinions.

The fourth phase develops when duties and responsibilities are distinct and functional. This phase is the performing phase. The groups' connections have now normalized and the major focus now is to be successful as a group. Tuckman and Maryann Jensen introduced a fifth stage in 1977, adjourning phase. Self-help groups in most cases may evolve through all the phases. Nevertheless, the last phase which is adjourning is not a pleasant one. As per this hypothesis, it is understandable that the women self-help groups evolve from the forming phase through which the women are mobilized to form a self-help group with a common goal to succeed.

Because the groups are made up of women from all backgrounds, they go through a storming stage as they strive to work together to realize the main goal of these small organized groups. Self-help groups frequently create regulations to control all the group's operations in order to go past this stage. Everyone in the group discusses and agrees on the rule. By so doing, these self-help groups will have progressed the third phase, known as the Norming stage. At this level, members are meeting regularly and also saving once a week. Those unable to attend the meetings are normally usually fined which is imposed from the rules of the group. Self-help groups are operating well at the fourth stage, with members being able to take loans for various commitments. As they repay their debts, they continue contributing their savings as well. This accumulates savings collection of the group, which is a source of credit for other group members for various purposes ensuring the continuity of the group. Failure by these organizations to evolve from the first to the fifth phase successfully leads to disintegration and thus the purpose of forming the self-help groups is not realized, (Mbai 2017).

This theory examines the factors that affect the success of women informal organized groups as self-help groups by making sure that they evolve from the Formation phase up to the Performing phase, at which level they are victorious and therefore relevant in the

study. Tuckman's theory is quite suitable in this study as it examines each phase of influence of Women Self Help Group on financial disenfranchise of women making sure that they grow from the formation phase to the performing phase to capacitate women in their own investments. Bruce Tuckman's Theory (1965) brings out the challenges expected by the groups so they prepare how to confront them and overcome them. These groups start with savings through table banking and not with credit, the groups then use the savings to give loans to members to meet their needs. The interest rates on the loans are market driven. The members decide on savings per member, maximum size of loans, guarantee mechanisms in loan sanction.

2.2.2 Expectancy Theory

According to Victor H.Vroom 1964 on the expectancy hypothesis, individuals have varied targets and might be more inspired if they have particular anticipations. This hypothesis is about choice and has three components; expectancy, performance and reward. It describes the procedures that specific people go through in order to come up with options. Expectancy theory is an inspiration hypothesis developed by Victor Vroom of the Yale School of Management in the field of organizational behavior research. Vroom, believes that, effort, performance and motivation must be related so that an individual can be inspired. Individual elements such as character, competence, understanding and capabilities all have a role in an employees' performance, according to Vroom. The degree of assertiveness in the abilities expected for job execution, the level of backing that may be anticipated from superiors and subordinates, the standard of the materials and equipment, and the ability of necessary information are all elements that can influence an employee's expectation perceptions.

Expectancy theory by Victor Vroom believes that effort, performance and motivation are related. As such women self-help groups expect reward what members of the groups expect once in the organizations, the motivation. By understanding and appreciating what motivates individuals will determine the reward that will be most desirable or valuable to them personally. Performance is the expectation that a certain level of effort will produce the intended performance or goal. By understanding their view, you can work on putting

into place the appropriate training, coaching or supervision, or indeed have a chat about why they feel negative about achievement of the goal, in order to help change their views. Instrumentality, what are the individual's perceived chances of achieving the goal set? Is their expectation that they can achieve the goals, even though they may be challenging or stretching, or do they see them as unrealistic? By understanding this, one can work on agreeing how their goals or objectives can be achieved or indeed modify the goals as appropriate. In addition, do they believe that they will actually receive a reward that they most desire? You can help with this by explaining at the outset what they can expect as a reward so the individual is aware of what the outcome will be and ensure you stick to your promises. Reminders of this whilst they are working towards the goal are a great way to maintain focus, increase personal motivation and support achievement of the goal.

In managing expectations in order carryout out the above actions one must also be aware of the financial and budgetary constraints in the organization and be realistic with potential rewards. If monetary rewards are not going to be possible, then extrinsic reward expectations require employees to come up with suitable alternatives. The offer of increased accountability through budgeting as a reward might be a problem with workers who know that higher positions mean more time and so make sure individuals are aware of the implications of possible rewards of their expectations are not mismanaged. Always ensure that you connect effort and performance with reward, remember the three components are linked; expectancy, performance and reward. Never speak of work without linking it obviously and immediately with the rewards involved. This is central to the Expectancy Theory working and being a success. This theory is quite applicable in this study because women self-help groups are formed by members who are motivated by common set goals and objectives and have common expectation. The theory explains the financial budgetary goals and the expectations or rewards associated with adherence to budgeting.

2.3 Empirical Review

Discussed below are studies undertaken by different scholars concerning financial literacy training and women self-help groups.

2.3.1 Influence of saving skills training on financial performance

Fisher (2010) in the study “Gender differences in personal saving behaviors” investigated single person households using the 2007 Survey of Consumer Finances (SCF). Gender differences were discovered in the determinants of short-term and regular saving behavior. When in poor health it was unlikely for women to save in the short term, whereas men’s short term saving was not affected by poor health. Women’s likelihood of short-term savings was also negatively affected by low risk tolerance, women with poor risk tolerance were less likely to spare some savings in the term and save on a regular basis after completing a year of education. Understanding how men and women save can help financial experts and educators better their efforts. According to the study, it was unlikely for women to save in the short term if their health was negatively affected, whereas men’s health made no difference in their saving base.

The initial idea that the impoverished are unable save been moderated by the SHG strategy, which educates individuals to save, according Nyagwanga (2016) in the ‘Influence of self-help groups in economic empowerment of women in Rongo Sub-county, Migori County’. Ability to save, does not necessarily require one to have of money but rather, they must plan ahead of time through training. Members are taught to plan as an activity because lack of planning can leave them with no direction. They can also acquire loans that they wouldn’t be able to get through traditional banking institutions. The money they earn from these is saved and leased out for revenue generating ventures, trading and personal usage, such as farming and fulfilling their families’ needs, such as school tuition, medical treatment for children, and clothing (Nyagwanga, 2016). SHGs have played an important role in women’s empowerment by allowing them to work together in collective agency. SHG, when coupled with credit-based savings, have made it possible for women to benefit economically by monetizing their contributions and in this process has conformed them to become agents of exchange.

Under the topic of ‘Factors affecting performance of women investment groups’ Kisera and Muturi (2015) investigated the indicators of performance of women SHGs in Gucha

Sub County Kenya, and discovered that training was a critical element. The goals of research were to find out the impact of training in performance of women investment groups, the impact of group meetings on the performance of women investment groups. The impact of record keeping on the performance of women investments groups and the impact savings and borrowings on the performance of women investment groups. The survey research design was chosen as it was effective in gathering original data from a representative, allowing the researcher to draw accurate conclusions.

The study discovered the majority of women investment groups in Gucha Sub County had fully on forced the practices of proper group training, regularly attending group meetings, having regular savings and borrowing of loans functions which need to be improved in all women group owned investments so that they can play a better role of increasing their performance thus raising their living standards. The study recommended that administrators and members of women investment clubs be compelled to attend special sessions, guided annual evaluations, and meeting in order to help the organizations build better procedures for scheduling group meetings, keeping track of their finances, and boosting savings. Training is critical for effective financial performance of women self-help groups, as evidenced by the adoption of training programs by women self-help groups in Gucha Sub County.

A research conducted by Sambu (2013) in Nakuru County, Kenya to agrees with SHGs being used as tool to create a saving culture among the women, its findings were, before joining SHG only 14 out of 150 respondents made savings and then after joining SHG all respondents reported making savings. There was an increase in periodic savings from 1000 to 1000-1500 Kshs. The respondents attributed the reasons to asset creation, access to SHG loans, access to bank loans, meet emergency or undertake entrepreneurial activities. Thus women are economically empowered at individual level, group level and the society level as they get money from their entrepreneurial undertakings. Group borrowing is characterized by loans to small groups of borrowers that are jointly liable for the loans granted to each member of their group. The loans are intended for clients who do not meet the wealth requirements of the formal banking system like material

wealth and collateral requirements. The group also serves as a social network of voluntary mutual support for other needs, as members are individually responsible for their own loans, they are expected to voluntarily provide assistance to their peers where needed. To this end, this study examines the funding systems in place for WSHGs in North Nyakach. The literature has revealed that many studies have been done concerning saving skills. However, these studies lack detailed information concerning the extent of influence of saving skills on financial performance on women self-help groups Machakos town. This study will attempt to fill this knowledge gap.

2.3.2 Influence of Budgeting Skills Training on Financial Performance

Dick and Jarozek (2013) study on the determinants of the usage of consumer credit in Germany established that the usage frequency of a readily accessible, but somewhat expensive source of consumer credit was not only related to consumer's self-control, but also reduced with financial literacy, according to Dick and Jarozek, (2013) They concluded that individuals with a habit to make intuitive but inappropriate financial service decisions in their financial service selection test survey changed with exposure to financial literacy, people used expensive overdraft credits less frequently, if they possessed financial literacy skills, financial education played a significant role in enhancing consumer choices and suggested that, while financial literacy was not the sole predictor of credit decisions, it substantially improved households' financial decisions. Dick and Jarozek (2013) argue that sub-optimal financial decisions are caused by lack of self-control rather but by lack of financial literacy although they also agree that financial education has a beneficial impact on consumer behaviour.

Ngigi (2017) did a study under the topic "Influence of financial literacy training programs on performance of businesses operated by women entrepreneurs in Equity bank, Kasarani constituency, Nairobi County. The objective of the study was to find out the effect of financial literacy training programs on performance of businesses operated by women entrepreneurs in Kasarani constituency; to establish how budgeting skills training influence business performance owned by women entrepreneurs in Kasarani constituency; to determine how saving skills training influence business performance of

businesses owned by women entrepreneurs in Kasarani constituency and to assess how debt management training influence businesses performance of businesses owned by women in Kasarani constituency.

The study found that budgeting skills training positively impacted business performance of women entrepreneurs. The study also found that budgeting skills training was very important as the income generation of the trained entrepreneurs went higher and that the outstanding debt was reduced and capital base increased.

In another study done by Mwaniki (2014) under the topic “Influence of financial literacy training on financial performance of Women Self Help Groups on Equity bank Isiolo branch, Isiolo County. The purpose of the research was to investigate how financial literacy training affected the financial performance of women customers in Equity bank, Isiolo branch, Isiolo County. The research was directed by the following objectives; to see whether budgeting skills training affect the performance of women Self Help Groups customers in Equity bank Isiolo branch; to see how saving skills training affects the performance of women self-help groups customers in Equity bank Isiolo branch , Isiolo County; to assess how debt management training skills affect the financial performance of women self-help groups in Equity bank Isiolo branch and to see how awareness on bank products and services affect the financial performance of women self-help groups in Equity bank, Isiolo branch.

The study found that training on budgeting skills influenced women self-help groups positively as the groups that were trained managed their finances better, would kept a written budget and enhanced timely group financial contribution. The study also found out that the trained groups had a group budget and projects budget ready in time, helped in allocation of funds and improved the lifespan the group.

In the study “The role of financial literacy on the profitability of women owned enterprises in Kitui town, Kitui County” Nduku and Momba (2013) found that budgeting, cash management, savings and record keeping significant impact on the profitability of women-owned enterprises. The study’s main goal was to find out how financial literacy affects the profitability women owned enterprises. The research was carried out in the midst of the women traders in Kitui town, Kitui County, Kenya. A representative of seventy six female business owners were identified for the research using stratified

random sampling technique. The study investigated the characteristics that influence the profitability of female-owned businesses using a descriptive survey research. The data was collected from a sample of selected business women using a self-administered structured questionnaire. The collected data was coded and entered in computer for analysis. For data analysis descriptive and inferential statistics were utilized. According to study recommendations, women should be often tutored on budgeting skills money related programs in order to capacity build them.

The literature has revealed that many studies have been done concerning budgeting skills. However, these studies lack detailed information concerning the extent of influence of budgeting skills on financial performance on women self-help groups Machakos town. This study will attempt to fill this knowledge gap.

2.3.3 Influence of Debt management skills Training on financial performance

Muthoni, (2017) did a study on “Influence of financial literacy training programs on performance of business owned by women entrepreneurs in Equity bank Kasarani Constituency, Nairobi County. Among the objectives under study was; ‘to assess how debt management training influence business performance of women entrepreneurs in Kasarani County. The study found out that training on debt management skills was very important as the income generated went higher and the outstanding debt was reduced and capital base increased.

The study concluded that training on debt management skills as a role of financial literacy among women entrepreneurs improves the efficiency and quality of financial services as consumers more than ever before need a certain level of financial understanding in order to evaluate and compare financial products such as loans and credit options in their decision making.

According to Ottaviani and Vandone (2011), in study the effect of behavioral determinants on household debt demand is different for secured and unsecured debts, found out that secured debt application process is frequently consulted by a professional and includes an assessment of the loan’s viability, whereas unsecured loans are obtained without consultation. Short-term credit decisions are more likely to be influenced by

short-term rewards such as financing daily shopping and are more prone to behavioral issues like self-restraint, hence the need for financial direction requirement when a debt or credit is to be acquired.

Christian and Jaroszek (2013) investigated the use of consumer credit in Germany under the title “Financial Literacy and Consumer Credit Choices” The study investigated the determinants of consumer credit use in Germany using a survey based on a large panel of household data, and discovered that the rate of use of an easily accessible but relatively expensive source of consumer credit is not only related to individual’s self-control, but also decreases with financial literacy. The study found that persons who are impulsive have a tendency to choose intuitive but erroneous responses on a survey exam if they are financially literate, they will use expensive overdraft credits less frequently. As a result, financial education is critical in improving choices.

Ngigi (2016) in the study “Influence of financial literacy training programs on performance of business owned by women entrepreneurs in Nairobi County”, examined the how budgeting skills training affect the performance of business owned by women entrepreneurs in Nairobi County; how saving skills training affect performance of businesses owned by women in Nairobi; how debt management training affect performance of women entrepreneurs in Nairobi County and how on training bank products affect the performance of women entrepreneurs in Nairobi County, and found out that there is a positive link between training on debt management skills and financial performance of women owned businesses.

The study asserts that lack of self-restraint is responsible for sub optimal financial decisions challenges as opposed to poor financial literacy. However financial education has beneficial impact on consumer behavior despite the fact it self-control is vital. In as much as many studies have been done on financial literacy training concerning debt management skills on women groups, it is important that a study be carried out to assess the extent to which these skills influence financial performance of women self-help groups in Machakos town, hence this study.

2.3.4 Bank's products and services skills training and financial performance

Apunyo (2011) did a study that sought to determine the effect of interest rates on loan repayment in Uganda's commercial banks using study of Equity bank. The analysis was implemented based on data obtained from 10 bank officials and 50 customers. The data analysis was based on the objectives of the study and done by use of Statistical Package for Social Sciences on collected data. The result of the study reveals that there is to great extent a close relationship between interest rates and loan repayment in conjunction with business growth and performance. High interest rates, coupled with lack of entrepreneurial skills were seen as the major factors that have a direct bearing with the loan repayment among Equity Bank loan customers.

According to Varghese (2017) study "Does Self Help Group Participation Lead to Asset Creation" training leads to better managerial skills such as; planning, decision making, ability to facilitate a group meeting and managing the enterprise. Varghese (2017) and established that membership training programs in SHGs enhances entrepreneurship skills and the ability to recognize and process new information, asses and adjust to changes, which positively affects productivity and self-confidence. Women after joining SHG are able to resolve conflict both inter-conflict and Intra-conflict without a hand from their leaders, individuals can freely express their mind without fear.

In his study, "Influence of financial literacy training on financial performance of women self-help groups in Isiolo, County, Mwaniki (2014) sought to establish the impact of financial education on financial performance of women organized customers in Equity Bank, Isiolo Branch. The research based on the following four objectives: to see whether saving skills training had impact on financial performance of women self-help group customers in equity bank, whether budget skills training affected financial performance of women self-help group customers in equity bank, whether bank's products and services training affected financial performance of women self-help group customers in equity bank, how debt management training affected financial performance of women self-help groups customers in equity bank, Isiolo Branch.

The final objective was to ascertain the impacts of training on Bank product and services on financial performance of women self-help group customers, the group officials and credit committee, group members and stakeholders were posed with items that sought the

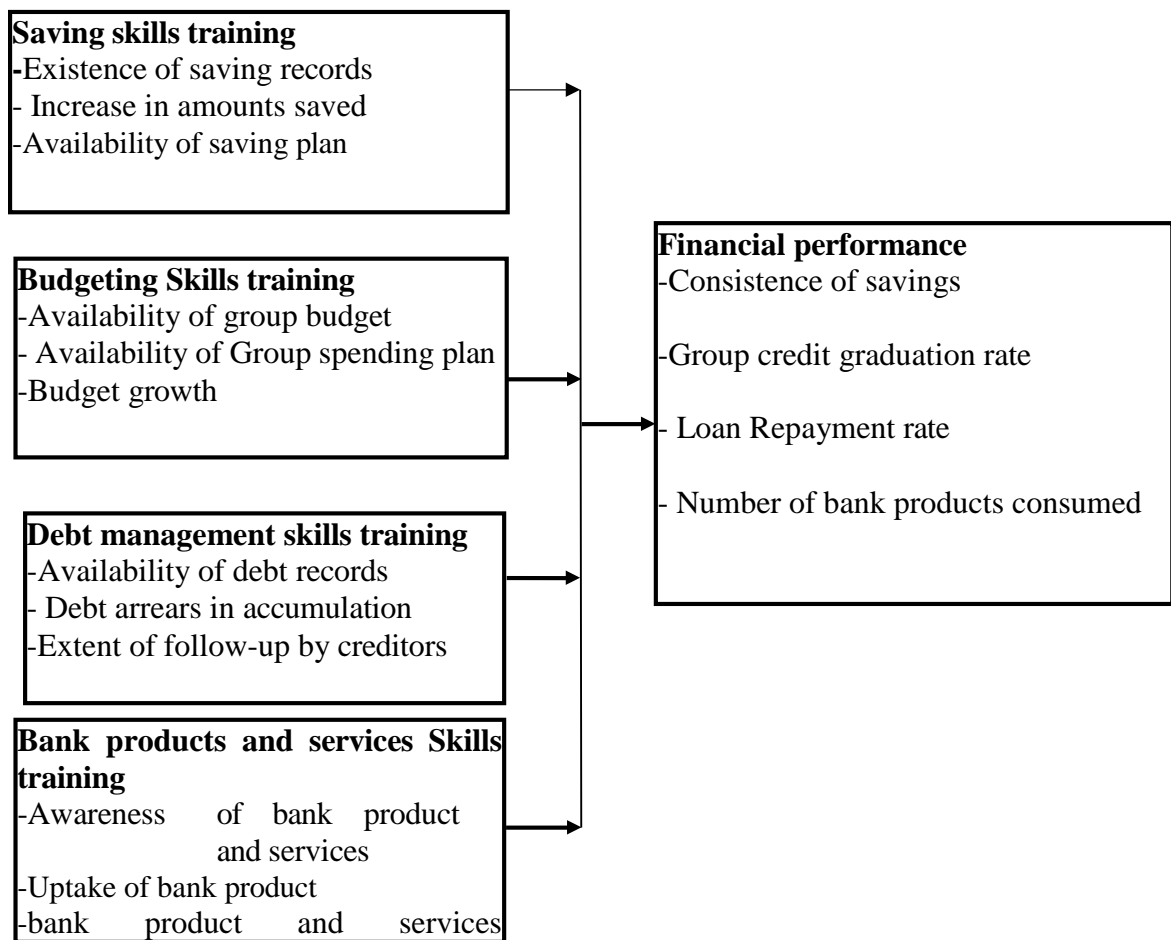
same using the following indicators: whether groups used bank services, whether training on bank services helped the group attain its financial goal, whether training on bank services was important to the groups and whether the group had adopted other banking channels to access bank services. Findings from stakeholders indicated that training on bank services led women self-help groups to be more knowledgeable about bank services and women self-help groups that had been trained on bank services were consuming more bank products than untrained women self-help group customers.

The study also concluded that training on bank services helped the groups attain financial goal. The study further concluded that the groups were using alternative banking channels (ATM cards, Mobile Phone and Bank agent) to access bank services as a result of financial literacy education and the training had an influence on women's group lifespan. The study lastly concluded that financial literacy increased on other group formations and that training on budgeting skills influences financial management of women self-help groups' hence financial literacy training is essential on bank products and services.

Komitu (2019) studied "Determinants of financial credit uptake among women owned self-help group (SHG) projects in Samburu county, Kenya" in which the purpose of study was to explore the determinant of financial credit uptake among women owned self-help groups (SHG) projects in Samburu County, Kenya. The study was guided by four research objectives. The objectives sought to determine how education and training, socio-cultural practices, financial literacy skills and information asymmetry influenced financial credit uptake among women owned Self Help Groups in Samburu County. Findings revealed that level of education and training of the SHG members affected financial credit uptake. It was also revealed that lack of training, low levels of education, lack of awareness of training on SHG matters, low or lack of education was a major hindrance to financial credit uptake among women based on the findings of the study it was concluded that education and training of SHG members influenced financial credit uptake among women owned Self Help Groups projects in Samburu County.

It was also concluded that socio-cultural practices influenced financial credit uptake among women owned Self Help Groups projects in Samburu County. The study concluded that financial literacy skills influenced financial credit uptake among women

owned Self Help Groups in Samburu County. It was also concluded that information asymmetry influenced financial credit uptake among women owned Self Help Groups projects in Samburu County. This implies that education and training, cultural practices, financial literacy skills and information asymmetry influence financial credit uptake, with cultural practices having a greater influence. Much as such studies have been done on financial literacy training concerning Bank Products and services on women groups, it is important that a study be carried out to find out the extent to which financial literacy training on bank products influence financial performance of women self-help groups in Machakos town.



2.4 Conceptual Framework

Independent Variables

Dependent Variable

Figure 2.1: Conceptual Framework

2.5 Research Gap

From the empirical review, it is evident that a lot of studies have been done on financial literacy training using different methodologies in order to improve women understanding, skills, attitudes and operation, and how financial education can be integrated with other opportunities to sustain long term financial performance among women in self-help groups. Kisera and Muturi (2015) investigated the indicators of performance of women SHGs in Gucha Sub County Kenya, however the variables under the study were different from those of this study. Ngigi (2017) did a study under the topic “Influence of financial literacy training programs on performance of businesses operated by women entrepreneurs in Equity bank, Kasarani constituency, Nairobi County but did not encompass the four variables as in the case of this study. Muthoni, (2017) did a study on “Influence of financial literacy training programs on performance of business owned by women entrepreneurs in Equity bank Kasarani Constituency but looked at the social empowerment only.

Mwaniki (2014) studied financial literacy training on financial performance of women self-help groups in Isiolo County. This study was conducted in Machakos County. The study was guided by David Kolb’s experiential Learning Theory which expresses that experiential learning hypothesis considers how information is made through the change of understanding and from the blend of getting a handle on changing the background. Thus, much as such studies have been done on financial literacy training on women groups, it is imperative that a study be carried out to find out the extent to which financial literacy training influences financial performance of women self-help groups with a focus on the chosen four variables. This study aimed to fill these gaps.

CHAPTER THREE

3.0 RESEARCH METHODOLOGY

3.1 Introduction

The procedures used by the researcher in the study are outlined in this chapter. They include the research design, population and target population, sampling procedures, and the sample size that will was used. The collection instrument as well as method of data collection procedures and data analysis are also discussed in this chapter. The chapter concludes by discussing the ethical considerations that affected the study.

3.2 Research Design

This study employed a descriptive research design. According to Kothari (2012) descriptive research design is focused with describing the features of a certain individual or group. Descriptive research allows a researcher to collect information, simplify, present and analyze to produce results. It is ideal for human-centered social research since it provides precise data from collection to analysis, as well as accurate answers to the accurate answers to the given hypothesis (Williams, 2007). Descriptive research design provides in-depth information about the characteristics of subjects within a particular field of study, thus it can help identify relationships between variables, (Houser 2011).

This design was most suitable because it offered the researcher a methodology to effectively investigate the influence of financial literacy training on financial performance of Equity Bank Trained women self-help groups in Machakos Town, Machakos County. There was a descriptive survey of sampled women groups in Machakos town, this was very appropriate as it enabled the researcher find out and enquire on the influence of financial literacy training on financial performance of women groups.

3.3 Population and Target Population

A population study is a collection of variables, people, object or events that are being investigated. They may be real or imagined. Naturally, the variables in a population study consist similar traits that enable them to be grouped under common pool, (Bryman 2012).

The target population was the 33 Women Self Help Groups registered under Gender and Social Services in Machakos town and are active members of Equity Bank that have undergone financial literacy training. According to Machakos County Integrated Plan published in 2018, Machakos Town has 1,612 registered groups both women and youth. Out of these, Equity Bank has registered 33 women self-help groups in Machakos Town which are active and have been trained on financial literacy.

3.4 Sample Size and Sampling Techniques

This study embarked on census of the 33 Chair persons of the groups that were trained by Equity bank. A census was ideal because all the elements in the population provided the required information for the study, Donnella and Arora (2015). The unit of observation therefore was the chairpersons of the 33 registered women self-help groups in Machakos Town trained by Equity Bank.

Table 3.1: Sampling Frame

Expected Respondents	Target population
Chairpersons	33
Total	33

3.5 Research Instruments

A questionnaire was used to collect data for the study. It contained open and closed ended questions. Open ended questions facilitated probing and explanations from the respondents. Closed ended was used for the ease of analysis. The questionnaires were then administered to the respondents through drop and pick. To attain 100% return, respondents were reminded through telephone to fill the questionnaires. Confidentiality of all respondents was kept.

3.6 Pilot Testing of Research Instrument

A pilot study was undertaken to assess the research instruments' dependability. There was pretesting of the research instrument using three women self-help groups trained by

Equity bank Wote branch, Makueni County. The three chairpersons of these Equity bank trained women self-help groups were requested to fill a questionnaire. This helped to ascertain the reliability of the research instruments.

3.6.1 Validity of Instruments

This is the process of establishing how well an instrument captures what it is designed to measure (Kombo and Tromp, 2009). It is more imperative that the research conducts a pilot test on both the questionnaires and any other instruments before using them in the actual study (Macmillan and Schmacher, 2001). The researcher, in this case used three chairpersons from three women groups to verify the validity of the instruments. Face validity was also used to examine the suitability of the instrument. Content validity on the other hand examined whether the items in the questionnaires content matched the research objectives. Expert judgment by the supervisor was used to validate the instrument.

3.6.2 Reliability of Research Instrument

This refers to the level to which a particular procedure produces similar results in repeated trials (Orodho, 2004). Internal consistence was checked using the Cronbach's Alpha to test the reliability of the instruments. In the vast majority of instances involving research in the social sciences, It is acceptable to have reliability coefficient of 0.7 or higher (George & Malley, 2003). The replies from the were run the Cronbach's Alpha, a reliability test, using SPSS software, and the reliability results established average Alpha Coefficient of 0.836, higher than 0.7 which indicate acceptable reliability, according to Andrew, Pedersen and McEvoy (2011).

3.2 Results of Reliability Test of Research Instrument

Trainings	Corrected Item-Total	
	Correlation	Cronbach's Alpha
Savings Skills Training	0.682	0.821
Budget Skills Training	0.505	0.819
Debt Management Skills Training	0.754	0.828
Products and Services Training	0.643	0.876
Average Cronbach Alpha		0.836

3.7 Data Analysis Techniques

Data collected was cross-examined, its accuracy ascertained and input in computer using Statistical Package for Social Sciences version 24 software. Results are presented through tables, graphs and charts. Qualitative data was analyzed through content analysis. Chi Square model, a statistical model that estimates the relationship between one dependent variable and one or more independent variables, was used to analyze the relationship between the variables. The influence of financial literacy training on financial performance of equity bank trained women self-help groups in Machakos Town was tested using chi-square at 0.05 significance level.

3.8 Ethical Considerations

Utmost propriety was taken during handling of the information collected from the respondents. The researcher promised voluntary participation of the respondents and the information was to be only used for academic research. Authority to gather data was sought from University and Equity bank, Machakos Branch.

CHAPTER FOUR

4.0 RESULTS

4.1 Introduction

In this chapter, results of the influence of financial literacy training on financial performance of Equity Bank trained women self-help groups in Machakos Town are presented. Results are presented in broad themes as per the set research objectives; To find out whether training on saving skills affect financial performance of women self-help groups in Machakos Town; To determine whether training on budgeting skills influence financial performance of women self- help groups in Machakos Town; To assess how debt management training affect financial performance of women self-help groups in Machakos Town; To find out how training on bank's products and services influence financial performance of women self-help groups in Machakos Town.

4.2 Response rate

The researcher visited the 33 Equity bank trained women self-help groups' chairpersons, to administer the 33 questionnaires in total attaining a 100% response. In order to attain the 100% return rate, the researcher did a follow up physically and also through telephone reminders to ensure all the questionnaires were returned.

4.3 Respondents' Demographic Data

This section presents results of respondents' demographic data which included the following variables; respondents' age, education background, membership status and the number of years the groups had been in existence.

4.3.1 Ages of the Respondents

Respondents were requested to indicate their ages and the response were as follows;

Table 4.1: Ages of the respondents

Age	Frequency	Percent
20-30 Years	2	6
30-40 Years	10	30
40-50 Years	12	35
50-60 Years	5	16
60+ Years	4	12
Total	33	100

In Table 4.1 above majority of respondents (75%) were in the age bracket between 30-50 years, 16 % had 50-60 years, 12% had 60 years above and 6% had 20-30 years. This finding indicated that the officials (chairperson) of Equity bank trained women self-help groups in Machakos Town were mostly aged between 30-50 years, implying that this is the age when people are most economically productive.

4.3.2 Respondents' Levels of Education

The respondents were asked to indicate their level of education. The table shows their response.

Table 4.2: Respondents' Levels of Education

Level	Frequency	Percent
Primary	10	30
Secondary	18	55
Certificate	1	3
Diploma	3	8
Bachelor's Degree	1	4
Postgraduate	0	0
Total	33	100

Table 4.2 above shows the respondents' levels of education .Results in Table 4.2 indicated that about half (55%) had secondary school level qualifications and (30%) had primary

level qualification, (8%) had diploma qualification, (3%) had certificate qualification, 4% had bachelor's degree qualification and (0 %) had postgraduate qualification. A majority of the respondents (55%) had either secondary or primary school qualifications implying that women Equity Bank Trained women self-help groups in Machakos were mainly comprised and led by members with basic education.

4.3.3 Group Operation Period

Respondents were asked to indicate the number of years their group operated. The table below shows the response.

Table 4. 3: Period the Groups Operated

Years	Frequency	Percent
Less than 2 years	2	5
3-5 years	5	18
6-10 years	18	53
10+ years	8	24
Total	33	100

Table 4.3 above shows results the period the groups had been in operation. About half (53%) of the trained women self-help groups in had been in operation for 6-10 years, 24% had been in operation for more than 10 years, 18% groups had been operation for 3-5 years and 5% had been in operation for less than two years 53% of the women groups had been in existence for over ten years which implies that the period of operation was factor in the success and continuity of women self-help groups.

4.4 Training on Savings Skills and financial performance of Equity Bank trained women self-help groups

This section presents results of the descriptive statistics of savings skills by Women Self-Help Groups in Machakos Town. Respondents were questioned on; whether the self-help group ever been trained on savings skills, have any form saving for the group, reasons for savings, having a saving plan, frequency of savings, where the savings is kept, whether

training on saving skills increased consistency of group's savings, whether saving skills enhances the women group's asset base an indicator good financial performance and whether training on saving skills helped women group members improve their living standards.

Table 4. 4: Whether Women Self-Help Groups in Machakos Town Had Been Trained on Saving Skills

The respondents were asked whether their group had been trained on saving skills. The response is in the table below.

Response	Frequency	Percent
Yes	32	97
No	1	3
Total	33	100

Table 4.4 presents results of Women Self-Help Groups in Machakos Town trained on saving skills. The results revealed that majority of respondents 97% agreed that women self-help groups in Machakos Town have been trained on saving skills compared to only 3% who had not been trained. The study further analyzed the forms of savings that the self-help groups adopted in their operations. To address the forms of savings, the researcher used qualitative data to analyze key forms of saving themes. The women self-help groups in Machakos Town saved through groups and individual accounts. Every week when they met, they continued to build their savings through table banking. After all members give their money for savings, the money was put on offer for the members who wanted to take loans charged on interest and the balance was taken to the bank for group account savings.

4.4.1 Group savings

On whether the groups had any form of group savings, responses were as shown in the table below shows the response.

Table 4.5: Form of Group Savings

Response	Frequency	Percent
Yes	31	94
No	2	6
Total	33	100

Table 4.5 shows results the percentages of women self-help groups who had a form of groups' savings. The study found that majority of the groups 94% had a form of group of savings compared to 6% who had none.

4.4.2 Reasons for Saving

Respondents were asked state why their groups saved. The reasons for saving are shown in the table below.

Table 4.6: Reasons for Savings

Reason	Frequency	Percent
Security	2	6
Welfare	5	15
Merry-Go-Round	25	76
Asset Acquisition	1	3
Total	33	100

Table 4.6 shows the results of the reasons the women self-help groups saved. The results revealed that a majority of the women self-help groups in Machakos Town (76%) saved to finance merry-go round purposes, 15% saved for group welfare purposes, 6% saved to create security against which members can be given loans and only 3% saved to acquire asset for the group.

4.4.3 Availability of Saving Plan

As to whether the groups had a saving plan, the response was as shown in the table below.

Table 4.7: Availability of Saving Plan

Response	Frequency	Percent
Yes	26	82
No	7	18
Total	33	100

Table 4.7 shows the results of availability of saving plan among the women self-help groups. The results indicated that a majority of respondents 82% had a saving .The trained women self- help groups in Machakos Town had a saving plan except 18% who were trained but did not see the importance of maintaining such saving plans.

4.4.4 Saving Agency

Respondents were asked whether they had an agency where they banked their savings. The response is shown in the table below.

Table 4.8 Agency where the Self-Help Group Saved

Agency	Frequency	Percent
Bank	31	93
Sacco	2	7
Total	33	100

Concerning the agency where women self-help groups in Machakos Town saved, the study established that majority of the self-help groups 93% saved in the banks compared to 7% who saved with the Saccos as shown in Table 4.8.

4.4.5 Consistency in savings

Respondents were asked whether training on saving skills increased the consistency of the group's savings and the response is shown in the table below.

Table 4. 9: Consistency in Savings

Response	Frequency	Percent
Strongly Agree	23	70
Agree	8	23
Do not Know	1	2
Disagree	1	3
Strongly Disagree	1	2
Total	33	100

Table 4.9 shows results of the benefit of training in increasing consistency in savings by the women self-help groups. The results established that a most of the respondents (70%) strongly agreed that training increased consistency of saving, while 23% agreed that training on saving skills increased consistency of group's savings compared to 5% who disagreed (3%) for disagree and 2% for strongly agree) and 2% did not know whether training on saving skills increased consistency of group's savings or not.

4.4.6 Importance of saving skills

Respondents' opinion on whether Training on Saving Skills was of any importance on their financial performance is in the table below.

Table 4.2 Importance of Training on Saving Skills on Groups Financial Performance

Response	Frequency	Percent
Very Important	16	48
Important	13	39
Neutral	1	3
Least Important	1	3
Not Important	2	6
Total	33	100

Responses to the importance of training on saving skills are shown in Table 4.10 .A majority of the respondents 48% reported that training on saving skills was very important to the groups' financial performance while 39% said it was important. This indicated that saving skills is paramount in financial performance of women self-help groups. 2% was neutral while 4% felt it was less important and 6% did not see any importance.

4.5 Training on Budgeting Skills and financial performance of women groups

This section presents the results of training on budgeting skills. The key variables analyzed included; training on budgeting skills, key budgeting skills trained on, whether training on budgeting skills helped the Self-Help Group manage finances better, whether Training on budgeting skills enhanced timely group financial contribution, whether Training on budgeting skills positively influenced the lifespan of women self-help group, the extent to which budgeting skills training was important to financial performance of Women Self-Help Group.

4.5.1 Training on Budgeting skills and groups lifespan

The question on Whether Training on Budgeting Skills Influences Groups Lifespan, Further investigations on whether training on budgeting skills had positively influenced the lifespan of women self- help groups established that a majority of respondent 64% agreed that training on budgeting skills had positively influenced the lifespan of their self-help group.

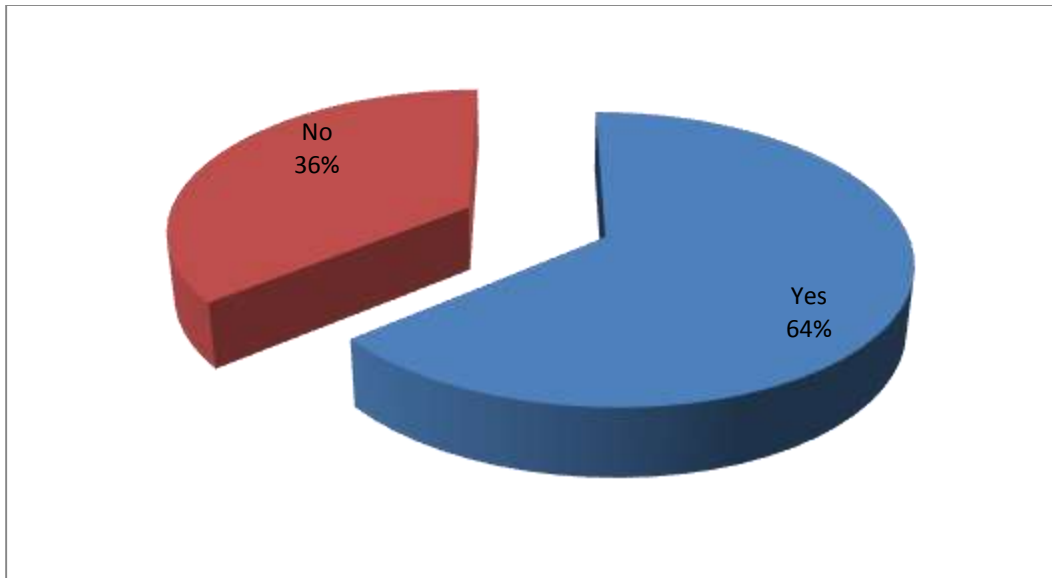


Figure 4.1: Whether Training Budgeting Skills on Group Life Span Importance

4.5.2 Training on Budgeting Skills in Coming up with Group Budget

The study established that a majority of respondents 90% observed that training on budgeting skills increase the possibility of a women self-help group having a group budget compared to 10% who thought otherwise as shown in 4.6 below.

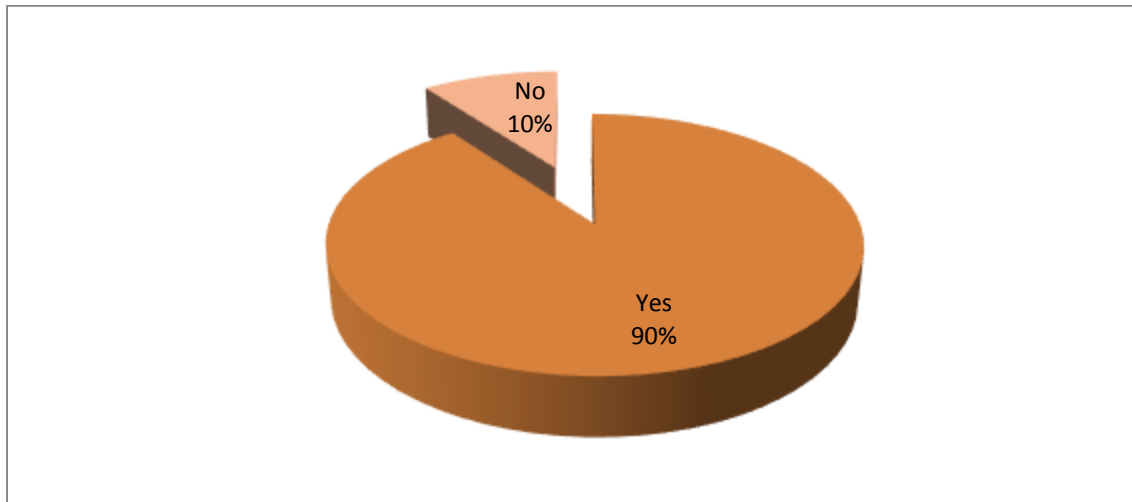


Figure 4.2: Importance of Budgeting Skills on Coming up with Group Budget

4.5.3 Whether Training on Budgeting Skills was Useful in Keeping a Group Budget

The study further established that majority of respondents 93% agreed that Training on Budgeting Skills was useful to Women Self-Help Group in keeping a written group budget compared 7% who thought otherwise as shown in Figure 4.7 below.

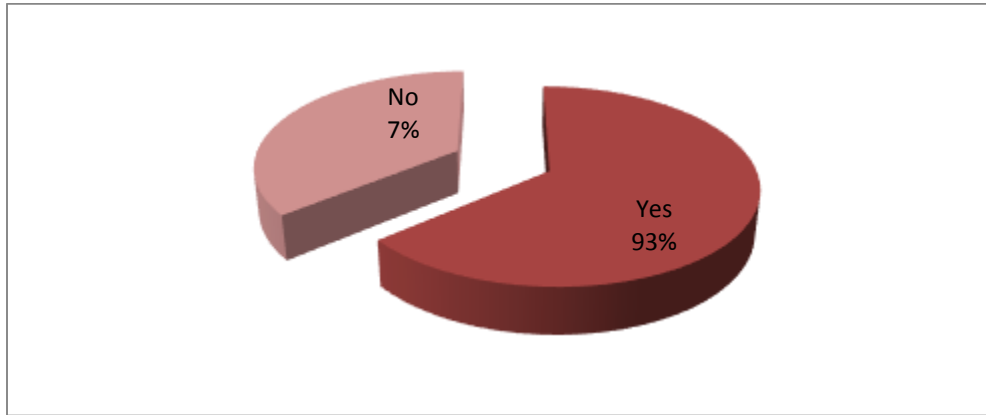


Figure 4.3: Results on Whether Training on Budgeting Skills was Useful in Keeping Group Budget Records

4.5.4 Importance of Training on Budgeting Skills on Financial Performance

Findings on the extent to which budgeting skills training is important to financial performance of women self-help groups established that 90% of the respondents agreed training on budgeting skills is important to financial performance of women self-help group compared to 10% who did not agree.

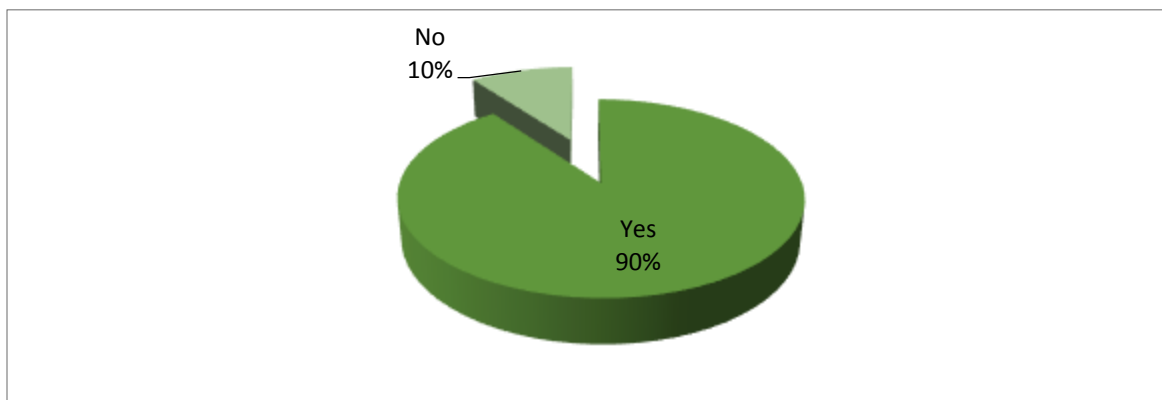


Figure 4.4: Importance of budgeting skills training on financial performance

4.6 Training on Debt Management and financial performance of Equity Bank Trained Women Self- Help Groups.

This section presents the results on response of training on debt management. The key variables investigated included; whether Women Self- Help group had been trained on debt management skills; whether group accessed credit; the form of debt management skills trained on; access to credit; whether training on debt management skills increased the chance financial records keeping, rate of loan defaults among members in a group, credit graduation rate, frequency the bank followed members of a group due to debt owed, loan arrears, whether training on debt management skills helped women group perform better financially and the extent training on debt management skills was important to financial performance of women self-help group.

4.6.1 Training on Debt Management

Qualitative data on the areas of training the Women Self-Help Groups were trained on were also analyzed. The thematic areas on the debt management training included; training on loan repayment, training on types of loans, and training on loan repayment plans.

4.6.2 Access to Credit

Figure 4.7 shows results of whether training on Debt Management Skills helped the Group to access credit. The results revealed that a majority of respondents (93%) agreed that debt management skills training helped women self-help groups in Machakos Town to access credit while 7% disagreed.

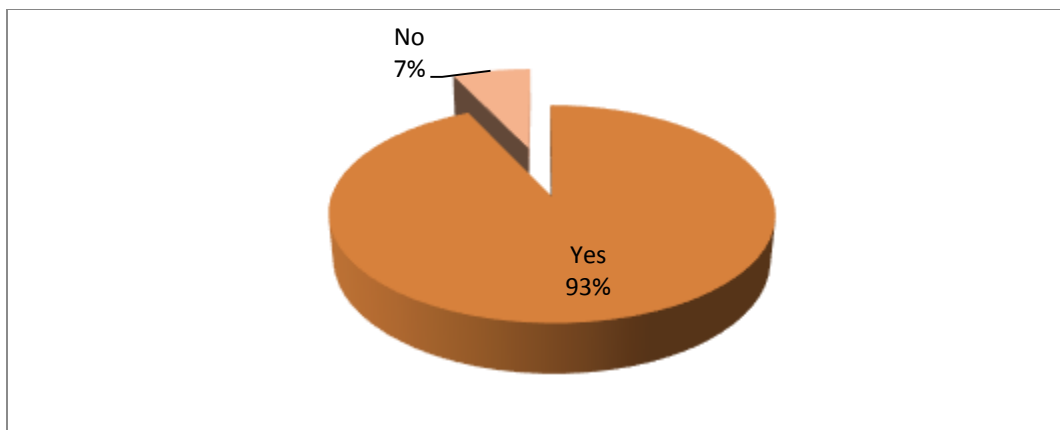


Figure 4.5: Access to Credit

4.6.3 Record Keeping

A majority of respondents (64%) agreed that training on women Self Help Group on debt management increased chance of financial record keeping while to 36% disagreed.

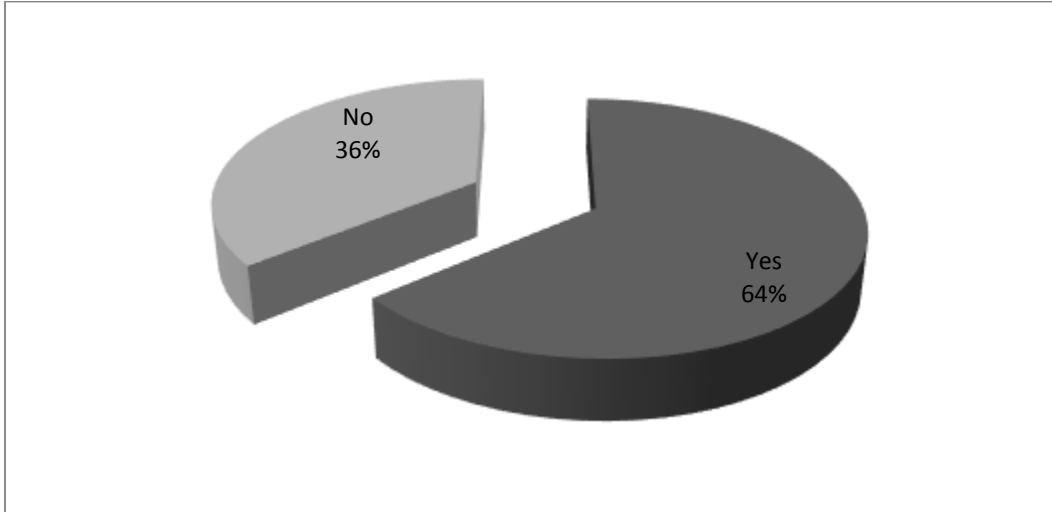


Figure 4.6: Effects of training on Debt Management Skills and Financial Record Keeping

4.6.4. Training on Debt Management Skills and Rate of Loan Defaults

Figure 4.10 shows results on whether training on Debt Management skills influenced the rate of loan defaults among members in the groups. 90% of the respondents reported that training on Debt Management skills negatively influenced the rate of loan defaults among members in the groups while to 10% reported that the training did not influence the rate of loan defaults among members. The study found that there were low loan defaults among the self-help groups.

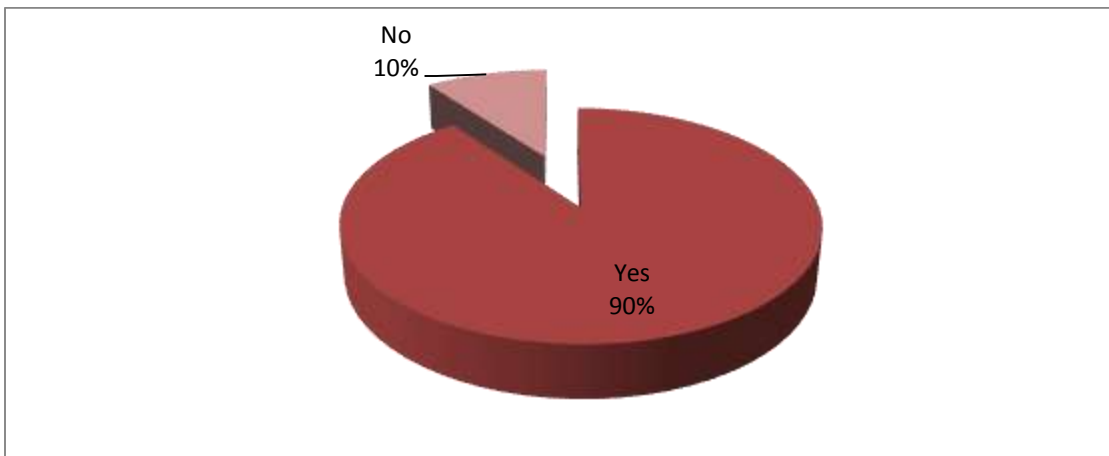


Figure 4.7: Influence of training on Debt Management skills on Rate of Loan Defaults

4.6.5 Credit Graduation Rate

Responses on whether Training women self- help groups on debt management skills has improved their credit graduation rate are indicated in the table below.

Table 4.31: Credit Graduation Rate

Response	Frequency	Percent
Greatly Improved	18	55
Improved	9	27
Minimally Improved	4	12
No Improvement	2	6
Total	33	100

Table 4.11 shows results of whether training on Debt Management increased the credit graduation rate. The study found out that a majority of respondents (55%) had their credit level increase greatly after training 27% for improved and 12% for minimally improved) while 6% of the respondents reported that the training did not increase their credit graduation rate.

4.6.6 Training on debt management skills and Debt Follow Up

On whether training on debt management skills influenced the rate of loan defaults, the response is indicated in table below.

Table 4.4: Training on debt management skills and Debt Follow Up

Response	Frequency	Percent
Very Often	2	6
Often	2	6
Rarely	27	82
Not followed at all	2	6
Total	33	100

Concerning banks following credit defaulters, the study found that a most of the respondents (82%) reported that the bank rarely followed the members of the groups due to debt owed while only 6% reported that the bank often followed them often as shown in Table 4.12 above.

4.6.7 Training on debt management skills and group Loan Arrears

Respondents were asked whether their groups had loan arrears and responded as indicated in the table below.

Table 4.13: Group Loan Arrears

Rate	Frequency	Percent
Low group loan arrears	14	42
No group loan arrears	16	48
High loan arrears	3	10
Total	33	100

Table 4.13 shows results of loan arrears rate. About half of the respondents (48%) reported that Women Self-Groups had no group loan arrears, 42% of the groups had low group loan arrears and only 10% of the groups had high loan arrears.

4.6.8 Importance of Training on Debt management skills and Financial Performance

On whether training on debt management helped women groups perform better financially, the respondents answered as shown in table below. Training on debt management skills helps women group perform better financially. Do you agree with the above statement? The response was as in table shown below.

Table 4.5: Influence of Training on Debt Management skills on Financial Performance

Response	Frequency	Percent
Strongly Agree	12	36
Agree	14	42
Disagree	4	11
Strongly Disagree	3	9
Total	33	100

Table 4.14 shows the results on the influence training on debt management. Most of respondents (42%) agreed that training on Debt Management helps Women Groups perform better financially while 11% disagreed. This indicated that training on debt management skills positively influence the financial performance of women self-help groups.

4.6.9 Extent to which Training on Debt Management Skills is important to Financial Performance

Respondents were asked to indicate to what extent training on debt management skills is important to financial performance of women self-help group and answered are shown in table below

Table 4.6: Extent to which training on debt management is Importance on Financial Performance

Response	Frequency	Percent
Extremely Important	11	33
Very Important	15	45
Neutral	2	6
Least Important	3	9
Not Important	2	6
Total	33	100

Table 4.15 shows results on to what extent training on Debt Management Skills was important to financial performance of women SHG. 78% of the respondents reported that training on Debt Management Skills was very important in financial performance of women self-help groups while 6% reported that the training was not important and 6% was also neutral.

4.7 Training on Bank's Products and Services and Financial Performance of Equity Bank Trained Women Self Help Groups

This section shows results of training on Bank's Products and Services and influence of financial performance of Equity bank trained women self-help groups in Machakos Town. The key variables analyzed under this section included; whether the groups had been trained on bank products and services, knowledge of bank products and services; whether group had access to bank product and services; group awareness of new bank products and services; products and services the groups were trained on; bank products and services they adopted after training; whether training on bank product and services has improved the group's financial management skills, whether training on bank products and services has helped the group attain the financial goal, extent to which training on bank product and services were important and whether the groups were now using alternative banking channels like agent banking and mobile banking to access bank services due to the knowledge they acquired through training.

Findings on banks products and services established that the Women Self-help Groups were aware of the following banks products and services; business loans, digital banking, group loans and saving account, mobile banking, individual savings. Other products were household loans example tanks, jikokoa, house building loans, and group savings and loans accounts, household assets, Inua and Fanikisha loan, over the counter banking and school fees loans.

4.7.1 Awareness of Bank Product and Services

Figure 4.11 shows the results of the bank product and services the groups were aware of. 64% of the respondents reported that groups were aware of bank product services while 36% reported that the groups were not aware of bank product and services.

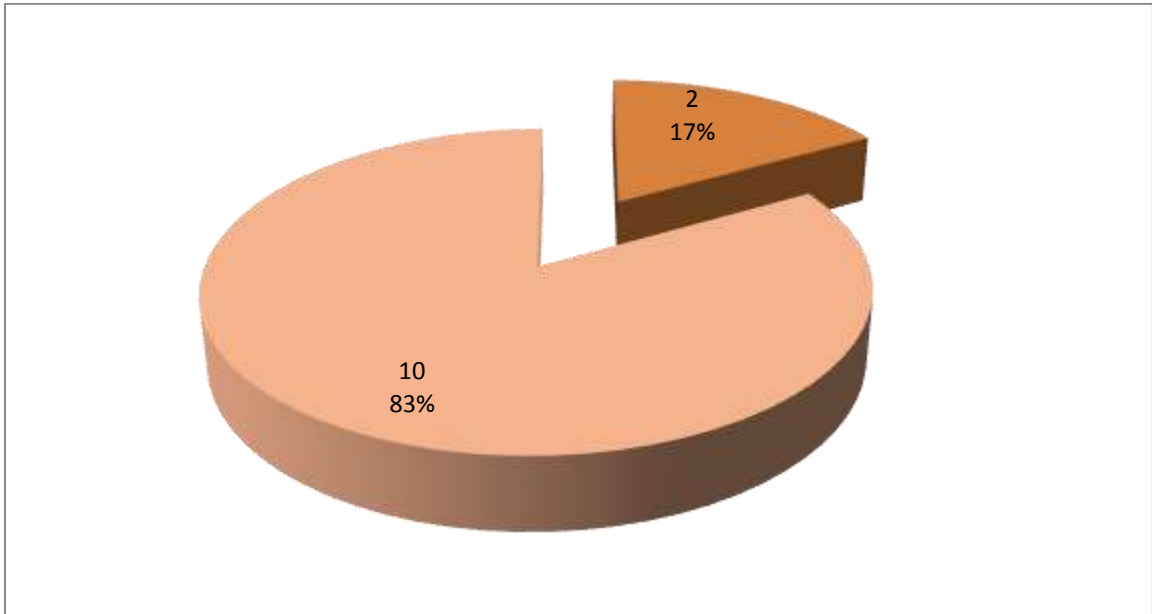


Figure 4.8: Awareness of bank Products and services

4.7.2 Awareness of Group Loan Products

On awareness of group loan products results indicated that a majority of respondents (91%) were aware of group loan product as one of the products the Women Self-help Groups go for in the banks while 9% of the groups were not aware of this product as shown Figure 4.19.

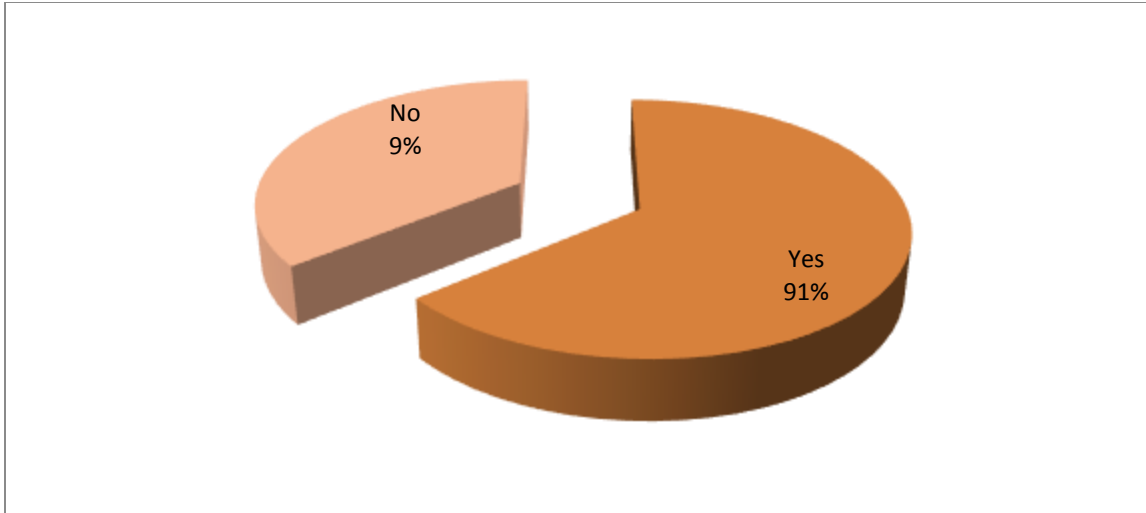


Figure 4.9: Awareness Group Loan Products

4.7.3 Awareness of ATM Bank Service

Findings on awareness of ATM as a bank service revealed that a majority of the groups (64%) were aware of the service compared to 36% who were not aware of it. Figure 4.15.

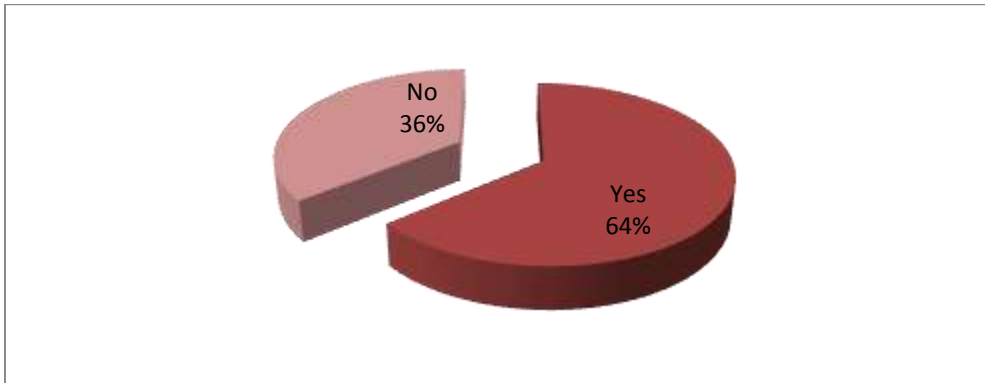


Figure 4.10: Awareness of ATM Service

4.7.4 Awareness of Agency Banking

Figure 4.14 shows the findings on awareness of Agency Banking by the Women Groups. A majority of the respondents (84%) were aware of Agency Banking as an alternative to the available banking channels while 16% who were not aware of it.

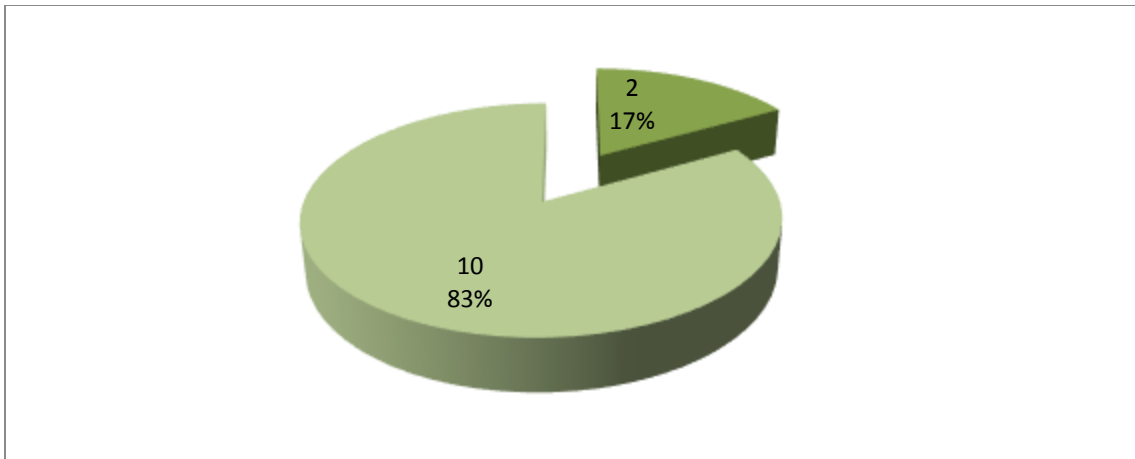


Figure 4.11: Awareness of Agency Banking by the Women Groups

4.7.5 Use of Agency Banking Services

Figure 4.15 shows results on the group to use of Agency Banking as alternative banking channel. A majority of the respondents (62%) reported that the groups are now using Agency Banking as alternative as a result the awareness created through training. 37% of the respondents did not use the Agency banking.

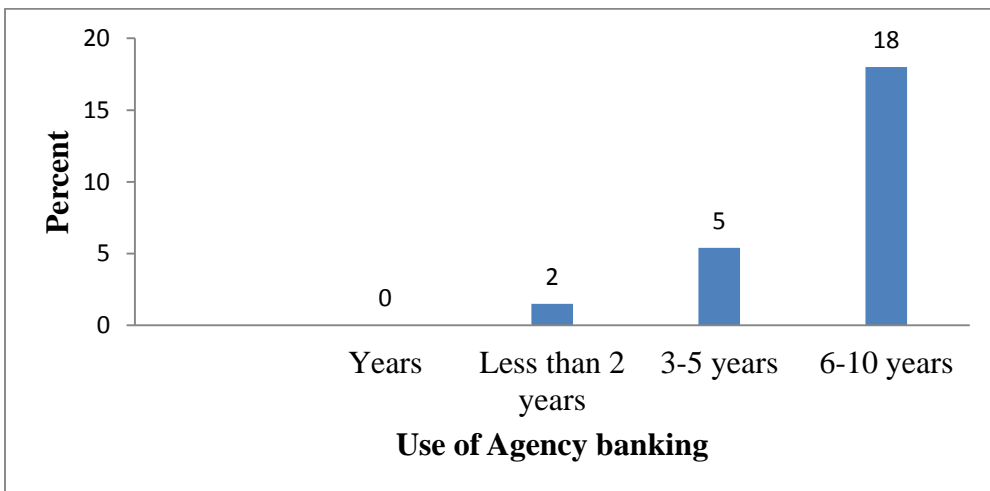


Figure 4.12: Use of Agency Banking as Alternative Channel

4.7.6 Influence of Training on Bank Products and Services on Financial performance

Training on bank product and services has improved your groups financial management skills. The respondents answer is indicated in the table below.

Table 4.16: Influence Training on Bank Products and Services on Financial performance

Response	Frequency	Percent
Strongly agree	15	45
Agree	12	36
Neutral	2	6
Disagree	1	3
Strongly Disagree	3	9
Total	33	100

Table 4.16 shows results of respondents view on whether training on Bank Product and Services improved or did not improve groups' financial performance. A majority of respondents 81% (45% for strongly agree and 36% for agree) agreed that training on Bank Product and Services improved groups financial performance while 12% reported that the training did not improve groups' financial performance.

4.7.7 Extent to which Training on Bank Product and Services is important

Respondents were asked to indicate to what extent was training on bank services important and responded as shown in the table below.

Table 4. 17: Extent to which Training on Bank Product and Services Important

Rating	Frequency	Percent
Extremely Important	9	27
Very Important	18	55
Neutral	4	12
Not Important	2	6
Total	33	100

Table 4.17 shows the results on the extent to which training on Bank Services was important to the groups. A majority of the respondents (82%) agreed that training on

Bank Services was important while 10% reported that training on Bank Services was not important to Equity bank trained women self-help groups in Machakos Town.

4.7.8 Use of Alternative Banking Channels

The group is now using alternative banking channels like agent banking and mobile banking to access bank services as a result of knowledge they acquired through training. Respondents were asked whether they used alternative banking channels after training. The response was as shown in the table below.

Table 4.18: The group Using Alternative Banking Channels Due to the Training

Response	Frequency	Percent
Strongly Agree	1	3
Agree	2	6
Disagree	23	70
Strongly Disagree	6	18
Don't Know	1	3
Total	33	100

Table 4.18 shows the results of whether the groups were using or not using alternative Banking Channels following Training they had acquired. A majority of the respondents (88%) disagreed that the group is now using alternative banking channels like agent banking and mobile banking to obtain bank services as a result of the awareness created through training while 12% who agreed that the group is now using alternative banking channels like agent banking and mobile banking to access bank services due to the awareness created through training and 2% who were not sure on this issue.

4.7.9 The Influence of Financial Literacy Training on Financial Performance

To test the influence of financial literacy training on financial performance, the chi-square test of association was used. To do this, contingency tables were used, chi-square values calculated and degrees of freedom worked out at 5% level of significance. Chi-square is a statistical technique, which attempts to establish relationship between two

variables, both of which are categorical in nature. The technique compares the proportion observed in each category with what would be expected under the assumption of independence between the variables. To determine the significance of the test, the obtained Chi-square value was compared with a critical or table value. If the obtained value is greater than the critical value, then the research question was answered in the affirmative.

The independent variables comprised of the various components of financial literacy training Vis a vis; training on savings, budgeting, debt management and banks products and services. Table 4.19, Table 4.20 and Table 4.21 and Table 4.22 presents the results of the χ^2 F statistics and Chi-results. Table 4.23, presents a summary of the results of the χ^2 , statistics results of all the variables under study on the influence of financial literacy training on financial performance.

Table 4.19: Influence of savings skills training on financial performance

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	307 ^a	4	.018
Likelihood Ratio	315.78	4	.021
Linear-by-Linear Association	15.825	1	.016

a. 100 cells (100.0%) have expected count less than 5. The minimum expected count is .05.

The first objective of the study was to assess how training on saving skills influence financial performance of Equity bank women self-help groups in Machakos Town. The Chi –Square results as indicated in the Table 4.1926 showed that the chi-squared test statistic was 307 with an associated p of 0.018 ($P < 0.05$). The P value of 0.018 is statistically significant in explaining the influence of training on saving skills on financial performance considering that the P-value is less than 0.05 at the 95% level of confidence.

The results therefore show that there was a significant relationship between training on saving skills on financial performance of Equity bank women self-help groups in Machakos Town. The researcher based on the obtained significant relationship between training on saving skills on financial performance concluded that training on saving skills had significant influence on financial performance of Equity bank women self-help groups in Machakos Town. The research question; what is the influence of saving skills training on financial performance of women self-help groups in Machakos Town? was answered in affirmative that training on saving skills had significant influence on financial performance of Equity bank women self-help groups in Machakos Town.

Table 4.7: Influence of budgeting skills training on financial performance

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	69 ^a	4	.007
Likelihood Ratio	15.172	4	.001
Linear-by-Linear Association	5.825	1	.003

a. 100 cells (100.0%) have expected count less than 5. The minimum expected count is .05.

The second objective of the study was to assess whether training on budgeting skills influence financial performance of Equity bank women self-help groups in Machakos Town. The Chi –Square results as indicated in the Table 4.20 showed that the chi-squared test statistic was 69 with an associated p of 0.007 ($P < 0.05$). The P value of 0.007 is statistically significant in explaining the influence of training on budgeting skills on financial performance considering that the P-value is less than 0.05 at the 95% level of confidence. The results therefore show that there was a significant relationship between training on budgeting skills on financial performance of Equity bank women self-help groups in Machakos Town. Based on the obtained significant relationship between training on budgeting skills on financial performance, the study concluded that training

on saving skills had significant influence on financial performance of Equity bank women self-help groups in Machakos Town. The research question; what is the influence of saving skills training on financial performance of women self-help groups in Machakos Town? was answered in affirmative that training on budgeting skills had significant influence on financial performance of Equity bank women self-help groups in Machakos Town.

Table 4.8: Influence of debt management training on financial performance

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	109 ^a	4	.024
Likelihood Ratio	102.013	4	.016
Linear-by-Linear Association	7.104	1	.009

a. 100 cells (100.0%) have expected count less than 5. The minimum expected count is .05.

The third objective of the study was to assess how debt management skills training influence financial performance of Equity bank women self-help groups in Machakos Town. The findings, results as indicated in the Table 4.21 showed that the chi-squared test statistic was 109 with an associated p of 0.024 ($P < 0.05$). The P value of 0.024 is statistically significant in explaining the influence of debt management skills training on budgeting skills on financial performance considering that the P-value is less than 0.05 at the 95% level of confidence. The results therefore show that there was a significant relationship between debt management skills training on financial performance of Equity bank women self-help groups in Machakos Town. The research question; what is the influence of debt management skills training on financial performance of women self-help groups in Machakos Town? was answered in affirmative that debt management skills training had significant influence on financial performance of Equity bank women self-help groups in Machakos Town.

Table 4.22: Influence of banks products training on financial performance

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	202 ^a	4	.009
Likelihood Ratio	169.329	4	.005
Linear-by-Linear Association	27.197	1	.017

a. 100 cells (100.0%) have expected count less than 5. The minimum expected count is .05.

To find out whether training on bank's products and services skills influence financial performance of Equity bank women self-help groups in Machakos Town; results as indicated in the Table 4.22 showed that the chi-squared test statistic was 201 with an associated p of 0.009 ($P < 0.05$). The P value of 0.009 is statistically significant in explaining the influence of training on bank's products and services on budgeting skills on financial performance considering that the P-value is less than 0.05 at the 95% level of confidence. The results therefore show that there was a significant relationship between training on bank's products and services on financial performance of Equity bank women self-help groups in Machakos Town. The study therefore concluded that training on bank's products and services had significant influence on financial performance of Equity bank women self-help groups in Machakos Town. The research question; Does training on bank products and services have influence on financial performance of women self-help groups in Machakos Town? was answered in affirmative that training on bank's products and services had significant influence on financial performance of Equity bank women self-help groups in Machakos Town.

CHAPTER FIVE

5.0 SUMMARY OF FINDINGS AND DISCUSSION

5.1 Introduction

This chapter presents a discussion on the findings of the study on the influence of financial literacy training of Equity bank trained women self-help groups in Machakos Town on financial performance. The chapter also presents a discussion on the findings of the study on the influence budgeting skills training, debt management skills training and bank's products and services training on financial performance of the Equity Bank trained women self-help groups in Machakos Town.

The study established that financial literacy training had significant relationship with financial performance of Equity bank trained women self-help groups in Machakos Town. The study was hinged on four variables; training on saving skills, on budgeting skills, on debt management skills and bank products and services.

5.2 Training on Saving Skills

The study established that a majority of the Equity bank trained women self-help groups in Machakos Town had been trained on saving skills. The Equity bank trained women self-help groups in Machakos Town saved through groups and individual accounts when they met, they continued to build their savings through table banking. After all members gave their money for savings, the money was put on offer for the members who wanted to take loans with interest charged and the balance was taken to the bank for group account savings. A majority of the women in the Equity bank trained women self-help groups in Machakos Town saved to finance merry-go round purposes which further empowered them to have saving plan through weekly savings of which were further banked. Training on saving skills increased consistency of group's savings which in turn helped Women Group Members improve their living standards. Training on saving skills, was therefore, significant to the Groups financial performance.

Training on saving skills had significant relationship with financial performance of women self-help groups in Machakos Town. This finding is supported by Nyagwanga

(2016) in the study “Influence of self-help groups in economic empowerment of women” which asserts that the earlier belief that the impoverished cannot save has been controlled by the SHG method which trains women to save, and that one does not have to earn a lot of money in order to save. A study by Kiseru and Muturi (2015) on “determinants of performance of women SHGs in Gucha Sub County, Kenya also supports the findings. The study found out that women groups implemented the practices of proper group training and regular savings which improved their financial performance.

5.3 Training on Budgeting Skills

The study established that a majority of Women Self-Help Group have been trained on Budgeting Skills although the trainings were not frequent. The training areas included book keeping and debt repayment as historical data that can be used for budget projections. They also received training on budget plans for intended purposes, budget preparation and cash management skills before taking a loan. Training on budgeting skills was beneficial to financial planning and in managing their finances leading to improved financial performance of women self-help group. The training on budgeting skills was found to be useful to Women Self-Help Group in keeping a written group budget.

Findings on budget training skills established a significant relationship between budget training and financial performance of women self-help groups in Machakos Town. This finding is supported by Ngigi (2017) who established that budgeting skills training was very important as the income generation of the trained entrepreneurs went higher and that the outstanding debt was reduced and capital base increased. Training on budgeting skills influenced women self-help groups positively as the groups that were trained managed their finances better, would keep a written budget and this enhanced timely group financial contributions. The study also found that the trained groups had a group budget and projects budget ready in time that helped in preventing misallocation of funds and improved the lifespan of the groups. This is supported by the findings of (Mwaniki, 2014).

5.4 Training on Debt Management

The study established that a majority of the Equity trained women self-help groups in Machakos Town had received Training on Debt Management skills and that Equity Bank enabled them to access credit as evidenced by the credit graduation levels of the members. Thematic areas on training on the debt management skills provided to the Women Self-help Groups included; training on easy loan repayment ways, training on credit graduation from a lower amount to a higher amount by taking manageable amounts and having a loan repayment plan, saving for an intended purpose loan and timely loan repayment.

The training on Debt Management Skills helped the women self-help groups in Machakos Town to reduce loan default rates as debt management skills lead to bank repayment schedules. The training further led to effective bank schedules for loan repayment, the training further lead to individuals making sure each member paid their loan, the training enabled the groups maintain personal loan payment record for each member and the training also lead to members paying debt on weekly basis. Further findings revealed that training on Debt Management skills influenced the rate of loan defaults among members of the groups. The training improved the Women Self-Help Groups' credit graduation rate leading to reduced loan defaulting and therefore leading to improved financial performance.

Further findings on debt management skills training established a significant relationship between debt management training skills training and financial performance of women self- help groups in Machakos Town. This finding is supported by Dick and Jarozek (2013) who established that lack of self-control in acquiring debt as opposed to poor financial literacy is responsible for sub-optimal financial decisions challenges but they also agree that financial education has a beneficial impact on consumer behaviour. The results are further supported by Ngigi (2016) who found out that there was a positive association between training on debt management skills and financial performance of women owned businesses.

5.5 Training on Bank Products and Services

The study revealed that Equity bank Women Self Help Groups were aware and had access to some bank products and services which included Group Saving account, business loans, group loans, agency banking and ATM services. Other bank products and services that Women Self- help Groups were trained on included business loans, digital banking, group loans and saving account, mobile banking and individual savings. Other products were tanks, jikokoa, house building loans, group savings and loans accounts, household assets, Inua and Fanikisha loan, over the counter banking and school fees loans.

Concerning knowledge of the new bank products and services, the Women Self-Help Groups were aware of such products and services through the bank officials, billboards, radio, road shows and television, and the training officers. Out of the products and the services the groups were trained on, they were able to adopt the following products/services; agriculture, fees and tanks loans, group accounts operations, fanaka accounts, group loans, group saving and loan account, household assets and over the counter banking. Such training on Bank Product and Services improved groups' financial management skills and also enabled them to attain their financial goals. Although training on banks products and services was useful, they disagreed that the group is now using alternative banking channels like agent banking and mobile banking to access bank services as a result of awareness created through training as they considered them too risky for their hard earned money. They preferred over the counter banking where they get a banking slip as an evidence that money safely banked.

Findings concerning banks products and services skills training established a significant relationship between banks products and services skills training and financial performance of women self-help groups in Machakos Town. The finding is supported by Mwaniki (2014) who established that training on bank services helped the groups attain their financial goals.

The findings were also supported by the theories that guided the study. Tuckman's Theory that analyses the stages of influence of women self-help groups formation and the

challenges they must overcome in every stage. Self-help groups develop from the formation stage to the performing stages in order for to empower women. If they fail to grow the challenges of each stage, they do not attain their objectives. Expectancy theory also supported the findings in the relevance that women groups are formed by members who are motivated by a common set of goals and objectives, have common expectation and reward in the group's operations.

CHAPTER SIX

6.0 CONCLUSIONS AND RECOMMENDATIONS

6.1 Introduction

This chapter presents salient conclusions and recommendations arising from this study. The chapter comprises two sections, the conclusions and the recommendations arrived at by the study. The general objective was to establish the influence of financial literacy training on financial performance of women self-help groups in Machakos Town. Specifically, the study sought to establish how saving skills training influence financial performance of women self- help groups in Machakos Town; to determine whether budgeting skills training influence financial performance of women self-help groups in Machakos Town; to assess how debt management training influence financial performance of women self-help groups in Machakos Town; to assess how bank's products and services training influence financial performance of women self-help groups in Machakos Town.

6.2 Conclusion

The first research question was stated to address the specific objective on saving skills. The research question was formulated as; 'what is the influence of training on savings skills on financial performance of women self-help groups in Machakos Town? The study statistically conclude that saving skills training had a significant influence financial performance of women self-help groups in Machakos Town. The second research question was stated as; how does budgeting skills training influence financial performance of women self-help groups in Machakos Town? The study conclude that budgeting skills training had positively influenced financial performance of women self-help groups.

The third research question was stated as; how do debt management skills training influence financial performance of women self-help groups in Machakos Town? The study concluded that debt management training skills positively influence financial performance of women self- help groups. The fourth research question was stated as; how does training on banks products and services skills influence financial performance of women self-help groups in Machakos Town? The study also statistically concluded that

Women Self Help Groups were trained on banks products and services, and that the training positively influences financial performance of women self-help groups in Machakos Town.

6.3 Recommendations

First, the Government Policies on Women Group Welfare in Kenya should entrench group financial literacy training to create the needed awareness on business growth and development among Women Groups in Kenya. Apart from debt management, budgeting skills and banks products and services training which the current study considered, the policy should include cross cutting issues including gender, other women enterprises apart from WSHG, into the training curriculum. These are considered by the current researcher as important issues affecting women business in Kenya. Second in terms of practice, the government should encourage other banks and financial institutions apart from Equity Bank to support financial literacy training to enhance women entrepreneurs' ability in business management.

Third, Women Self Help Groups should embrace the skills they are trained on, by adopting an uptake culture so as to optimize the benefits acquired through the skills so as to strengthen their financial performance. Other banks should also offer financial literacy training programs to informal groups such as Women Self Help groups and other forms of organized welfares so as to help curb financial challenges they face in their entrepreneurial endeavours. Banks should also consider training programmes as a continuous requirement for informal groups and other customers in need of the training.

6.4 Recommendation for Further Research

The study recommends a comparative study be carried out to assess the influence of financial literacy training on financial performance of women entrepreneurs who have not been trained on financial literacy. The study also recommends further research to investigate the effect of investment of equity bank or other financial institutions on financial performance of women enterprises that the banks' or institutions' training programmes have. Training needs of self-help group members apart from the skills studied by this study should be identified to provide skill based training.

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APPENDICES

Appendix I: Introduction Letter

Charity Nthama Mberia
P.O.Box 340
Machakos

Dear Respondent,

**RE: STUDY ON INFLUENCE OF FINANCIAL LITERACY TRAINING ON WOMEN
SELF HELP GROUPS ON FINANCIAL PERFORMANCE IN MACHAKOS TOWN**

I am a student pursuing a Masters degree in Business Administration at South Eastern University carrying out research on influence of financial literacy training on women self help groups on financial performance in Machakos Town as a partial requirement for the award of the degree.

Please note

- Do not write your name on the Questionnaire
- All responses will be treated strictly in confidence and purely for examination purposes
- Please give truthful and realistic responses to the questions to enable me reach a reasonable conclusion

This is therefore to humbly request for your cooperation

Thank you

Charity N. Mberia

Appendix II: Questionnaire

Section A: Demographics Data of the Stake Holders

1. The information given on this questionnaire will be held in strict confidence and will be used for study purpose only.
2. You may not answer any question that is not appropriate in your circumstance please tick the appropriate answer in the boxes as provided by the questions below.

1. Indicate your age range by ticking in the box

- 20-30 years
- 40-40 years
- 40-50years
- 50-60years
- 60 years and above

2 What is your highest level of education? Tick where applicable.

- Secondary
- Certificate
- Diploma
- Undergraduate
- Postgraduate

3. How long has your group been in existence? Tick where applicable

- 0-2 years
- 3-5 year
- 6-10 years
- More than two years

SPECIFIC OBJECTIVES

Part a: Training on savings

1. Has your group been trained on saving skills?
 - Yes
 - No

2. Do you have any form saving for the group?

- Yes
- No

3. Why does your group save? Please tick where necessary

To create security against which members can be given loans for group welfare purposes

To finance merry-go round purposes to acquire asset for the group

Others, specify.....

4. Does your group has a saving plan?

Yes

No

5. Where do you keep your savings? Bank

SACCO bank

The treasurer keeps

Buy an asset for the group or group members

Others, specify.....

6. Training on saving skills has increased Consistency of group's savings. On a scale of 1-5, where 1 is Strongly agree, 2 is Agree, 3 is Disagree, 4 is Strongly disagree, and 5 is Don't know, agree or disagree by tick where applicable.

Description	SA	A	DA	SA	DK
Do you agree Training on saving skills has increased Consistency of group's savings?	1	2	3	4	5

7. Training women self help groups on saving skills enhances the women group's asset base which is an indicator good financial performance. On a scale of 1-5 where 1- Strongly agree, 2-Agree, 3-Do not Agree, 4-Disagree, 5- Strongly Disagree, please tick where applicable

Description	SA	A	N	D	SD
Do you agree training women self help groups on saving skills enhances the women group's asset base which is an indicator good financial performance?	1	2	3	4	5

8. Has training on saving skills helped your women group members improve their living standards?

Yes

No

9. On a scale of 1-5, **1 is very important, 2 is important, 3 is of low importance, 4 is neutral and where 5 is not at all important**, indicate by ticking to what extent is training on saving skills important to women self- help groups financial performance

Description	VI	I	LI	N	NI
Indicate by ticking to what extent is training on saving skills important to women self- help groups financial performance	1	2	3	4	5

Part B: Training on Budgeting skills

1. Does training on budgeting skills influence group's lifespan?

Yes

No

2. Does training on budgeting skills increase the possibility of a women self-help group having a group budget?

Yes

No

3. Training on budgeting skills has positively influenced the lifespan of your women self-help group. To what extent do you agree with this statement? On a scale of **1-5 where 1 is**

Very strongly, 2 is Strongly, 3 is Somehow, 4 is Disagree and 5 is Strongly Disagree indicate by ticking where applicable.

Description	VS	S	S	D	SD
Training on budgeting skills has positively influenced the lifespan of your women self- help group. To what extent do you agree with this statement?	1	2	3	4	5

4. On a scale of 1-7 where **1, is extremely important, 2 is very important 3 is moderately important, 4 is neutral, and 5 is not at all important**, indicate by ticking the extent to which training on budgeting skills is important to financial performance of women self- help group?

Description	EI	VI	I	N	NI
To what extent is training on budgeting skills important to financial performance of women self- help group?	1	2	3	4	5

Part D: Training on Debt Management

1(a) Does your group access credit?

- Yes
- No

(b) If yes, what form of debt management skills were you trained on?

.....
.....
(c) Has training on debt management skills helped your group to access credit?

Yes

No

2. Has training on women self- help groups on debt management increased the chance financial records keeping?

Yes

No

If yes explain how.

.....
3 Has training on debt management skills influenced the rate of loan defaults among members in your group?

Yes

No

4. Training women self- help groups on debt management skills has improved their credit graduation rate. Indicate by ticking how it has improved on a scale of 1-5 where, 1 is **Greatly Improved**, 2 is **Improved**, 3 **Slowly Improved**, 4 is **not improved** and 5 **not improved at all**

Description	GI	I	SI	NI	NA
Has training women self- help groups on debt management skills improved their credit graduation rate?	1	2	3	4	5

.....
4. How often has the bank followed members of your group due to debt owed, indicate by ticking?

- Very often.....
- Often.....
- Not often.....
- Very often.....
- Don't know.....

5. Is your group having loan arrears? Indicate the group loan arrears status by ticking.

- Very high group loan arrears...
- Low group loan arrears.....
- No group loan arrears.....
- High loan repayment rates

6. Training on debt management skills helps women group perform better financially. Do you agree with the above statement? Indicate by ticking where necessary on a scale of **1-5** where **1 is Strongly Agree, 2 is Agree, 3 is Neither agree nor Disagree, 4 is Disagree and 5 is Disagree**

Description	SA	A	N/D	D	SD
Training on debt management skills helps women group perform better financially. Do you agree with the above statement?	1	2	3	4	5

7. On a scale of 1-5, where 1 **extremely important**, 2 is **very important** 3 is **low important**, 4 is **neutral**, 5 is **not at all important**, indicate to what extent is training on debt management skills important to financial performance of women self help group by ticking the scale number.

Description	EI	VI	LI	N	NI
Indicate to what extent is training on debt management skills important to financial performance of women self help group by ticking the scale number.	1	2	3	4	5

Part E: Training on Bank products and service

1(a) What bank products and services do you know?

(b) What bank products and services does your group has access to?

(c)How many bank product and services is your group aware of? Group savings account

- Group loans
- Agent banking
- ATM
- Others specify

(d) How do you come to know about the new bank products and services?

.....

2. (a) Has your group been trained on bank products and services?

- Yes
- No

(b) If yes, what bank products and services was your group trained on?

(c) Which bank products and services did your group adopt after training?

3. Training on bank product and services has improved your group’s financial management skills. Do you agree? Indicate by ticking to what extent you agree where-**1-strongly agree,2-Agree,3- Do not agree,4-Do not know,5-Do not Agree**

Description	SA	A	DA	DK	SDA
1. Training on bank product and services has improved your group's financial management skills.	1	2	3	4	5

4. Training on bank products and services has helped your group attain your financial goal. Do you agree? On a scale of 1-5, where 1-Strongly Agree, 2- Agree, 3-Neutral and 5-Do not Agree at all, indicate by ticking where applicable.

Description	SA	A	N	DA	DA
Training on bank products and services has helped your group attain your financial goal. Do you agree? tick where necessary	1	2	3	4	5

5. On a scale of 1-7,where1 is Extremely Important,2 is Very Important,3 is Important,4 is Neutral, and 5 is Not all Important, to what extent was training on bank services important? Please tick where necessary.

Description	EI	VI	I	N	NI
To what extent was training on bank products and services important?	1	2	3	4	5

6. The group is now using alternative banking channels like agent banking and mobile banking to access bank services as a result of knowledge they acquired through training.

Do you agree or disagree with this statement?

- Strongly Agree
- Agree
- Disagree
- Strongly disagree
- Don't know

Appendix III: Permission to Collect Data



SOUTH EASTERN KENYA UNIVERSITY
OFFICE OF THE DIRECTOR
BOARD OF POST GRADUATE STUDIES

P.O. BOX 170-90200
KITUI, KENYA
Email: info@seku.ac.ke

TEL: 020-4213859 (KITUI)

Email: directorbps@seku.ac.ke

Our Ref: D61/MAC/20229/2012

DATE: 28th May, 2020

Charity Nthama Mberia
Re g. No. D61/MAC/20229/2012
Masters of Business Administration
C/O Dean, School of Business and Economics

Dear Mberia,

RE: PERMISSION TO PROCEED FOR DATA COLLECTION

This is to acknowledge receipt of your Master in Business Administration Proposal document entitled: *"Influence of Financial Literacy Training on Financial Performance of Equity Bank Trained Women Self-Help Groups in Machakos Town"*.

Following a successful presentation of your Masters Proposal, the School of Business and Economics Board of Examination in conjunction with the Directorate, Board of Postgraduate Studies (BPS) have approved that you proceed on and carry out research data collection in accordance with your approved proposal.

During the research work, you will be closely supervised by Dr. Kelvin Wachira. You should ensure that you liaise with the supervisor at all times. In addition, you are required to fill in a Progress Report (*SEKU/ARSA/BPS/F-02*) which can be downloaded from the University Website.

The Board of Postgraduate Studies wishes you well and a successful research data collection exercise as a critical stage in your Master of Business Administration.

Prof. Felix Ngunzo Kioli
Director, Board of Postgraduate Studies

Copy to: Deputy Vice Chancellor, Academic, Research and Students Affairs (Note on File)
Dean, School of Business and Economics
Chairman, Department of Business and Entrepreneurship
Dr. Kelvin Wachira
BPS Office - To file

ARID TO GREEN



ISO 9001: 2015 CERTIFIED



TRANSFORMING LIVES

Appendix IV: Authority to Collect Data

CHARITY NTHAMA MBERIA
P.O BOX 340, MACHAKOS

THE MANAGER.
EQUIRY BANK MACHAKOS BRANCH
9TH June 9, 2020

Dear sir/Madam

RE: REQUEST FOR AUTHORITY TO COLLECT RESEARCH STUDY DATA

I'm a Master of Business Administration Finance option student at South Eastern Kenya University.

I'm carrying out a research study on "Influence of Financial Literacy Training on Financial Performance of Equity Bank Trained Women Self Help Groups, Machakos Town" to fulfill the requirement for the award of the degree.

I, therefore humbly request for your to assistance to get the required information. The data will be used purely for academic purpose and every information will be treated with high confidentiality.

Yours faithfully,

Charity Mberia



Appendix V: List of Machakos Equity Bank Trained Women Self Help Groups

APPENDIX III: LIST OF MACHAKOS EQUITY BANK TRAINED WOMEN SELF HELPGROUPS

1. LUKENYA DREAM WOMEN SELF HELP GROUP
2. ST. PETERS WOMEN SELF HELP GROUP
3. TUSHAURIANE SMART LADIES GROUP
4. KTUMBI WOMEN SELF HELP INITIATIVE
5. MWIKIIO ITHAENE WOMEN SELF HELP GROUP
6. WONI WOMEN SELF HELP GROUP
7. MBUKILYE NGUKULYE WOMEN SELF HELP
8. KILIKO WOMEN SELF HELP GROUP
9. MIKUYU TUSHAURIANE WOMEN SELF HELP GROUP
10. HAPPY MUM WOMEN SELF HELP GROUP
11. UMOJA MWANISHO WOMEN SELF HELP GROUP
12. KITENGE'I WOMEN SELF HELP GROUP
13. MWANGAZA KALAMBYA WOMEN SELF HELP GROUP
14. NEEMA KAVOO WOMEN SELF HELP GROUP
15. NGUUTIONI WOMEN SELF HELP GROUP
16. KYENI KYA NZALUKYE SELF HELP GROUP
17. KIUMONI WOMEN SELF HELP GROUP
18. JUPITER WOMEN SELF HELP GROUP
19. NDOKANIO WOMEN SELF HELP GROUP
20. GRACE WOMEN SELF HELP GROUP
21. LOWER GROGON WOMEN SELF GROUP
22. TWONE MBEE KIVUTENI WOMEN SELF HELP GROUP



- 23.JIPANGE UPANGWE WOMEN SELF HELP GROUP
- 24.MIKAKATI WOMEN SELF HELP GROUP
- 25.WENDO WOMEN SELF HELP GROUP
- 26.WENDO WA MUVUTI WOMEN SELF HELP GROUP
- 27.AMAZING GRACE KALILUNI WOMEN SELF HELP GROUP
- 28.KAITU KASEO WOMEN SELF HELP GROUP
- 29.KIUNDUWANI WOMEN SELF HELP GROUP
- 30.HOPE OF JOYS WOMEN SELF HELP GROUP
- 31.KITHUKYE WOMEN SELF HELP GROUP
- 32.DIRERIA WOMEN SELF HELP GROUP
- 33.TUALYUKE NA IVINDA WOMEN SELF HELP GROUP

