Organisational Effectiveness in Table Banking: Practice and Policy Implications from a Kenyan Case Study

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Thesis is submitted in fulfilment of the requirements for the degree of Doctor of Philosophy

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JANUARY 2026

Abstract

This qualitative case study with multiple cases explores the organisational effectiveness of table banking as a social and solidarity economic activity for poverty reduction in Nakuru County, Kenya. Findings show that table banking groups or *chama* as commonly known in Kenya, transition to Savings and Credit Cooperatives with the ability to advance within their environment. If policies that facilitate financial inclusion were improved and supported by Cooperative Development, Table Banking Groups could thrive in the financial sector. The study concludes that structured formal practices register success more frequently than informal structures. This has implications for the practices, operations, and growth of TBGs. This study adds to the literature on regulatory frameworks and measures of social and economic performance of table banking.

The researcher used the purposive sample method to select key informants and interviewees to participants in this study. The research questions were open-ended with the main question being, 'What factors would make Table Banking Groups more effective organisations while operating as a Social and Solidarity Economy enterprise? Several questions were framed in a sequence for the Phase I, Phase II (a), and Phase II (b) data sets. In Phase 1, the researcher selected eight key informants from local organisations who participated in a face-to-face Focus Group Discussion. Categorically, the findings from phase I informed the questions for the second phase. In Phase II (a), the researcher interviewed three Savings and Credit Co-operative Society umbrella organisation officers from the Ministry of Cooperative Development, and two from the Kenya Union of Savings and Credit Co-operatives. Both phase I and Phase II (a) informed the research questions in the next phase. In Phase II (b) interviewed six Table Banking
Group participants who were recruited by the Rongai Social Economic Women's Organisation, two who were deemed successful, two average, and two on the verge of failure.

The secondary information was retrieved from Sacco Societies Regulatory Authority, Kenya Union of Savings and Credit Co-operatives documents, anecdotes from

communities, and grey literature which include Newspapers and YouTube within the sector as a basis for benchmarking and identifying differences and similarities of performance, operational standards, and regulatory frameworks. The public media was sourced from the year 2010 to 2023 and was reviewed and added to findings from the study guided by the research questions, system theory, and the conceptual framework for Table Banking organisational effectiveness.

In conclusion, this unbiased research went through the Victoria University ethics and integrity. The findings are generally discussed under the topic addressing the regulatory frameworks and Table Banking Groups effectiveness, structures and processes of Table Banking Group's organisational effectiveness, outcomes at the organisational and individual levels and summary of findings that argue Table Banking practices from a Kenyan perspective. This study identified gaps and findings discussed in the 8 chapters. Significantly, the study revealed the success stories and the challenges Table Bankers face. The study had limitations in accessing sufficient policy documents, which could have strengthened suggestions for Table Banking Organisations Effectiveness. The study suggested a longitudinal study of Table Banking activities in Kenya to determine policy implications for sustainability.

Student Declaration

I, Nelly Natii Wendot, declare that the PhD thesis entitled Organisational Effectiveness in Table Banking: Practice and Policy Implications from a Kenyan Case Study is no more than 80,000 words in length, and includes quotes, exclusive of tables, figures, appendices, bibliography, references and footnotes. This thesis contains no material that has been submitted previously, in whole or in part, for the award of any other academic degree or diploma. Except where otherwise indicated, this thesis is my own work.

I have conducted my research in alignment with the Australian Code for the Responsible Conduct of Research and Victoria University's Higher Degree by Research Policy and Procedures.

Ethics Declaration

All research procedures reported in the thesis were approved by the Victoria University Human Research Ethics Committee and HRE22-078.

Signature  Date 07/01/ 2026

Dedication

I gratefully remember my late parents, Chief and Retired Corporal Walter Wendot and Mrs. Hellen Wendot. The inspiration to further my studies from a certificate level to a doctorate was instilled by my late mum, who said that education is valuable. I also dedicate this thesis to my family, Evans, Reginald and Damaris, Reuel, Hellen, and my grandchild Ayanna, who have persevered during my absence; to my extended family, the Wendots' and Bosires', to my sisters Sarah Kisin and Magdaline for being on my side through thick and thin. And I greatly thank Bridget's family for being there for me in Melbourne.

Acknowledgements

I acknowledge the Country and the Warundjeri Kulin Nation where the Victoria University seat. I pay my respects to past, present, and future Elders.

I appreciate Victoria University (International) and the Graduate Research Institute of Sustainable and Liveable Cities (ISILC) for their support. I recognise my Senior Investigator Associate Professor Charles Mphande and Assistant Supervisor Doctor Bichok Kot, and my former Supervisor Rafael Paguio. I thank the editor Laura Goodin for refining the thesis for completion.

I also thank Doctor Mabor Dhuol for encouragement, and Doctor Gerald Onsando and Doctor Kenneth Ochieng for sharing their doctoral experiences.

Preface

One sunny afternoon after lunch, my mother and I were having a chat, while I combed and oiled her curled hair, outside our home of more than 20 years. She said to me, "*Mwanangu naona unapenda kufanya mambo ya chama kama ninavyo penda; kwa miaka ijayo naamini utafwata nyayo zangu ("My daughter, I see that you like being involved in chama activities like I do; in the coming years I believe you will follow in my footsteps"*).

After her demise four years later, these words lingered in my mind. I eventually founded a women group known as Kampi ya Moto Scheme Women Group (KASWOG) in November 2009 in remembrance of my mother (Hellen Wendot). The concept of table banking constitutes community members pooling funds at each meeting, which they lend to each other on the spot (Asseto, 2014).

Coincidentally, in 2009, Rongai Social Economic Women Empowerment (ROSEWO), a non-governmental organisation (NGO) came around looking for existing *chama* to train under their umbrella for social and economic empowerment. Later, I was trained by ROSEWO to facilitate TBGs in Rongai Constituency, where I worked briefly as a trainer for trainers. I witnessed how the grassroots women's and self-help groups benefited from TBG activities. For example, some group members were able to take loans to educate children and upgrade their houses.

The main objective of the 20 women in KASWOG was to empower the neighbourhood socio economically. The TBG's financial activities enabled the group's members to access finances for different investments and to raise their living standards. Their *safari* started small and grew into a vibrant social and solidarity economic activity. They became involved in several activities that included pooling money that they saved and lending to each other for long or short-term loans. They also instituted *education booster* incentives for those who send children to school, *merry-go-rounds* to rear livestock, and assistance with furnishing members' houses, financing parents' visits, making welfare contributions, and making items for sale such as ornaments, patchwork blankets, and detergent.

Being a TBG member for close to 15 years, I have known the advantages and the challenges other members and TBGs as organisations face. Issues that affect social and economic growth include failure of loan repayment due to members' defaulting and lack of training in managing finances. Other issues include leadership scandals, disagreements among group members, lack of plans with timelines, and, in some cases, group finance misappropriation (Akinyi, 2018). Such financial challenges were experienced in KASWOG, which prompted the researcher to investigate how TBGs can be more effective organisations.

Currently, Kampi ya Moto Scheme Women Group is one of more than 200 TBGs officially registered with and facilitated by ROSEWO, which provides financial management services to the TBGs to promote organisational effectiveness and to empower them socially and economically. The solidarity aspect of TBGs is significant in that participants can access finances to venture into joint social-economic projects and raise investment capital for their enterprises by pooling resources. A distinct advantage is that TBG members earn dividends at the end of the year depending on their savings, short-term and long-term with cumulative interest of 7%. In addition, if TBG members save in the Education booster package mentioned in the above paragraph, they generously gain 50% per annum, which goes a long way to educate their children. Another benefit of getting involved in table banking include socialising with other women (Gitonga, 2018) for social and solidarity economy (SSE). Such social and economic effects cannot be found in formal banks or SACCOs.

Notably, TBG ideas were modelled after the Grameen Bank of Bangladesh, which shares similar village money-saving that make loan facilities available to self-help groups in Zanzibar, a neighbour to Kenya (Ahlén, 2012). However, the TBGs members' pool savings to revolve around the members in short-term and long-term loans and transacted instantly on the table. The surplus cash is banked by members who return it with no interest, if no volunteers are found to bank, the extra cash is banked in members' SACCO or bank account and brought back on table next round.

> *Table banking methodology is almost the reverse of the conventional banking methodology. Conventional banking is based on the principle "that the more you have, the more you can get". In other words, "if you have little or nothing, you get nothing". As a result, more than half the population of the world is denied the financial services of conventional banks. Conventional banking is based on collateral, while table banking is based on group guarantee and household collateral* (*Joyful Women Organization, 2020, p. 1).*

TBGs are designed to accommodate financially vulnerable individuals, especially women, who cannot benefit from formal banks, which require proof of financial stability in terms of savings and the ability to have collateral for security (such as physical assets like title deeds or car logs). In this case, the TBG concept allows peer-to-peer guarantees when acquiring both long- and short-term loans.

Apart from the benefit of financial access, the improvement in women's social status through the projects funded by these loans also improves their living standards and fosters job creation. The [SSE] motivates the communities to have technical support for each other, share ideas, become involved in advocacy campaigns, meet for neighbourhood social gatherings, and reach out to assist members who are struggling with family or business issues (Gitonga, 2018).

Studying at Victoria University as a Master of International Community Development, I was passionate about how the TBG concept had changed KASWOG participants' social and economic status and benefited the community at large. Under the supervision of Dr Tania Miletic, my topic was *Contemporary Issues Affecting Women in Table Banking in Kenya: A Case Study of the Kampi ya Moto Scheme Women Group.* Being familiar with the area of study motivated me to explore table banking organisational effectiveness in conducting research for a higher degree. My selected topic was *Organisational Effectiveness in Table Banking: Practice and Policy Implications from a Kenyan Case Study*.

The inspiration for this study was that TBGs had not yet been studied from the perspective of how their holistic structures and processes affect the groups socially and economically, and that there was a need to know whether the existing practices and policies in place affect the success of TBGs in Kenya. This study applied system-approach theory, with the interacting sub-systems being input, structure, processes, and outcome. The formulated conceptual framework stipulates specific factors that can ensure the organisational effectiveness of TBGs, as this study identified additional factors, such as training in writing a business plan and capacity-building. The adopted system theory and conceptual framework determine factors that could help TBGs progress. These assertions about TBG operational challenges prompted questions on the pertinent policy regulations, factors that determine TBG organisational effectiveness and how it influences TBG performance.

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List of Abbreviations

AGM	Annual General Meeting
CBOs	Community-Based Organisations
DTMI	Deposit-Taking Microfinance Institution
FBO	Faith-Based Organisations
FOMO	Fear of Missing Out
HREC	Human Research Ethics Committee
ILO	International Labour Organisation
JOYWO	Joyful Women Organisation
KASWOG	Kampi ya Moto Scheme Women Group
MSEA	Micro and Small Enterprise Authority
MSMEs	Micro, Small, and Medium-sized Enterprises
NGO	Non-Governmental Organisation
ROSCAs	Rotating Savings and Credit Associations
ROSEWO	Rongai Social Economic Women Empowerment
SACCO	Savings and Credit Cooperative
SMEs	Small and medium-sized enterprises
SSE	Social and solidarity economy
TBGs	Table Banking Groups
UNSDGs	United Nations Sustainable Development Goals

Glossary

Chama: *A Swahili term that means a group of people who are neighbours and/or friends, and who share common social and economic objectives. To achieve this, they meet regularly to pool resources to improve their living standards and those of the community.*

Jua Kali: *Artisans who innovate products from local materials; for example, cooking scrap iron.*

Pretender loan repayments: [*The term emerged from the experience of eating pretender proteins (chicken) in a restaurant in Melbourne, Victoria. When considering timely loan repayments in Table Banking, to avoid loan default, debtors often borrow from friends and family. After settling the debt, they borrow again immediately from the Table Banking Group to repay a family or friend].*

Safari: *Swahili term meaning a planned journey.*

Self-help Groups: *They are community groups that come together with the aim of social economic empowerment.*

Table Banking Groups: *They are community groups of women who pool savings together and borrow instantly from the table, with minimum interest. When men are included, they result in Self-help Groups, with a minority 30% with no leadership position.*

Chapter 1 Research Background

1.0 Introduction

The preface above explains the author's motivation to embark on this study of the organisational effectiveness of the table-banking concept in Kenya. This chapter sets the context of this study background, research questions, justification, scope, limitation, and contribution to knowledge; it also provides the thesis layout.

When deprived of the necessary resources from their state, individuals resort to pool social economic resources together in SSE groups, which include TBGs with the objective to alleviate poverty. The lack of government to accommodate and effectively implement policies that provide resources such as health, education, and basic needs to citizens, leads to communities using traditional means through their social capital (Field, 2016). TBG has been developed within such an environment.

Since independence in 1963 several sustainable development strategies to eradicate poverty have been established by the government of Kenya and international partners. After 45 years of independence in Kenya a primary blueprint Kenya vision 2030 was launched with three pillars: economic, social and political, implementation had a positive economic impact to Kenya gross product and was to achieve the eight goals before 2015 Millennium Development Goals (MDGs). The government of the day advocated for citizens to embrace hard work and get to work, with a propelling sentiments' "*work hard there is nothing for free.* "During that period the government encouraged communities to form groups to be financed by the County devolved UWEZO Fund. Many SSE groups were registered and accessed loans to boost their small and medium businesses.

Achieving previous MDGs goals was not attainable as expected and the global organisations through United Nations formulated 17 Sustainable Development Goals in 2015 that was adopted by the Big 4 Agenda in 2017 in Kenya to ensure citizens have basic needs "adequate nutritious food, affordable housing, employment and affordable

health care," (Macharia, 2019) to march the SDGs attainment "peace, prosperity for people and planet."

For equality, "Sessional Paper No.1 of 2019 on the National Policy on Gender and Development provides for the achievement of gender equality and women empowerment in national development that enhance participation of women and men, girls and boys vulnerable and marginalised for attainments of sustainable development" (Kenya's Report, 2024).

To accomplish the Ministry of Planning and Vision 2030 Millennium Development Goal [MDG] the first aim was to eradicate extreme poverty, the Government of Kenya programs facilitate several socioeconomic activities, for instance loans to boost women investments, capacity building (Public Finance Management (Biashara Kenya Fund) Regulations, 2020, pp. 3-4) for low-income earners to access friendly financing to start income-generating projects. They are also commonly known in Swahili as *chama.* However, the general population of women in rural and urban areas had, in fact, registered into groups that adopted *chama or merry-go-round* for household needs and to boost small business. Through TBGs individuals in self-help groups access low-interest loans from pooled funds with a positive economic growth (Lambisia, et al., 2016).

Later, in the year 2009, the ROSEWO NGO mobilised over 200 self-help groups and women's groups in Nakuru County for social and economic empowerment. The mobilisation of women groups by the former Members of Parliament spouses across the country reflects a feminist political economy with a vision to empower women socially and economically. Lambisia, et al (2016) shared that self-help groups are grounds for activism and participation. The Kenya Population and Housing Census revealed that in the year 2009 women accounted for 50.3 percent, with the majority not able to access the conventional banking services, the reasons being social economic and cultural barriers. (Standard Media, 2015). Currently, the TBGs operate as an informal sector that accounts for part of the 30.1% of informal banking in Kenya (Mwangi, 2014).

Despite the advantage of access to friendly financing, the TBGs face practice and policy challenges that might deter their growth and sustainability. Akinyi (2018) acknowledges that women accessed funds from TBGs with ease because their practices and policies are more lenient than those of microfinance and formal banks. Akinyi recommends a study to evaluate the effectiveness of TBGs in rural Kenya in Micro and Small Enterprise Authority (MSEA). Other negative interference in TBGs is the lack of training opportunities, member mistrust, and bad debts (Akinyi, 2018).

For TBGs to be OE, improved structures and processes, management of finances, risk management, capacity-building, and leadership skills need to operate effectively. Most self-help groups have incorporated regular activities to increase capital production. However, there is limited literature on how TBG practices influence their outcomes. This study explores the factors, practices, and policies that influence the social and economic activities of TBGs in Kenya by reviewing success stories reported in focus-group discussions, interviews, and public media. Importantly, this narrates how the TBG concept has improved the socio-economic situation of financially vulnerable people, improved their living standards and created employment.

1.1 Problem Background

The problem statement describes the phenomenon of table banking that was studied in this research. TBGs' organisational effectiveness is key to the success of providing friendly financial services to communities in Kenya, as discussed above. Most beneficiaries are women, but include a few men with low income. The individual participants who access table-banking facilities are from the informal sector; for instance, subsistence farmers and entrepreneurs in small and medium-sized enterprises (SMEs), who cannot obtain finances from conventional banks. The unregulated frameworks and practices of self-funding organisations have hindered further socioeconomic development at the local and international level.

The problem of financial access in communities in Kenya has forced the unemployed, SMEs, and rural farmers to seek out accessible and interest-friendly finance. The lack of

collateral and income that enables the SMEs to seek funds from informal institutions with common financial problems to form groups commonly known as *chama* (table banking) with a socioeconomic objective.

Despite the advantages of the TBG model, there are no studies that measure the evaluated performance and identify the levels of success to determine TBGs'capability. In a study done at Rongai in Nairobi County, *Lambisia et al. (2016)* observed the effect of table banking on the effectiveness of economic-empowerment self-help groups. The study specifically examined group cohesiveness and group guarantee as variables that might contribute to effective TBGs (Lambisia, et al., 2016)**.** Other scholars have examined the role and effects of TBGs in improving socio- economic empowerment in Uasin Gishu and Turkana counties in Kenya.

As discussed in the literature review in Chapter 2, most previous studies have considered two variables at a time, but this study of organisational effectiveness (OE) adopted various factors that influence the success of TBGs: inputs (Ministry regulations, NGO oversight roles, and cultural values and norms) and organisation structures and processes (processes, leadership, strategies, and risk management). The third part of the study examined the impact of social and economic outcomes in terms of higher living standards and improved social status of individuals. The study also observed the economic level of individuals in consideration of their employment opportunities and improved access to financial services, as well as the outcome of TBG factors, including external finances, the recruitment of new members, and high repayment rates.

This study found a gap in policies and regulations that could affect the operations of TBGs, making them less informal as social and solidarity groups. Other authors who investigated TBGs phenomenon recommended that practices to institutionalise TBGs need to be devised. However, this study explores the effectiveness of TBGs and their policy implications. The literature review included a study of the application of a systems approach to the organisational effectiveness of the Maritime Policy & Management Seaport (Cetin & Cerit, 2010) but the researcher found no similar study on organisational effectiveness in TBGs, pointing to a need to explore the field. TBGs as a social solidarity

economy (SSE) have the potential to improve practices and policies when transitioning to another level to thrive in the financial market like Kenya's savings and credit cooperatives (SACCOs). According to *Jenkins et al (2021, p.2),*

> *To promote SSE and realise its potential in the context of sustainable local development, policymakers and practitioners must ask the following questions: what are the enabling factors for establishing effective policies and programs for SSE? Will these be feasible and well-adapted within their various legal, political, and socioeconomic contexts? In addition to these questions, there are concerns among policymakers and SSE practitioners that public policies may cause tensions between the state and SSE.*

Another aspect is that as TBG members interact socially, they build strong ties, which have a positive impact within their communities. When TBGs improve their practices and policies, their role as part of an SSE benefits not only the TBGs themselves but also stakeholder organisations. This research exploration of the data from focus groups, interviews, and reviews of public media sources showed that TBGs were effective organisations. Significantly, this study found that most TBGs were started by friends who had a common economic objective; for instance, a reporter from *NTV Media* interviewed a self-help group in *Mokuru wa Njenga* in Nairobi, Kenya that had started a kindergarten business, created employment, and improved livelihoods (NTV Kenya, 2018).

The research findings reveal that TBGs have acquired a minimum financial education from the registering ministry on how to operate their social-economic groups. However, the State Department for Social Protection and Senior Citizens Affairs and the NGO umbrella organisations need to provide comprehensive financial management skills to boost economic activities. Apart from that, the TBG needs strategies to appraise loan borrowers by being trained in developing business plans and appraising businesses, so as to improve TBGs' repayment rates, and thus their effectiveness.

1.2 Justification of the Study

The study of TBGs is an emerging field, so far only a few academic studies on TBGs as an economic activity. Although there have been many success stories about TBGs as SSEs, the lack of formality in their practices and policies could prevent them from operating more effectively. This study has investigated how the TBG system operates: what its inputs, organisation structures, and processes are and how they interact, as shown in the TBG conceptual framework. This study of TBG organisational effectiveness has not been explored by other scholars, which is a gap in the field of TBG.

As detailed in Chapter 3, this study has applied system theory to identify practices that influence the effectiveness of TBGs' social and economic operations. In addition, a conceptual framework was formulated to guide the study. The framework considered input (necessary resources, effective operations), organisation structure (internal activities and practices), and output (achievement of goals and constituent satisfaction). The study explores organisational effectiveness factors, which might improve policy regulation and practices to enable TBGs to achieve social and economic objectives. Additionally, the study chose to use a qualitative research methodology to investigate the multiple cases within the Kenyan case study; in contrast, most scholars studying the TBG phenomenon used mixed research methods. Another gap identified was the minimal application of qualitative (thematic) analysis by scholars, which the study applied to conclude the findings of TBG organisational effectiveness; this is another way in which this thesis brings new knowledge.

By engaging with TBGs and other stakeholders, this research has offered meaningful insights for improving individuals and TBGs at an organisational level. The study findings could improve TBG policies, practices, access to external finances, membership levels, and repayment rates. At the individual level, TBG participants stand to gain from improved access to financial services, greater employment opportunities and improved socioeconomic empowerment. Furthermore, the study investigated current opportunities

and issues that impede sector growth, using the organisational effectiveness system approach to evaluate factors and suggest practical solutions to improve capital access for TBGs.

1.3 Research Questions

The research questions described below took shape from the adopted organisational effectiveness system and conceptual framework articulated from the problem background and justification of this study. The research questions aimed to guide an investigation of TBGs' policy and practices framework and the effect of these policies and practices on their social and economic activities, at both the individual and organisational levels. Participants in the three phases responded to questions in a sequence. The questionnaires were documented in Phase I focus-group discussion questions *(Appendix F)*, SACCO umbrella organisation interview *(Appendix J),* and TBG interviews *(Appendix H*).
The following are the TBG organisational effectiveness main research questions.

1. *What factors enhance the organisational effectiveness of table banking groups as a social and solidarity economy enterprise?*
2. *How do regulatory frameworks affect the organisational effectiveness of table banking groups?*
3. *What strategies can table banking groups implement to improve organisational effectiveness?*
4. *How does the level of organisational effectiveness affect the outcomes that table banking groups achieve?*

The researcher approached and purposely selected participants in three phases, as explained in Section 1.10. Participants were informed about the study's purpose in a participant information document (Appendices A (English) and B (Swahili)). They were also asked to voluntarily sign a consent form (Appendix C (English) and D (Swahili)). The study was also submitted for, and received, the approval of the Ethics and Integrity Committee of Victoria University, Footscray Park Campus in Melbourne, Australia (Appendix L). To interview participants in Kenya, the researcher was approved by the National Commission for Science, Technology, and Innovation (NACOSTI) license No:

NACOSTI/P/22/20647 issued 27th September 2022 (Appendix M).

1.4 Research Aims

This study explored (a) the main factors that enhance the organisational effectiveness of TBGs' operations as SSE enterprises, (b) how practices and policies might influence the organisational effectiveness of TBGs, (c) what strategies TBGs can implement to improve their organisation effectiveness, and (d) the influence of organisational effectiveness measures on the overall outcomes achieved by TBGs.

1.5 Scope

This three-phase study aimed to measure current TBGs' performance levels. The researcher considered a small sample size to gain a deep understanding of TBGs' organisational effectiveness. Interview data was collected from three SACCO umbrella organisation experts and five TBGs; thus, the data was limited and could not represent the wider Nakuru County TBGs and Kenya in general.

> *Small samples are approximately chosen considering theoretical factors, so to yield unique insights which might reveal regularities between the categories of cases, they can escape large sample studies by thoroughly examining a small number of cases, and the researcher may explore in-depth the contextual dimensions that influence a social phenomenon* (Silverman, 2020, p. 75).

To assess the level of TBG operations, critical issues including leadership, strategies, processes, risk management, and operating within community values and norms that characterise SSEs, were explored. The process encountered challenges discussed below.

1.6 Limitations

The study experienced several limitations in various instances in both the preparation and data-analysis stages. In Phase I, some of the proposed respondents were not available for the focus-group discussion, while others who had agreed to take part cancelled at the last minute. This forced the researcher to reach out to new prospects. In Phase II (a), the challenge was that the respondents took more than three weeks to return the questionnaires. In Phase II (b), the researcher travelled to meet a representative of the SACCO umbrella organisation from the Corporative Insurance Society (CIC) but he was out for field work and not available for an interview. Moreover, the limited literature related to the case study of TBGs' organisational effectiveness, structure and processes, and policy and regulations was challenging to source, as most were dissertations from scholars in Kenyan universities, rather than studies published in internationally accessible scholarly journals.

However, when discussing the findings for triangulation, this study found that there were insufficient policy regulation documents from SACCOs that could strengthen suggestions for the table banking organisation's effectiveness. Nevertheless, despite these problems, this study has added valuable information to the field.

1.7 Contribution to Knowledge

This study contributes to the literature from the adopted organisational effectiveness system-approach theory regarding inputs (necessary resources, effective operations), organisational structure (internal activities and practices), and output (achievement of goals and constituent satisfaction). In addition, the formulated table banking conceptual framework guided the study. This framework includes inputs (community values and norms, Ministry policy regulations, NGOs roles, and oversight practices), organisation structure (processes, leadership, strategies, and risk management), and outputs (social and economic activities, such as individual participants' improved financial services and

expanded employment opportunities; social development, including higher living standards and improved social status; and the creation and support of TBGs themselves, including their external finance**,** the recruitment of new members, and higher repayment rates).

Significantly, this research investigated multiple data sets that included the focus-group data, two sets of interviews, and two public media (Newspapers and YouTube videos) and policy documents that influenced TBG organisational effectiveness, establishing the study findings. The engagement of key informants, TBGs members, and SACCO umbrella organisations provided meaningful insights into improving TBGs at an organisational level. This research found major themes: regulatory frameworks and TBG organisational effectiveness, structures and processes that contribute to TBGs' achievements, outcomes of TBGs' effectiveness at the individual and organisational levels, and tablebanking practices from a Kenyan perspective, which are significant to this study.

The findings of TBG practices and policies study bring in new knowledge and adds literature to the field of TBG organisational effectiveness. Notably, the study found that the TBG concept has successfully changed the socio and economic situations of individuals in Nakuru, Kenya. Additionally, many TBGs have transitioned to SACCOs, which are formal entities with better practices and policies provided by the SACCO umbrella organisations. The transitioning of TBGs to SACCOs indicates the ability of TBGs to establish moderated structures and processes that could propel their social economic achievements. However, in some circumstances there are members who cannot pay loans, they ask for money from friends and family to repay, I term this as a *pretender loan repayment*. This enables them to avoid defaulting and keep the trust.

The in-depth insights can influence stakeholders and policymakers to regulate table banking operations and thus improve financial services, create employment opportunities and socioeconomic empowerment, and allow TBGs to access external finances, attract more members, and experience higher repayment rates – in short, to make TBGs less effective. Potential future study areas are: a longitudinal study in TBG organisational

effectiveness, practices, and policies that would enable TBGs to transition to another level within their environment and risk-management regulation dealing with loan defaulting and pandemics like COVID-19. The next section summarises the thesis chapters.

1.8 Thesis Organisation

This chapter has introduced table banking as an SSE activity and presented the global background research regarding informal banking. The chapter has described how TBGs' informality prompted the adoption of organisational effectiveness, specifically system theory, and informed the formulation of a TBG conceptual framework. Further, the chapter has identified the knowledge gap in the study of TBGs and justified this study in response to the research questions. It has also articulated the research aims and scope and described the study procedures to reach findings that can fulfil them. To conclude, the chapter reveals the study limitations and contribution to the knowledge of TBG organisational effectiveness.

Chapter 2 provides an overview of the historical development of informal banking globally and the evolution of TBGs in Kenya, along with their social and economic benefits to their communities. It further explains the concepts and framework used in this study. Finally, it identifies gaps in the research regarding TBGs, the limitations of the current study, and opportunities for future research.

Chapter 3 discusses the definition and originality of organisational effectiveness theories, including system theory and goal attainment, and other theories, such as social capital and group cohesion, that are related to how TBGs function. The chapter then discusses the adopted system theory and the formulated TBG conceptual framework, along with its inputs, structure, processes, and outcomes as the interacting parts.

Chapter 4 presents the research design, starting with the types of questions in the interviews and moving onto the methods used to analyse the findings. The thesis uses a case-study methodology in which qualitative research approaches guide the descriptive narrative developed from the findings of the five data sets. The interviews with selected

participants from the focus group, SACCO umbrella organisations, and TBGs were analysed using a six-step process. Policy documents were used to triangulate findings from the other four data sets.

Chapter 5 examines the regulatory framework and the TBG organisational effectiveness**.**

Chapter 6 examines the structures and processes from the perspective of organisational effectiveness.

Chapter 7 reflects on TBG outcomes at the individual and organisational levels. The collected data was analysed based on the aims of the study, system-approach theory, and the conceptual framework that guides and shows the objectives of the study.

Chapter 8 summarises and concludes the arguments of the thesis. It reviews the thesis' contribution to understanding practices that moderate TBGs' effectiveness, discusses the implications of the TBG framework, highlights challenges revealed during the literature review, and proposes areas for further study and potential future study participants.

The chapters 5-8 each begin with a chapter overview that introduces the topic and conclude with a summary of the findings from all the data sets (focus-group data, SACCO umbrella organisation interviews, TBG participant interviews, anecdotal observations from YouTube, and publications from organisations) based on the system approach and conceptual framework.

Figure 1.8.0 illustrates the study framework and the approach to exploring the findings. The preface and background explain the reason for the case study, the literature review sheds light on the creation and operation of TBGs, and system theory and the conceptual framework describe the interaction of TBGs' inputs, structures, processes, and outcomes which interact with their environment. Section 1.9 defines the key terms used to describe the. TBG concept and operational effectiveness in the study.

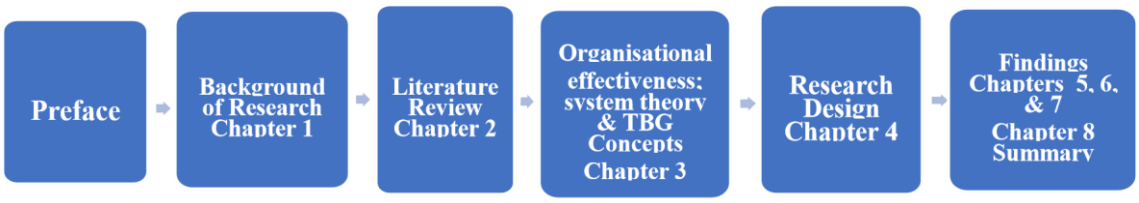


Figure 1.8.0 Thesis Framework

In summary, the introduction chapter has set the basis for this study on organisational effectiveness in TBGs. Throughout the study, table-banking concepts (financial access inclusion, organisational effectiveness approaches, SSEs, and socioeconomic empowerment) are frequently mentioned. In the next chapter, the literature review examines in-depth the existing literature on the prevailing organisational structures and practices of Table Banking groups with a view to draw on the System Theory to propose a change in structures and practices towards effectiveness.

1.9 Definition of Key Terms

Table Banking as a Social and Solidarity Economy

The UN Inter-Agency Task Force on Social Solidarity Economy advocates for an integrative approach to sustainable development in sub-Saharan Africa. Their position paper notes that approximately 100 million people use community organisations to save and borrow money, and proposes that to improve SSE activities, policy should investigate the shortcomings hindering economic inclusiveness (UN Inter-Agency Task Force on Social and Solidarity Economy, 2014).

Financial Access and Inclusion

Financial inclusion provides for affordable and accessible funding for unprivileged entrepreneurs who want to venture into economic activities (Sarma, 2016). Sinclair, highlights that the opposite of financial inclusion is financial exclusion and explains “in the wider sense it refers to factors which have the effects of shutting out the less well off from mainstream money service” (Sinclair, 2001, pp. 14-15).

Women Socioeconomic Empowerment

Socioeconomic empowerment procedures typically define power in terms of women's ability to develop their own self-reliance and internal strength, as well as gain and use power in alternative productive ways. *Zafar (2019)* argues that while women are typically and naturally industrious, they are actively excluded from meaningful business connections, and thus from reaching finances and property for development.

Organisational Effectiveness

Organisational effectiveness has been defined as achieving an “organisation’s objectives to fulfil the future societal expectation while adapting the development of the company.” It is an intricate and imprecise subject owing to the advent of wide-ranging perceptions suggested by "effectiveness". While effectiveness has no single definition, it generally represents the accomplishment of organisational objectives, outputs, stakeholder satisfaction, and resource gaining; further, it is instrumental to an organisation's compliance and elasticity (Chinoperekweyi, 2019, p. 13).

System Theory Approach

According to *Cetin and Cerit (2010)*, the system-theory approach has been widely explored in relationships to the sub-systems within organisations. A change in any part can have a large impact on many others, potentially causing sub-system failures. Nevertheless, in system theory, the system has no optimum way of organising its own measures, in contrast to other theories (Scherer & Perlman, 2012).

Chapter 2 Literature Review: Table Banking Organisation Practices for Effectiveness

2.0 Chapter Overview

This chapter explores the literature on how organisational effectiveness affects table banking practices and policies in Kenya, and specifically in Nakuru County. Although no studies to date have examined the organisational effectiveness of TBGs at either the individual or the organisation level, this chapter reviews the literature on the origins of TBGs, including their global context; gives an overview of scholars who have studied TBGs in Kenya and what they have found regarding the social and economic impact of TBG operations in several Kenyan regions; measures that contribute to successful TBGs, those performing at an average level, and those on the verge of failure.

Although some studies are outside the Kenyan context, the practices and interests they examine are relevant (*Saravana, 2012; Upadhye et al, 2008; Kosgei, 2020; Olila, 2014; Boone et al., 2005; Ledgerwood, 2000; Lee, 2019; Jones, 2019; Anderson & Baland, 2002; Obiria, 2015; Safari et al., 2010; Asseto, 2014; Sobir, 2020)*.

2.1 System Theory and Conceptual Framework for OE

There is a dearth of information or studies regarding application of the System Theory to the study of TBG organisational effectiveness in Kenya which would shed light on TBG internal operations and their boundaries as they interact within their socio-economic environment.

Although this study borrows from the Systems Theory, the author is aware of the difference in the constitutive components of the social solidarity systems and those of the Western formal systems based almost wholly on rational logic. The central component of the social solidarity organisation is "trust." Though not formal, it is systemic in the sociocultural context of Kenya, allowing people financially marginalised access revolving funds to interact on the table in a traditional formal way, say under a tree, in a living room or community hall. TBG system framework in Kenya has a positive impact

that result to improved social and economic performance and sustainability as a Social Solidarity Economy.

TBGs'organisational-effectiveness system includes inputs, involving community resources that interact with other subsectors to get expected outputs, although the end findings could be either a gain or a loss. Apart from that, the processes and structures are flexible and user friendly and illustrates the conceptual framework, which determines the factors contributing to TBGs' operational effectiveness.

In this study, system theory explores how TBGs work based on the internal and external interaction of sub-units with the desired outcome. TBGs work effectively as systems when the inputs, structures, processes, and social and economic outcomes function effectively, which can contribute to their regional expansion in Kenya.

Organisational effectiveness is concerned with the strategic aspect of implementing organisational programs to achieve commercial objectives (Herman & Renz, 2008). It is widely recognised as an organisation's ability to meet its duties. This emphasises the diverse components that not only compose an organisation but also define its whole capacity (Stokes, 2005). Apart from that, Martz (2008, p.148) reasons that with good performance, the "deep-rooted integration of organisation in modern society requires well-functioning organisations that maximise effectiveness and minimise harm from their activities to benefit members of society" (Martz, 2008).

The "success or failure [of an organisation] hinges on the ability to attract, develop, [and] retain skills in people" (Kreitner & Kinicki, 2004, p. ix). Organisational effectiveness has to do with the ability, appropriateness of structures, and alignment of processes to achieve those aims.

2.2 Historical Background

European Commission (2012) assert that the use of alternative credit arrangements has grown dramatically worldwide, particularly in the informal savings sector, which

provides interest-friendly financial services to people with no or low income (European Commission, 2012). In North America, during the 19th century, a cooperative model for microfinance services was initiated and became successful, spreading to other countries. Under this model, the members contribute savings in the form of shares, and loans are offered to members (Nugroho & Miles, 2009).

In Asia self-help groups provide financial services to members, similar to those in North America. In Bangladesh, India, the Microfinance movement pioneered by Grameen Bank attracted global attention in the 20th century. Aggarwal and others discussed that in the Republic of India, the [Self-Help Groups] in *Uttar Pradesh* have many success stories of the socioeconomic empowerment of women that have improved the living standards of communities in the district (Aggarwal, et al., 2020). The *Uttar Pradesh* study discussed that the Self-Help Group approach was promoted by Grameen Bank in India and was based on peer-to-peer guarantors.

The self-help groups in India have almost similar concepts to TBGs in Kenya and are widely spread in India for financial inclusion services. According to *Joshi et al (2014.p.128)* in India "the absence of bank accounts and bank saving habits, lower income groups are dependent on an unorganised market for credit." In addition, the "Indian government is making continuous efforts for development of priority sectors" (Joshi, et al., 2014, p. 128). The promotion of financial services is the most important issue driving the rural populations from financial exclusion. In Africa several strategies in policies formulated by governments and international organisations to boost the developing countries economy for sustainability.

Africa

The G20 began in the year 1999 with various African countries' ministers of finance and central bank governors structured policies to find solutions to economic and financial issues that concerned the member countries (Rwigema, 2023, p. 38). As the country's finance leaders deliberate on structured policies for formal banks, SSEs exist in the

communities who adopt flexible strategies to access finance to meet their economic needs. In Nigeria approximately 41 million people have become involved in such groups over the last decade (Global Report, 2014). *Sile & Bett* affirmed that West African countries (for instance Côte d'Ivoire, Ghana, and Togo) are mobile bankers, called *Esusu* or *susu cash* poolers, that are not regulated by the central bank or any other financial agencies, and the financial practices and operations of which are carried out as part of the activities of social and solidarity groups. Senegal's informal banks, called Tontines, Ethiopia's *Iqqub and Iddir*, and Tanzania's *uchamaa* are similar (Sile & Bett, 2015, p. 6).

In East Africa countries, a survey in the year 2009 showed that 37 million were involved in unregulated community groups, such as rotating savings and credit associations (ROSCAs) in which they saved money (Fin Mark Trust's Financial, 2015). The population of community groups in informal banking cannot be ignored by governments when considering financial practices and policies.

The leadership of the former Ministry of Planning, through the Poverty Eradication Commission (PEC), began to assist low-income women to access funds to begin income generating initiatives. Two community groups, *Bondo* and *Gatanga*, were selected to test the TBG concept. The groups generated remarkable results, although there was no follow-up (Asseto, 2014). In 2009, the researcher observed that several Kenyan NGOs, including ROSEWO in Rongai, Nakuru and Joyful Women Organisation (JOYWO) in Uasin Gishu, had mobilised women and started TBGs. In rural and urban Kenya, most TBGs register more than 10 people, who receive initial training on how to ensure the smooth running of lending activities by guaranteeing each other (Nugroho & Miles, 2009). The members of such organisations meet regularly, monthly or weekly, where they contribute a minimum agreed amount of money. After the collection of pool funds, they lend to each other, and the groups continue table banking.

Table banking became the primary source of cash borrowings for self-help groups. Table banking is primarily intended to alleviate poverty for disadvantaged individuals and reduce the effects of marital violence, cultural prejudices, and economic isolation (Mengo, 2014). There are concerns by scholars in Africa to collect economic development

evidence of informal sector to measure poverty levels and impact of SSEs strategies. In Kenya several SSE programs have been initiated to support the communities' social and economic activities. *Chama* have been adopted as primary informal banks for communities, particularly by women in Kenya. TBGs' existence has improved livelihoods (Sile & Bett, 2015). Royle (2016) in contrast, formal banking, including SACCOs, associations and clubs, service-providing NGOs, and ROSCAs has been in existence, the informal operators are moneylenders, savings and credit associations (SCAs), merry-rounds, *chama (*TBGs), employers, grain millers, friends, and relatives who acquire finances for business ventures (Royle, 2016).

The African population and the Global South struggle with social economic needs, making the communities find solutions in SSE activities. The reviews in May 2015 at the first annual conference organised by Jönköping University and University of Rwanda in Kigali scholars on "trends in economic development in the developing economies of East Africa" (Heshmati, 2016, p. v) indicated high levels of poverty in Burundi, Cameroon, Ethiopia, Kenya, Madagascar, Malawi, Mozambique, Nigeria, Rwanda and Tanzania African countries that shape the "material standard of living, health, and education, personal security, access to information, freedom, and participation in an organisation, corruption, trust and employment" (Heshmati, 2016, p. 1). Heshmati (2016) continues that such scenario prompts governments and international organisations to draw on "Measures, casual factors and policies and practices" that deliberate on sustainable solutions.

Several consultation meetings have been held locally and globally to brainstorm lasting solutions to improve quality of life. The Kenya Vision 2030 goal was developed to improve the quality of life for Kenyans by revamping industrialisation within a clean and secure environment (Oloibe & Owino, 2016). To achieve sustainability in Africa, Rwigema (2023) shared that the need to include the African Union in the G20 was seen to potentially contribute to the attainment of the Sustainable Development Goals 2030 and foster the African Union 2063 Agenda since 2022, West African and East African countries have innovated ways to provide accessible and affordable credit in both urban and rural areas.

2.3 The Table Banking Groups Social Solidarity Economic Aspect

The global interventions on sustainable development goals embrace financial inclusion of the unbankable communities. However, there is no literature on TBGs operations discussed in Global South as a social science. This study interacted with TBGs social and economic successes and failures that shared their experiences from online sources in YouTube and Newspaper to establish their functions.

The Sun, (2025) recently, the International Labour Organization (ILO) partnered with the African Union, African countries, and other global institutions held a meeting in May 2025 at the capital of Kenya, Nairobi to 'unlock the Social and Solidarity Economy in Africa. The discussions deliberated on cultivating inclusive and rights-based development in Africa.' ILO advisor shared findings from ILO-AU research that surveyed Egypt, Nigeria, Zambia, Kenya, Democratic Republic of Congo and Madagascar on the SSE, aligned to AU strategy to promote inter-African research and development cooperation. However, the ILO results identified that small businesses and community groups operate informally, with both diverse and with similar features to the SSE ecosystem, although governments present different legal processes and levels of their intervention.

The Sun (2025) ILO recognise that informal groups in their SSE activities have been able to positively impact the women and people with disabilities, to access jobs, social protection and inclusion. However, ILO reveals issues that resonate with TBGs, indicating that some problems faced by SSE community groups are: insufficient resources, unsuitable policies and less strong governance. For better performance of SSE in Africa and to meet the AU Ten-Year SSE Strategy and Implementation Plan (2032) goals, there needs to be improved policies, better capacity building and stronger partnership. TBGs processes and structures are in this category of informal community groups mentioned in the ILO and for them to be sustainable they need to benefit from the AU Ten-Year goals. The following discussion of TBG affirms their position in Kenya as SSEs.

TBGs, as a form of SSE, allow communities whose members cannot access finances to gain friendly-interest loans when they pool money. SSEs stimulate entrepreneurial individual business activities that increase the availability of commodities and amenities to communities, fostering economic and social goals through solidarity (Fonteneau, et al., 2011). SSEs such as TBGs aim to enhance the integration of people, where exclusion and vulnerability are typical, to facilitate financial access which provides socioeconomic resources. However, the advantages of the informal organisation include minimum capital for operations of their facility and low-paid workers and volunteers; this supports the economic or income-generating activities of individuals (Lee, 2020). *According to Utting (2016, p. 1),* SSEs are based on capitalist ideas where private people control that which benefits them directly. However, SSEs fundamentally challenge several core institutions of the capitalist system and seek alternatives centred on redistributive justice, deep sustainability, active citizenship, and a more profound reconfiguration of power relations.

SSEs have been defined in terms of three aspects: legal, normative, and politico-cultural, a categorisation that applies to TBGs particularly in a largely communal society such as that of Kenya. *Utting (2016, p. 2)* points out that the normative principles include "ethics of care, cooperation and solidarity" with the community; these principles position TBGs as institutions where people come for collective well-being and the equal sharing of proceeds. Because TBGs incorporate features of informal banking, which places them in the category of SSEs, it is important to point out major features of SSEs. Utting argues that capitalist financial entities are owned entities with legal standing, and they operate according to normative principles and politico-cultural approaches. However, unlike capitalist financial entities, they consist of groups of people who meet in solidarity to solve their daily living challenges and progress together in life (Utting, 2016, p. 1).

Table banking characteristics are different from microcredit, and a more effective kind of financial access that is regarded as a vital and potent tool for poverty reduction. *Cull and Morduch (2018)* proposed a larger concept of "financial inclusion" for microfinance activities such as saving, insurance, and payment services in underserved communities. Microfinance is also a solution for bringing credit markets to poor self-employed persons

and allows rural residents to work for themselves. Microfinance substitutes for banks in distant areas where banks are unable to provide financial help (Cull, et al., 2018). This study of organisation effectiveness of TBGs explored TBGs and the concept of financial inclusion to establish how the organisational effectiveness of TBGs lead them to achieve their SSE objectives.

As mentioned, most community groups involve women with the motivation to indulge in socioeconomic empowerment activities like TBGs. This study found that training TBG participants on how to draw business plans and business appraisals ignites a positive economic impact and spurs TBGs' growth.

Resources that empower communities must be useful for their purposes of choice. TBG movements strengthen women as a collective, increasing chances for their economic empowerment. Participating in TBG activities can change the status of women in their families and societies. When women are disadvantaged in accessing resources, the impact on their families slows the development of the nation and increases poverty levels (Skarlatos, 2004).

Edeme et al (2022) argue that high levels of poverty prevail among the women living in rural Nigeria, despite the government bringing different programs, suggesting that to reach households effectively the programs must be inclusive, and mobilise women at the grassroots. The TBG concept has been widely embraced and spread to most regions of Kenya, as TBG organisational effectiveness enables women to achieve TBG outcomes in terms of empowerment, as shown in this study's findings.

From the social perspective, TBG support networks have a positive impact on the business atmosphere; for example, they lead to the unification of the group members, which influences the ability to increase social capital and adapt to new challenges well by embracing new attitudes. Furthermore, members can mentor each other in the group; this leads to the transfer of learned skills that may bring about a collective impact (Kantor, 2009). The TBGs as SSEs strengthen the socially and economically vulnerable in the communities.

Most of the countries in Africa support women's financial access and income-generating programs. For example, the government of Nigeria introduced the Better Life for Rural Women Programme, Business Development Fund for Women (BUDFOW), Women for Economic Empowerment (WOFEE), the G-Win project and the Government Enterprises Entrepreneurship Programme (GEEP) to enable micro, small, and medium enterprises to access affordable credit (Edeme, et al., 2022). Kenyan NGOs and policymakers have similarly mobilised women in the 47 constituencies through socioeconomic development programs since 2009, as mentioned in Chapter 1.

2.4 Publications on Table Banking in Kenya: Benchmark and Gap

Several scholarly publications have investigated various aspects of TBGs and their impact in rural and urban communities in Kenyan regions. Most authors examined the social and economic empowerment impact and identified gaps and challenges faced by table banking groups in the different regions of Kenya. However, a study observed micro, small, and medium enterprises (MSESs) in TBGs and suggested that the Government needs to enable proper structures and policies to accommodate their growing numbers to enhance sustainability (Kariuki & Ngugi, 2014).

The main objective of TBG is to assist the poor, primarily women, in fighting against poverty and retaining financial stability by providing financial services to them (Asseto, 2014). TBGs financial common strategies are distinguished by their socially embedded practices governed by their practices. *Lomongin et al (2023)* echoed *Tallam* perspectives, noting that table banking-related social and economic activities in Turkana County have improved the social and economic situations of communities by a factor ratio of 0.137. Other variables held constant, based on social capital, capability, and liability theories that measured the social and economic levels of the households influenced by TBGs (Lomongin, et al., 2023, pp. 255-256). The TBG concept assumes group members' honesty and involvement (through peer and social pressure) as a substitute for the lack of collateral security. This arrangement lowers default rates and increases collection frequency and recurring loans to achieve and complete the loan repayment. Increasing

outreach and moving transaction costs to the group level reduces costs, enables better loan repayment, and offers savings services that accommodate small savers (Pitt, 2019). Despite the advantage of access to friendly credit, the TBGs face practice and policy challenges, as mentioned in Chapter 1. *Akinyi (2018)* recommended the evaluation of TBGs by putting in place interventions through the national and county governments and the collaboration with the MSEA to formalise and institutionalise TBGs. In the same perspective Wachira highlighted the need of institutionalisation of the community groups (Wachira, 2015, p. 59). Some social and economic community groups are unstructured and not registered, the government advocates for groups to have certificates for them to operate effectively.

TBGs registered with social services attest to a positive influence and business performance in women-owned enterprises. The mandatory registration of the SSEs makes a good database to establish TBGs organisation effectiveness. *Oloibe and Owino's (2016)* study identified that TBG enterprises started by women in Eldoret East SubCounty thrive with access to credit, professional support, networks, and access to information on growth. However, despite evidence of TBGs' success, there are challenges in the informal sector, and that TBGs operate on a limited scale, because the existing policies regulate the maximum number of registered members not to exceed 100. Another significant feminist feature in TBGs leadership is 100 percent women lead, with 30 % membership of men, with none in official roles.

Tallam (2016) examined communities in Mogotio Sub County, a neighbouring community to Nakuru County, argued that if government policies were amended, TBG participants could experience an increase in income, and improved household decision making, quality of housing, literacy levels, and food availability in households (Tallam, 2016, p. 17). Another observation of TBGs by WEL targeted women in TBGs in Nakuru County, to establish their empowerment achievements (Minja, et al., 2023, p. 18). *Minja's* study argued that better policies might enable the growth and sustainability of TBGs in Kenya, and identified gaps in leadership and governance, gender equity, financial literacy,

and access to funds (Minja, et al., 2023, p. 19). Country-wide TBGs face diverse challenges including the lack of education in managing finances and how to draw business plans and appraisal, other issues are lack of processes and structures for social economic growth pathways and moderated development levels, within their own SSE concept.

Minja et al (2023) established that groups which were trained in financial literacy by Women Empowerment Link (WEL) supported the economic empowerment of women in various counties in Kenya. *Mwobobia (2016, pp.189-190)* study reported that TBGs whose members are trained in financial-management skills manage borrowed loans to manage defaults. Helping TBG participants to attain financial-management skills was highly recommended for sustainability.

In addition, for TBGs to adequately function, members were required to resolve trust issues because TBGs depend on peer collateral as loan security. To support trust, TBGs are required to provide debt-management skills to reduce loan defaulting among the members (Akinyi, 2018). The concept of TBGs follows the theories of group cohesiveness, where peer-to-peer collateral emanates from members trusting each other and therefore, the TBG builds and strengthens social and economic objectives (Lambisia, et al., 2016).

The interest on the credit is allowed to accumulate in the group fund until the end of the group's fiscal calendar, when members opt to distribute a portion of the profits as dividends or begin investment projects (Deelen & Majurin, 2008). When the required lump sum amount is reached, members may borrow the first credit but must repay it with interest of no more than 10% within the stipulated period. When creating groups, participants must complete a six-month induction course on leadership, basic financial management, and bookkeeping (Allen, 2006, p. 61).

TBGs have enabled small-business starters to access financial capital through loans with low interest rates and also invest their money in productive businesses that guarantee

good returns. Muasya revealed that when women access affordable credit, they expand their small businesses to enable them have social confidence in the community (Muasya, 2013). However, women prefer to join others in groups to engage in socioeconomic activities and believe that success comes with support (Kuhn & Villeval, 2015).

Wachira (2015, p.53) found that married women between the ages of 26 and 40 years who were self-employed relied on informal banking to finance their businesses. To access short-term and long-term loans, the women must save small amounts of money to boost their business activities. Women's lack of collateral security to take up large loans and the tendency for men to control debts granted to women were cited as the main challenges (Wachira, 2015, p. 53). To achieve financial inclusion, TBGs operate as SSEs. The author points out that while table banking has been instrumental in promoting financial inclusion among the socioeconomically vulnerable in the Kenyan communities, TBGs can experience insufficient resources, including the lack of funds and unskilled group leaders. *Olila (2014)* study noted that in a bid to curb credit risk by preventing loan defaulting, more informal institutions use a system of group guarantors with a joint liability. Recruitment of members is also based on trust and honesty, where other members need to know the background and character of the individual seeking admission to the team (Olila, 2014). In this case, the most suitable businesses are those that need incentives to meet market expectations. When TBG participants default on loans, it affects the personal business growth and trust among the TBG members. Although TBGs have a low default rate for OE, future threats call for more structured risk-management tools.

On the other hand, the opacity of TBGs system makes it difficult to identify individuals' holding bad debts in other TBGs. Limiting individuals from joining groups will decrease the likelihood that TBG members will overextend themselves (Mwobobia, 2016, pp. 189190). To monitor effective TBGs the transparency and accountability of both registered and unregistered groups, improved policies and practices promptly reduce excessive loan defaults. *Mwobobia (2016)* also suggested that collateral acts as insurance for the borrowed loans. In the advent of online interactions individuals registered into *Chama* online, this study outlined that people have lost their savings and others failed to pay borrowed loans. As mentioned before TBGs dynamic depends on 'trust' having a

locally embedded system of accountability that contributes to their effectiveness. However, the formal financial institutions developed a credit control system to identify defaulters, such as the CRB in Kenya. To reciprocate and keep group rules some TBG members end up depending on *[pretender loan repayments*], where they ask for funds from friends to pay debt, resulting in low default rates. Similar actions could happen in formal banks. However, this could make it difficult to measure the social and economic success of specific TBGs.

Furthermore, at an organisation level TBGs system interacts with inputs and processes and structures which deliver outcomes attributed to external finance, the attraction of new members, and the achievement of high repayment rates. *Muli's (2018)* study of the determinants of success of women in Mwingi Central Sub-County in Kenya found that successful TBGs received resources from external organisations. Muli argued that group leaders are required to implement policies and guide TBG members in carrying out activities (Muli, 2018). Significantly, most TBGs in various counties in Kenya have registered success stories in the grey literature and face to face testimonies. In addition, TBG organisation effectiveness identified that TBG members trained in financial management skills contributed high performance in social and economic activities, which was identified as a gap in the study of TBGs in Turkana County. The above arguments on TBGs practices and policy implications reflect on the TBGs organisation effectiveness.

2.5 Factors that Contribute to TBGs' Organisational Effectiveness

TBG organisational-effectiveness factors contribute to the socio-economic empowerment that leads to improved living standards of participants. For economic and social needs, people are increasingly turning to informal banking groups rather than formal banking groups. The reason for this is that informal table banking groups charge a reasonable interest rate, allowing borrowers to service their loans more effectively and without difficulty. Table banking is economically viable and has fewer costs than formal banking lending schemes. Table banking also simplifies ways of accessing funds. TBGs' success, arguably, will improve the livelihood of the poor and marginalised people (Global Report, 2014).

2.6 Table Banking's Influence on Outcomes

Table banking, as an empowerment tool, has boosted many women's social and economic standards, as the women no longer depend on their husbands for money (Obiria, 2015). *Papa, et al (2006.19*) in the Study of Scotland observed that community finance came up with Community Development Financial Institutions, because some people could not reach suitable financial services. Papa and others described community finance as an "initiative which seeks to widen the access of disadvantaged people and neighbourhoods to capital and other financial conveniences to achieve social objectives" (Papa, et al., 2006, p. 19). The Scotland study concluded that women are identified as the most financially vulnerable in their communities.

Women's empowerment is necessary for alleviating poverty when they take part in various development programs and economic activities for their substantial development. To evaluate the effectiveness of financial inclusion in community financing, several factors to be considered include the efficiency to access banking services, credit, insurance, debt and debt assistance, long term savings for pensions and financial literacy" (Papa, et al., 2006, p. 26) which is illuminated by TBG OE exploration. Individual

participants can be positively or negatively affected when taking part in TBG activities. Psychological/personal empowerment focuses on an individual's internal strength, with suggestive traits such as self-confidence, self-reliance, and self-esteem in the absence of psychological discomfort. Gender norms are challenged by psychological and personal empowerment (Safari, et al., 2010). The nature of well-functioning humans depends on the availability of facilities that provide good health and learning centres that educate communities in diverse skills. *Papa (2006)* advises that community inclusion makes individuals feel accepted (Papa, et al., 2006). Apart from that, people are more confident when they get involved in leadership activities.

A financial viability is defined as the ability to operate at a level of profitability that allows sustained service delivery with little or no dependence on outside resources (Khakasa, 2015). Also, extra funding from grants complements internally generated group funds directed toward investment. The research study found that the Women Enterprise Fund (WEF) provides training on how TBGs can manage and access external funds for investments.

The main objective of table banking is to bring financial services closer to the poor and the very poor, especially women, to empower them to fight poverty, stay financially sound, and operate profitably (Asseto, 2014). TBGs depend on personal savings, which revolve around the members as loans and minimal funding from PEC and WEF, which limits individuals' investment power.

The WEF service women who are excluded from accessing formal financial services, to engage in meaningful entrepreneurial or small-scale business-ownership. “This idea was conceptualised in 2007, when the Government of Kenya responded to women’s challenges by introducing the Women Enterprise Fund” (Women Enterprise Fund Strategic plan, 2012/2024). The WEF empowers women to participate more in self-development, as well as the development of their families and the country, and distributes wealth across various women’s groups in all parts of the country (Opil, 2019).

Dupas & Robinson (2016, p.65) observed that in Kenya, banks are found in major towns, where village banks and Commercial banks which occupied a bigger market share, whereby 20% of adult population in Western Kenya having bank accounts, and the majority 60% are familiar with the account opening processes and can trace the locality of the banks that banks (Dupas, et al., 2012, p. 65).

Rupasingha & Goetz (2007) conclude that women's participation in table banking has helped to secure their future through regular savings. It has also given women opportunities to gain assets, resulting in more women with no collateral to access loans. Women in table banking attend regular training and meetings that have built member capacities, such as entrepreneurial skills, financial management, and marketing skills (Rupasingha & Goetz, 2007).

The unfavourable social conditions of the women, within the Laikipia community motivated them to join table banking, which are informal banks *Gugerty (2007, p. 251*) indicate that most people, especially women, are more comfortable borrowing in informal saving groups for economic and social needs than engaging with formal banking institutions. This was because the informal groups charge fair interest rates compared to the banks, and thus the borrowers can service their loans effectively and without difficulties. The social aspect, where women can share experiences and enjoy the empowerment that comes with table banking, motivates them to stay and refer their friends.

Micro-credit programs have had both positive and negative impacts on women's empowerment and the eradication of poverty throughout the world. The positive effects have included women's enhanced ability to influence family affairs and decision-making, increased self-confidence, improved status, improved gender relations in the home and reduction in domestic violence, improved status within the community, and accelerated economic empowerment. The negative impacts have included highly restrictive environments for women along with the increased workload, and responsibilities as a

result of their involvement in income-generating activities other than their traditional responsibilities (Malik & Luqman, 2005).

Women's empowerment enables them to make decisions on daily issues without being coerced by their partners or other family members. The liberty to find and implement solutions to financial and social challenges and for a long time negatively affected by community norms and values (Malik & Luqman, 2005). More recently, gender equity, such as that offered by TBGs, has opened opportunities for the socioeconomically vulnerable in rural and urban communities.

An organisation is guided toward its mission and vision while ensuring that mechanisms are in place and put into practice to strike a balance between management and control and meet the needs of stakeholders. It requires organisation plans, goals, and strategies that fulfil an organisation's processes more efficiently, consequently making it stronger and more competitive (BBVA Microfinance Foundation Corporate, 2011).

The current study explores strategies for attracting more TBG members through both word of mouth and evidence of growth. The results suggest that TBGs are the form of informal banking that has the best concept for SSE in Kenya. Since groups involve participants who come from the same community and work in a similar market, they would be capable of offering security to one another on any credit advanced particularly from microfinance organisations (Latifee, 2006).

2.7 Chapter Summary

This literature chapter discusses table banking practices prompted by the study gaps expressed in the problem background, research aims, and scope of study in Chapter 1. Apart from that, the chapter examines organisational-effectiveness approaches, highlights the concepts of TBGs, and reviews the scholarly literature on table banking, examining authors' findings, identifying gaps, and recognising limitations of TBGs in Kenya. In

addition, the chapter describes TBGs' development as an informal banking sector whose operations are unregulated. The other section of this chapter explains factors affecting TBG practices and their outcomes, pointing directly to the growth of TBGs in Kenya as SSEs.

Chapter 3 explains theories related to TBGs and justifies this study's choice of organisational effectiveness (system theory) and the formulated TBG conceptual framework, including the sub-systems of inputs, structure and processes, and outcomes, as a lens to evaluate the study's findings. The social-economic success of TBGs are influenced by organisation structures and processes.

Chapter 3 Organisational Effective Approaches and Conceptual Framework

3.0 Chapter Overview

The literature review in Chapter 2 discussed research into table banking. This chapter addresses theories for transformative TBGs. There are several theories or approaches drawn from the exploration of effective TBGs. For example, Tuckman's group cohesion theory asserts that when people come together in groups, they transform. This theory says that individuals in social groups share common goals and tend to attain more socioeconomic growth. The personalities of the individuals who form groups contribute to the character of the group and how it changes over time. Group decision, identity, goal attainment, and member satisfaction are all dependent on the level of cohesiveness of members in each group (Ofuoku & Agbamu, 2012). The current study explored the organisational effectiveness of TBGs as SSE enterprises and their organisational effectiveness using system theory and the TBG conceptual framework.

The main reason for better performance in groups is that members are motivated to perform better, partially due to the group's rules and regulations. Commitment to group activities results in high levels of participation that lead to good performance. This study of organisational effectiveness considers factors that would enable TBGs to operate effectively; for example, group cohesiveness is important when TBGs need to perform effectively, especially in the case of peer-to-peer guarantee of loans as collateral. The system theory includes a consideration of multiple sub-units' group cohesion practices in leadership, which are instrumental in TBGs.

The effects of social capital are impacted by the information relayed, and the influence and solidarity benefits that accrue to members fitting together in supporting each other as individuals or in groups. Such social groups are formed when people of the same social status in their communities meet regularly (Kwon & Adler, 2014, p. 412). Similarly, *Lin*

and Erickson (2008) highlighted that the idea of social capital depends on trust within communities with the aim of personal gains.

The attainment, performance, cohesion, and well-being are all aspects of social capital, although *Lin and Erickson (2008)* further suggest that no literature exists to illustrate related concepts and those that overlap (Lin & Erickson, 2008). The aspect of social capital theory has relevance to TBG as a social-solidarity economic activity that drew on networks, communal trust, and honesty. These are important elements as per this study of TBGs in Kenya beginning in the early 2000s. The current study of table banking organisational effectiveness shares concepts of social capital as a social and solidarity economy factor that involves cultural values, norms, practices and policies with studies of government and NGO initiatives. The social capital theory cannot be complete without a theory that considers production.

Goal-attainment theory asserts that an organisation needs to achieve high production with maximum profit as well as engagement in social welfare, which brings growth that promotes stability (Oghojafor, et al., 2012). The approach shares objectives with TBGs, which aim to achieve high growth while considering the social solidarity aspects. *Weese (1997)* argues that this approach can be broadly applied when an organisation wants to reach the goals its management has planned. TBGs' effectiveness relies on several factors: leadership, risk management, structures and processes, and strategies. However, the goal-attainment approach evaluates organisational effectiveness in terms of how the organisation defines objectives and whether it can successfully carry out its plans (Love & Skitmore, 1996).

Internal processes theory views effectiveness from the perspective of efficient communication and coordination, which motivates a culture of trust and teamwork and resolves conflict resolution (Oghojafor, et al., 2012). This resonates with the interaction of TBGs' structures and processes, which enable the use of inputs to achieve successful

outcomes. It should be noted that the internal processes need to be considered in the context of both the internal and external environments of TBGs.

Oghojafor et al (2012) describe the third approach, system theory, as managers coordinating the processes and carrying out the load as required while making sure the inputs and outputs are realised. This theory promotes training and encourages research for further development. As described in the next section, the current study adopted system theory to examine TBG effectiveness because it describes how TBG performance has been motivated by several factors, including inputs, internal processes (structures, processes, leadership, strategies, and risk management), and outputs.

3.1 Relevance of System Approach to Table-Banking Effectiveness

The study selected system theory to determine the features that enable TBGs' effectiveness as SSEs. The systems approach describes organisations as a linkage among correlated subsystems. The creation of a single subsystem may influence the formation of another; the organisational structure makes its sub-units operational (Tannenbaum & Georgopoulos, 1957). The researcher found this approach suitable because it lends itself to the interaction between the different aspects of the organisation that considers the internal and external environment analysis of the inputs, structures, processes, and outputs *(Figure 3.1.0)*. Investigating TBGs using these variables has the advantage of enabling a nuanced examination of the critical variables of and constraints on TBGs' effectiveness.

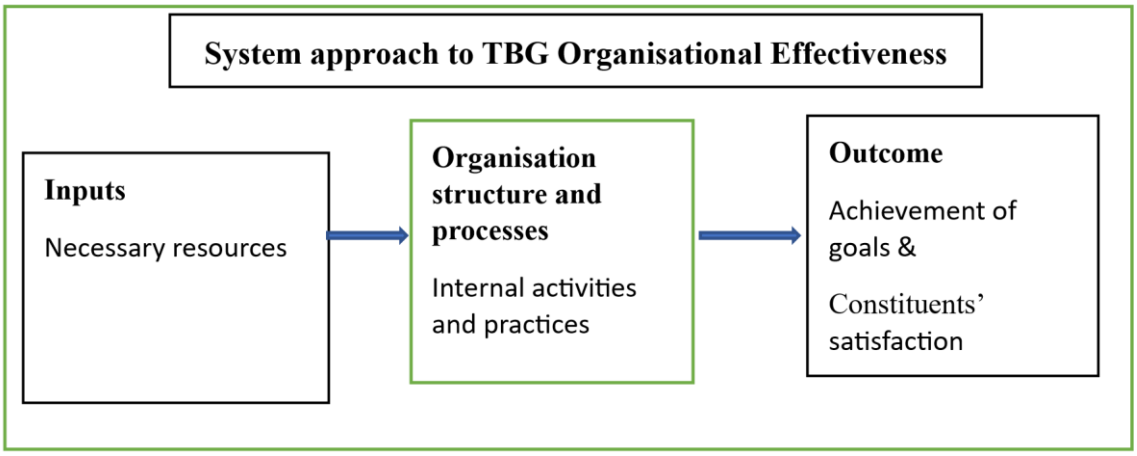


Figure 3.1.0 System of TBGs Organisational Effectiveness

Inputs

A functioning institution requires resources for operations to meet its set goals. Such factors include the human resources, revolving funds, policy, and procedures for it to be successful. TBGs' informality as SSEs often deprives them of these necessary supportive inputs.

Necessary Resources

The socioeconomic activities of TBGs include their projects, human resources, and management of members' contributions, which are governed by Ministry policy regulations, NGO oversight roles, and community values and norms.

Organisation Structure and Processes

"Social influences that affect the capacity configuration process are limited to intraorganizational cultural and political pressures. Interorganizational influences, such as those embedded in competition, imitations, and contagion, may also affect the choice and outcomes of reconfiguration" (Lavie, 2006, p. 170). Table banking groups are an innovation for women who cannot access financing from formal organisations and have gaps in their systems' practices and policies. The organisation structure and processes are affected by the international and external environment.

Bwire argued that an organisation structure is normally described as the way responsibility and power are allocated, with work procedures being carried out among organisational members. However, Bwire explains that an organisational structure performs when the planned goals are achieved for better socioeconomic results, therefore, the organisation is required to run smoothly in the right direction to compete with other entities in their field. An organisation's structure becomes more relevant when it is in harmony with the objective mission, competitive environment, and resources of the organisation (Bwire, 2018). *Robbinand DeCenzo* articulated that organisation structures are defined by differential issues surrounding them, which makes it not possible to find a blueprint that can suit all (Robbin & DeCenzo, 2009). The level of TBG structures in Kenya is not adequately researched, a gap that the proposed study will fill by analysing TBG structures and their respective outcomes.

The performance effect of organisational structure is moderated by changes in the environment; hence, to attain superior performance, an organisation must pay adequate attention to instituting an organisational structure that can match the prevailing environment dynamism.

> *The organisational structure encompasses two forms the physical and social; this study focused its attention on Social Theoretical Structures. Theoretical structures are distinguishable as organic and mechanistic structures. Organic systems utilize a less rigid design that encourages task complexity, minimizes formalisation, and decentralised authority, increased specialization and high degrees of formalization. Organic forms encourage creativity, innovation, and collaboration with decisions reached through consensus* (Mansour & David, 2021, p. 15).

The impact of organisation structure and strategies on construction of organisation performance found that organisation structure has no direct impact on either financial or

non-financial performance (Oyewobi, et al., 2013). An organisation's structure has two essential functions: control and coordination. Controls involve making sure that decisionmakers at all levels use managerial or hierarchical constraints as the criteria to make their decisions (Robbin & DeCenzo, 2009). Also, there are generic types of control mechanisms, including centralisation, formalisation, outputs, and cloning (Bucic & Gudergan, 2004). There is no clear evidence in the existing literature if the TBG structures have a direct or indirect impact on both financial and non-financial performance in Kenya; the current study proposes to fill this gap.

Internal Activities and Practices

The second sub-unit within the system approach is internal processes used to convert TBGs' inputs into the desired outputs. Firms with material weaknesses have a lower earnings quality than those that do not report material weaknesses (Doyle, et al., 2007). Additionally, there is often a negative market reaction to firms that report material weaknesses in internal control. *Idowu (2009)* examined the effects of internal control systems on fraud detection in selected Nigerian commercial banks. Using the least squares regression analysis, the author found that fraud resulted from poor employee training (Idowu, 2009). TBGs' internal control systems have not been adequately researched in the literature, a gap that the current research aims to fill.

The internal control of informal Banks has had challenges of poor financial management. Informal banks in various instances face the threat of fraudulent external investors, who pose to run genuine financial services to people in the social-economic groups, mostly in the rural areas. Some self-help groups have lost their savings and investments because they lacked financial skills and awareness. After the negative experience, the group sought education on how the financial system works. TBGs rely strongly on 'trust' between members, which significantly strengthens the relationship within TBG organisational structures, processing systems, and financial performance.

Outcomes

The organisational effectiveness of the TBGs avenues that build them as SSEs, in terms of the achievements and constituents' components, the following attributes shape the outcome of the system of TBGs. The financial, operational, individual member satisfaction, stakeholder, and strategic outcomes aspects enable TBGs success.

Achievement of Goals and Constituents' Satisfaction

TBGs' individual and organisational success can be determined based on better financial outcomes, which can lead to financial access and investments with returns, and by increased repayment of loans, supported in part by low interest rates. For TBGs to be effective, the governing bodies, policy regulators, and other institutions that provide support must be involved as interested parties. On external fund the TBGs have the privilege to access WEF, which are specifically meant for women in groups in Kenya. Recently, the TBGs have been able to grow county-wide. However, the main strategy of attracting new members to join was through word of mouth and mobilisation by the umbrella NGOs in the rural and urban areas. The TBGs dominated by women experience high levels of loan repayments because of low interest rates and the flexibility of payments.

3.2 Table-Banking Conceptual Framework

The conceptual framework of dependent and independent variables reflects TBGs' aims and objectives, which guided the research questions described above. The inputs are factors that enable TBGs to positively define the improved regulatory frameworks and practices, which in turn will build effective organisations in the sense that their outputs will benefit both the organisation and individuals. Additionally, the study will investigate how leadership, processes, strategies, and risk management affect TBGs' performance while considering the above-mentioned organisational-effectiveness approaches.

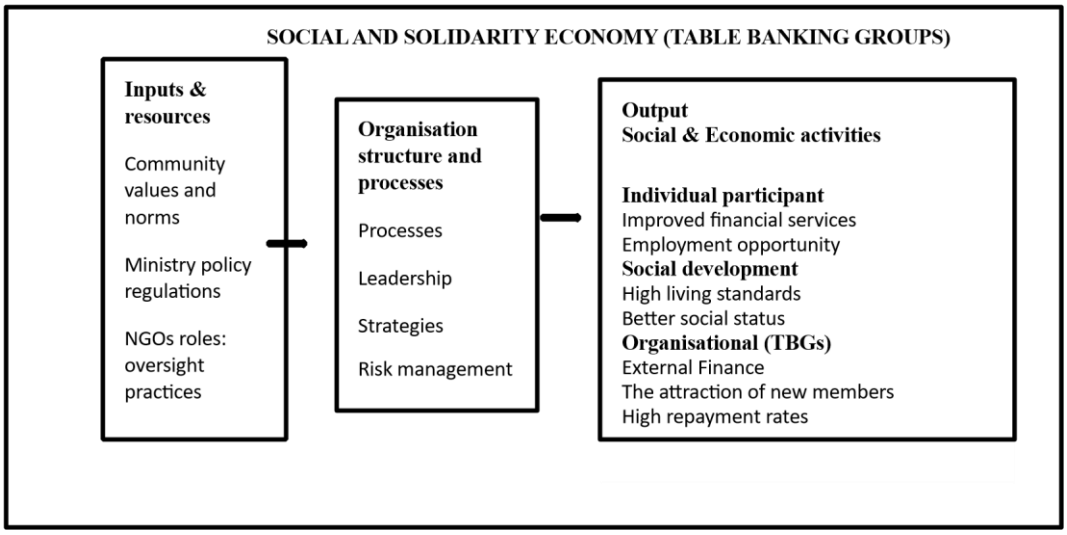


Figure 3.2.0 Conceptual Framework of TBGs

3.3 Social and Solidarity Economy in Table Banking

The concept of microfinance has been instrumental in empowering women by enabling them to run self-help groups. Individuals who benefit from the groups' activities improve their living standards and alleviate their poverty and financial disadvantage. According to *Upadhye and Kadam (2008)*, women in self-help groups face various problems, including minimal loans with high transaction fees as well as lack of collateral because of not owning property in their names (Upadhye & Kadam, 2008). However, these challenges have motivated women to come up with better financial facilities, such as TBGs, which are self-funding. The women in TBGs require no legal property documents to access the loans. The TBG systemic structures and processes are accommodative to women who can meet in their living rooms, social halls or under a tree, and with the simplest procedures, where money is put on the table in savings and loan repayments instantly, for them to access the interest-friendly loans comfortably.

a) Input and Resources

This section of the study discusses the regulatory frameworks that affect the organisational effectiveness of TBGs, Ministry policy regulation, NGO roles and oversight, and community values and norms**.**

i) Ministry Policy Regulation

Credit-only institutions and organisations frequently rely on relationships formed by persons nearby [peer-to-peer]. Women's groups are an example of this, as they pool their funds for lending opportunities and risk mitigation. The UWEZO fund has guidelines for processing loans for youth, women, and people living with disabilities (The Public Finance Management (UWEZO Fund) Regulations, 2014, p. 5).

Although the Kenyan Government has committed to the improvement of women empowerment activities through entrepreneurship, there are several gaps in policy and practices. The community-group policy has no specific set of regulations or policies on table-banking projects across the country to regulate or standardise the operationalisation of table-banking practice (Oman, 2019).

The Ministry of Public Service, Youth, and Gender Affairs, the various NGOs, and other leading formal financial institutions affect the policies and regulations of TBGs in Kenya (Kosgei, 2020). The community groups registered by social services are entitled to access loans from Biashara Kenya Fund as has been provided in the Public Finance Management Act of 2012. ‘A woman, youth, person with disability and micro, small and medium enterprise shall be eligible to apply for a loan for business purposes []’ (Public Finance Management (Biashara Kenya Fund) Regulations, 2020, p. 7). Kenya's government has a relatively strong influence on the growth of the microfinance business, and the Central Bank of Kenya regulates the industry.

i) **NGOs' Roles: Oversight Practices**

The umbrella NGOs facilitate TBGs' financial services once a month. In this case, trained trainers assist the groups in accounting for and distributing the collected monies on the table from the individual repayments, savings, and insurance payments (Joyful Women Organisation, 2010). However, so far, there is little training and education to foster TBGs' organisational effectiveness for robust investment.

The TBGs are operational under umbrella NGOs, which were founded in 2009 by the spouses of local Members of Parliament in their constituencies as a political campaign tool, which mobilised the women. Female entrepreneurs have a much higher tendency to vote than female non-entrepreneurs (Lucy, et al., 2008). In this regard, *Nayak (2018)* observed that women in self-help groups are actively involved in political activities and have a high degree of involvement and acute awareness of politics as a result of their entrepreneurial experience.

ii) **Community Values and Norms**

In this Kenyan context, women are the backbone of the community in the sense that TBGs as SSEs have improved the living standards of many families. In line with this observation, in Kenyan ROSCAs, individuals save together with the aim of socioeconomic development. The majority participate as families: the household puts an agreed amount of money in a pool, which rotates among the group members, with no interest (Gugerty, 2007, p. 251). The communities that join the SSE programs benefit from the welfare funds from member contributions and access to insurance of the borrowed funds.

b) Organisation Structure and Processes

i) Structures and Processes

TBGs' achievements result from factors that contribute to organisational effectiveness. In this study, TBG processes include savings and transactions, loan issuance, and loan payments, which are done during the group meetings with most of the members present.

Establishing group-based rules constitutes independence, and significant activities take place during regular meetings for accountability. Formal institutions, such as banks, advance loans only to individuals organised in a formal infrastructure. However, some informal banking institutions, such as cooperatives and micro-finance organisations, guarantee that the loan would be serviced as required. This is based on the assumption that members of a group come from the same community or setting, share similar values and beliefs, and therefore exert pressure on one another to minimise the likelihood of loan defaulting (Olila, 2014).

ii) Leadership

A team leader needs to have skills in social and financial matters to perform in a structured system (Boone, et al., 2005, p. 893). Many journals and articles document the existence of self-help groups that are run as microcredit institutions. Unfortunately, little is written about the factors that contribute to good leadership in TBGs. The entire group selects a person who has more social power with financial stability; this leader will volunteer to oversee the activities of the TBG, mentor, and enforce group sanctions as required by rules for savings and loan repayment.

The Women Enterprise Fund Strategic plan for 2012 to 2024 program facilitated training for women in TBGs and indicated a positive social-economic impact of WEF loan that benefit about 30% of men participating in table banking (Kosgei, 2020), led by women.

However, microfinance institutions have their board of directors that ensures the sustainability of funds and effective tasks to serve both the customers and the institutions. Unsatisfactory service delivery could result from poor decisions of directors. In this regard Microfinances institutions, the non-affiliated boards of directors of which have higher social and economic performance than the TBGs (Nugroho & Miles, 2009).

iii) **Strategies**

Strategies to improve financial inclusion necessitate dealing with issues concerning constraints and taking the lead on the changes in the economic environment, such as paying attention to the social impact, transparency, and client safeguard of financial assets, as well as to financial-investment capabilities, risk management, and investment diversification. To do this, informal banking should focus on the client's area of residence, their financial ability, lifestyle, gender basic needs, economic growth, and the risk of losing money (Ledgerwood, 2000).

Similarly, to be eligible and be qualified to borrow loans, the business owner provides the SACCO with a business plan that pitches the goals and objectives, the quotation of investment and proposed outcome in the business plan allows the evaluation of loan and approval. Borrowers. This strategy allows transparency and accountability by the debtor.

iv) **Risk Management**

Jones (2019) explored risk management as a structural feature in informal banking because of the lack of insurance or approaches to recover the loss of grants for start-ups without incubation periods. The study delved into risk management as a structural feature of TBGs for risk mitigation or prevention in their operations (Jones, 2019). Risk management is a procedure that is integrated into an organisation's planned system to lower the likelihood and consequences of negative events. While considering all the organisation activities, the organisation explores, identifies, and takes necessary steps to prepare action plans to overcome any potential pitfalls. The most common area of risk management among TBGs is within their social and solidarity space, as explained below.

These credit terms should reduce costs associated with credit and therefore help Microfinance Institutions derive maximum benefits from the loan (Anderson & Baland, 2002).

TBGs as SSEs are characterised by their capacity to open up space for the possibility of building a more equitable, sustainable, and inclusive society based on its principles of solidarity, cooperation, equity, and democracy (Lee, 2020). The structures and processes examined in the current study, particularly training and education, could help TBGs to open more avenues for effectiveness.

c) Social Economic Outcome

Sobir (2020, p. 9) reported that 783 million people have experienced extreme poverty levels. The informal sector has made strong efforts to create jobs, which has lowered the number of people living in poverty. Sobir added that self-determination contributes to the degree to which micro, small, and medium-sized enterprises (MSMEs) can reduce poverty, especially for youth and women who can earn wages (Sobir, 2020, p. 9). This study has reviewed success stories about TBGs' social-economic activities and how they have alleviated poverty in Kenya.

Socio-economic empowerment enables individuals to develop a sense of autonomy and build confidence while interacting within the social environment (Obiria, J, 2015). Table banking is a unique social development intervention because it can deliver social benefits on an ongoing, permanent basis and at a large scale at the grassroots of society. It is a dual system that blends both formal and informal financial systems. If well managed, it can sustainably provide financial services, free of donor support. It thus offers the potential for a self-propelling cycle of sustainability and massive growth, while providing sustainable socioeconomic empowerment of women.

Morais and Basic (2020) shared in recent years that there is digital development that has impacted the way financial sectors operate in their social economic activities. At the moment, socioeconomic inequality has increased, with a significant portion of the population living in poverty and having difficulty gaining access to basic social services in the SSE environment (Morais & Basic, 2020).

d) Individual Participants

i) Improved Financial Services

Financial exclusion is a result of unemployment and social political factors that could lead to poverty, the population in Kenya look for affordable finances through social and solidarity groups. In Kenya the government and NGOs have initiated affirmative funds for individual who cannot access conventional funds. Consequently, financial access is a problem for disadvantaged and susceptible groups that do not have enough social amenities and education (Bernheim, et al., 2015). In many countries, financial inclusion is critical in determining economic development.

ii) Employment Opportunities

Self-help groups develop entrepreneurial skills among rural women (Saravana, 2012). These groups mobilise women entrepreneurs and teach them to earn their living. The potential gains in raising women's labour-market participation on economic performance include higher incomes for women directed at household spending on children's education for faster long-term growth; providing companies with a large talent pool – potentially increasing innovation, creativity, and productivity; and helping to counteract the impact of the shrinking workforce to mitigate the cost of the aging population, especially in developed countries (Kantor, 2009, p. 194).

iii) High Living Standards

In addition, *Obiria (2015)* stressed that table banking had boosted many women's social and economic standards. Women no longer depended on husbands for money, as they

could rely on the proceeds that they received from their TBG. Table-banking members are categorised as ordinary, accumulative, or preference members; the third category allows them to include at least five ordinary members who can be beneficiaries.

iv) **Better Social Status**

The United Nations Sustainable Development Goals [UNSDGs] 2030 emphasise poverty eradication, which could also be termed "better social status", as the first goal. Most participants in table banking are women, who benefit from social interaction with each other, the community, and external organisations, although it has been noted that globally, not all participants in microcredit institutions have succeeded in raising their social status (Malik & Luqman, 2005).

e) **TBG Organisations**

i) **External Funding**

External funding would be a means to support the sustainability and growth of TBGs as SSEs. A key aspect of TBGs is to strengthen self-funding groups.

> *The TBGs in the Western Kenya study show that member's savings amounted to 95% of the capital from individuals as the table banking contributions, the 2% may come from support through seed money from agents such as NGOs, CBOs, and FBO, who introduced the group to TBG; another 2% may be borrowed from [microfinance institutions], while 1% may come in as bank loan for a start-up It is estimated that 25% of groups received growth funds from the Kenyan Government through the Community-Driven Development Program. Other external existing funding grants come from the Ministry of Public Service, Youth and Gender Affairs* (Khakasa, 2015, p. 46).

Other forms of external funding are Women's Enterprise Funds (WEFs) which the government of Kenya established WEF through legal notice No. 147: Government Financial Management (Women Enterprise Fund) Regulations, 2007, as a National Fund

powered by Public Finance Management Act, 2012 (Women Enterprise Fund Strategic plan, 2012/2024, p. 5). The affirmative fund allows women to take out loans and engage in businesses and projects at very reasonable interest rates without issuing collateral.

The extent to which the various ministries' policies are promoting women's access to finances through table banking is the grey area in the existing literature. The current study aims to analyse and use its findings to develop recommendations to policymakers.

Through this initiative, the government envisioned that it would enable women to grow their small businesses. WEFs' primary function is to provide accessible and affordable credit to support women starting or expanding businesses for self and community development. WEF loans given to women in groups are interest-free, with only a 3.5 % interest rate per annum for administration compared to other creditors who offer loans at 16% interest rate per annum (Women Enterprise Fund Strategic plan, 2012/2024, p. 12). Focus group respondents acknowledged the economic benefit of WEF, advocating for governments to extend the affirmative funds to men: 'we [formed] a SACCO, [] and it has gathered the women who are near, and they've already been given [] WEF [] they're continuing to grow…' (Mark, Personal Communication, FGD, 05/10/2022).

ii) **Attraction of New Members**

Networking grows entrepreneurs and helps equip them with proper skills and experiences (Carter, et al., 2007). In general, women have lower social status than men; this affects their ability to form networks. Traditionally, women form networks suited to their family affairs, and this may hinder their access to finances. Social networks help empower women in the ownership of their businesses by equipping them with skills and knowledge (Marin & Wellman, 2011).

iii) **High Repayment Rates**

The high repayment rates in TBGs can be determined by various internal and external socioeconomic factors. TBGs members have high loan returns, because of peer-to-peer trust strategy, the borrowers pay on time to keep the 'trust'. Unlike in formal banks where, "Regulations play a pivotal role in the financial system as it influences among other factors costs, taxes, and competition []" (Sile & Bett, 2015, p. 10) in the formal sector. Sile and Bett discussed that the negative view of formal institutions has enabled extensive growth of informal finance in Kenyan communities (Sile & Bett, 2015, p. 15). Such initiatives are encouraged by low interest rates. *Cherotich et al (2021)* argued, that aspects of affordable interest rates and the type of loans offered in Table Banking are either shortterm with 10 percent to be paid within one to three months or long-term loans to pay with 12 percent within 6 to 24 months (Cherotich, et al., 2022, p. 90).

TBGs demonstrate high payment rates, as key borrowers in WEF. WEF strategic plan 2023-2027 revealed a high payment rate of KES 10,715,757,600 loans to women that funded 38,409 groups with 422,927 members which recorded an average repayment rate of 97% (Women Enterprise Fund Strategic plan, 2012/2024, p. 19). The groups are registered with social services and benefit from the affirmative funds in Kenya. The study observed other characteristics the TBGs and Saccos share, illustrated below in a table.

3.4 Features Common to Both TBGs and SACCOs

This study observes that TBGs have distinct functions in common with SACCOs: each is self-funding, employs peer-to-peer collateral, makes short-term and long-term loans, and develops rules and policies to suit their operations.

Features

Self - funding – Members save money in their accounts as part of collateral

Peer- peer **collateral** – **When** taking loans, members guarantee each other by signing to agree.

Short- term and long - term loans – Both provide loans to members, on a monthly and 12 - monthly basis.

Rules and policies to suit their – Because of different objectives, they make rules that suit their

Loans are provided in the amount of twice or thrice the member's savings – Each member's saved amounts act as part of the collateral against the loans.

Annual dividends – **Both** allocate direct dividends to customers.

3.5 Chapter Summary

As with other formal and informal institutions, the operating inputs, structures, and processes of TBGs influence the outcome. This chapter has explained why and how the study adopted the system theory and the SSE TBG conceptual framework. This chapter articulated the theories and concepts that structured this study, which formulated the research questions. The illustrations in *Figures 3.1.0 and 3.2.0* describe how the government Ministry, umbrella NGOs, and cultural norms provide and shape the policies for running TBGs. The chosen system theory has relevance to the conceptual framework formulated from the research questions. To accomplish their goals, TBGs need to ensure that the input, processes, and their outcome are utilised.

Chapter 4 describes the research design, the qualitative tools used to reach the data, and how the findings were analysed.

Chapter 4 Research Design

4.0 Chapter Overview

Chapter 3 examines the organisational-effectiveness approaches, where a conceptual framework and system approach formulate factors that affect TBGs' organisational effectiveness. This chapter discusses the research design, explains the methods of data collection, the analytic processes followed, and accounts for the ethics and integrity procedures. The study explored data from focus groups and two interviews for Phase I, Phase II (a), and Phase II (b) as described above. The data from the interview questions is collected in all the phases and rigorously analysed using thematic analysis.

4.1 Qualitative Research Design

Research is designed using a set of methodologies and procedures that enable the collection and analysis of data to respond to the problem under study (Creswell & Creswell, 2017). Research design is a systematic procedure that enables the study to achieve its objective (Kothari & Garg, 2014). This chapter explains the methods and tools applied in this case study, which explored multiple cases to gain in-depth insight from various sources. The qualitative approach purposely selects participants, the primary and secondary data from TBGs field of study and considers research ethics. This is instrumental in the exploration of the study findings.

A case-study design for this study is selected specifically to explore the TBGs in Rongai Constituency, Nakuru City, Kenya, to determine why these groups 'participants were successful despite the informality of their TBGs. As explained by *Silverman (2020, p. 74)*, "a case study explores step-by-step social processes of a certain phenomenon." The engagement with the focus group, two interviews, public media sources, and policy documents contributes to the study findings. The thematic analysis tool is instrumental in constructing the processes and structures of the table banking OE study findings.

The qualitative study applies a constructivist and descriptive survey design. The exploration of data was purposely selected to share experiences that describe what was really happening in informal banking. According to *Mugenda and Mugenda (2003)*, the descriptive design narrates the situation. The study methodology also involves observation of literature and public media regarding the background and current operations of TBGs, in accordance with *Churchill and Iacobucci's (2006)* acclaimed use of past and present information to study a proposed issue (Churchill & Iacobucci, 2006). To examine the problem of the study, the researcher needs a rigorous critique that follows the research design steps as required in the field of study (Kothari & Garg, 2014). This concept is useful when the researcher needs to collect data easily and with a minimum cost using questionnaires and interviews on events that cannot be directly observed.

4.2 Qualitative Approach

This study adopts a qualitative approach to explore the activities that shape the effectiveness of TBGs as an organisation. It constructs the system theories and conceptual framework of TBG organisational effectiveness and factors affecting the contribution of individuals and TBG organisations in Kenya, with a system theory perspective. The researcher sought to deduce the significance of a phenomenon based on participants' perceptions. The researcher considered a qualitative approach because the study involved discussing and interviewing participants to share their lived experiences with table banking. 'Qualitative researchers are often open about their theoretical and philosophical positions and their relationship with their participants' (Berryman, 2019, p.
274).

A qualitative tool was used to collect data from a focus group discussion, interviews, and public communication media. The qualitative approach was preferred because the researcher could ask questions. Similarly, Christensen, et al (2011) points out qualitative

is particularly beneficial for understanding and characterising local situations, as well as developing ideas where applicable. Furthermore, Mertens (2010) was of the view that the qualitative approach allows questions to evolve in the process thereby enabling an in-depth investigation. The qualitative method investigated persons or groups who participate in social and solidarity economic activities. Qualitative research is particularly beneficial for understanding and characterising local situations, as well as developing ideas where applicable (Christensen, et al., 2011). In some instances, the researcher may feel challenged when interviewing people who face social injustices, the interviewer provides solutions to the problems as explained by Mertens (2010). Because qualitative research is usually focused on examining phenomena, research questions are permitted to evolve during the study. The researcher thus becomes an important tool for data collection.

As this study was interested in exploring organisational features that would bring about effectiveness, the qualitative study was most appropriate to investigate what local benchmarks would look like in TBG effectiveness. The researcher planned and held focus-group discussions in a conference setting in the locality of the key informants. Also, questionnaires were used to interview the other two groups of participants discussed in the paragraphs below. Afterwards, the data was analysed deductively and inductively, moving from codes to general themes. Using thematic analysis, the study interpreted meaningful findings from data.

In this study, the researcher selected participants and conducted a focus-group discussion in Nakuru County. (For further detail on selected focus group participants refer to section 4.8.0 (a)). Opened-ended interview questions were employed to collect data from the respondents. The researcher made sure the participants clearly understood the influence of organisational effectiveness in table banking, particularly in terms of the TBG practice and policy implications that affect the social and economic outcomes of TBGs in Kenya. The investigation considered the following variables: organisational inputs (community norms and values, Ministry policies, and NGO oversight), TBG internal activities

(leadership, structures, and processes, strategies, and risk management), and TBG outputs (individual and organisation outcomes).

Initially, the researcher contacted nine respondents. One respondent had agreed to join the focus group discussion because the researcher had a problem in planning a meeting due to the time difference between Kenya and the United Kingdom. The researcher greeted the respondents and let everyone introduce themselves. The researcher then informed the respondents about the study and requested participant consent to volunteer. Following approval to engage in the study, the researcher led a conversation based on each research theme derived from the research objectives. The research assistant took notes on the topic of the discussion as the respondents continued to respond to the questions.

In Phase II part (a) the researcher interviewed three respondents from SACCO umbrella organisations to gain more insight into SACCOs' policies and regulations which govern their performance, and how these compare with those of TBGs. One respondent was interviewed face to face, while the other two were interviewed via email. The final Phase II (b) of the study used open-ended questionnaires with face-to-face interviews that lasted for 20 minutes each, with the five TBG members recruited by the ROSEWO umbrella organisation.

4.3 Multiple Case Design

The advantage of the multiple-case approach is that it examines several cases where the results are diverse (Creswell & Creswell, 2017). The purpose of having the two phases in this study was to find the measures to benchmark the level of success or failure of TBGs, depending on the form of structures and processes, while considering the policy regulation of the government and NGOs. The exploratory study, explained in detail in

Section 4.8.0, examined two phases. Phase I involved in-depth insights from key informants who are TBG stakeholders.

The findings from Phase I informed the questions for Phase II. Phase II (a) involved interviews with three experts from umbrella SACCOs; and phase II (b) interviews with five TBG members recruited from ROSEWO, which addressed the explanatory questions: what happened, how, and why? (Yin, 2009). This study of TBG Organisational Effectiveness explores multiple cases to establish the current state of play and benchmarks regarding the organisational effectiveness of TBGs and found gaps for additional research. The exploratory study investigated the structures and processes of TBGs, because existing studies had not identified clear, established practices and policies that enabled the success of TBGs in Kenya. For clarity, the study observed reports from public media to identify the TBGs' structures and processes and whether the TBGs have been successful, on average, or on the verge of failure.

4.4 Philosophical Paradigm

A research philosophy is a set of guidelines for gathering, interpreting, and applying findings to a topic. Epistemology (what is demonstrated to be true) versus doxology (what is [] true) is a research philosophy that encompasses several philosophies (Holden & Lynch, 2004). This study of organisational effectiveness collected data using questionnaires and surveys, where questions were framed to elicit responses about what organisational effectiveness was and how it was achieved in TBGs. In addition, secondary data was collected from two public communication sources (newspapers and YouTube). The qualitative data obtained from the field of study are from respondents' socioeconomic experiences in TBG as an informal-sector phenomenon. 'Qualitative methodology positions the researcher to study a phenomenon, in context, through the understanding of the participants' (Berryman, 2019, p. 274). The factors that affected the organisational effectiveness of TBGs rigorously underwent thematic analysis, with the codes grouped

into three main topics that reflected the objective of the study, a systemtheory approach, and the TBG conceptual framework.

According to Creswell (2015), the five types of philosophical paradigms are the; post-positivism, constructivism/interpretivism, transformational, and pragmatism. The purpose of post-positivist research is to discover universally applicable laws using research hypotheses informed by realism, idealism, and critical realism and held to be true until there is sufficient evidence to contradict them (Creswell, 2015). As this study was qualitative, it did not have a hypothesis from the beginning. It observes beliefs in the TBG system. *Merten (2010, P.471)* suggests that researchers need to ask questions directly to the diverse, unprivileged cultural groups from the perspective of ethnicity, gender, socioeconomic, disability, status, race [] (Mertens, 2010, p. 471) to get the real feedback.

The current research begins with a comprehensive study to provide a broader perspective in the field. This pragmatic design opens new options for addressing methodological issues in the social sciences. It also emphasises the significance of believing in one thing over another or acting in one way over another. According to the expected goals, pragmatist researchers assess what and how the study is conducted. As a result, pragmatic researchers can use any methodology, technique, or procedure associated with quantitative or qualitative research. They recognise that each method has limitations and that numerous approaches may be complementary. Mertens mentions the four paradigms focus on selecting the optimal instruments for addressing specific research objectives based on the research paradigms (axiology, ontology, epistemology, and methodology) (Mertens, 2010, p. 470).

The positivist paradigm is founded on naive realism ontology, which maintains that there is a single stable and measurable truth or reality. This concept denotes the process by which human understanding is gained through experimentation to test hypotheses, provide explanations, make predictions, or investigate cause-and-effect relationships

between variables (Searle & Auton, 2015). The interpretive paradigm assumes a relativist ontology, which indicates that there is no one reality or truth, and that reality is explored, generated, or rebuilt through human interactions between the researcher and the study subjects, as well as among the research participants.

In contrast to the positivist paradigm, which usually employs experimental techniques, the purpose of an interpretive paradigm is to identify rules or law-like generalisations that explain observable human behaviour (Denzin, et al., 2005).

The model of constructionism in qualitative research that considers asking questions that prompt participants to discuss the real happenings and the actual state of matters regarding the phenomena being studied (Silverman, 2020). This study explored the input, organisational structures and processes, and the outcomes described in the system-theory approach, the TBG conceptual framework, and the open-ended questions. *Silverman (2020)* further explains that a constructionist wants to know the processes of the phenomenon in question and the way they have been constructed for sustainability.

Reality, according to a subjectivist epistemology, must be interpreted. This is the stage at which the researcher analyses findings based on their own thinking and cognitive processing of data, which is guided by their interactions with humans. A naturalist technique is used when a researcher gathers data through interviews, discourses, text messages, and reflection sessions while acting as a participant observer. Constructivism, social constructivism, and qualitative research are all names for this paradigm (Denzin, et al., 2005)**.** The paradigm is never absolute but always probable, and it can never be fully comprehended. In other words, post-positivists acknowledge the researcher's effect (Creswell, 2015).

4.5 Descriptive Survey Design

The descriptive survey design examined the organisational effectiveness of TBGs utilising qualitative tools. A descriptive study design describes the way things are and explains why (Mugenda & Mugenda, 2003). The descriptive survey design uses expertise and precise descriptive analysis of the sample's attributes to make population inferences (Orodho, 2004). The descriptive nature is useful when collecting data regarding a historical or present phenomenon (Churchill & Iacobucci, 2006). Because the researcher required a strong grasp of the study subject's conceptions and values, this design was chosen (Kothari & Garg, 2014). This concept was useful when the researcher needed to collect data on events that could not be viewed directly. Its advantage was that it allowed for the collection of small or very large amounts of qualitative data cost-effectively using questionnaires.

4.6 Data Collection

The collection of data uses sequential strategies in an exploratory study (Creswell, 2012). In the current study, this allowed the investigation of the Phase I and Phase II data to cover the required field of study objectives and save time when gathering feedback from the target participants. Data was collected from both primary and secondary sources and analysed to generate conclusions.

In the first phase, primary data collection from experts and key informants was undertaken partly using questionnaires and face-to-face, round-table discussions by the researcher. The secondary data was collected from recorded documents from public communication and from anecdotes from the communities participating in TBG activities and the grey literature from stories of individuals who participate in TBG. These included

newspapers and YouTube reports over the span of 11 years beginning in 2009, when TBGs evolved in Kenya.

The second phase was conducted using data gathered in the first phase. The researcher conducted in-depth interviews with the participants where possible. In some cases, open-ended questions were asked of the research participants. The interview guide was developed to guide the interview process. This included a list of topics and questions aligned with the research objectives explored during the interview process. Subject to participant consent, the interviews were recorded to capture responses more effectively. This was based on the understanding that researchers can miss some crucial points during the interview process. Using an audio recorder would help the examiner focus on the questioning and probing and generate a "verbatim transcript" (Jamshed, 2014). The interviewer used the participants' native language (Swahili) in the second phase, which involved participants who are, on average, on the verge of failure as part of an SSE. The participants' responses were selectively transcribed and translated into English for analysis.

4.7 Qualitative Interview

The study used an in-depth interview schedule (Appendix B) to collect data from the respondents. This helped to provide a clearer understanding of those aspects of the phenomena under investigation that could not be easily observed (Christensen, et al., 2011). In this phase of the study, the researcher interviewed eight key informants from Nakuru County about the influence of their TBGs' organisational structure (including leadership and decision-making processes), internal activities, financial inclusion, sources of finance, and financial support on TBG outcomes in terms of household livelihood outcomes, empowerment outcomes, financial-services outcomes, and household living standard (income). The researcher also asked about the socioeconomic and financial-literacy challenges facing the participants' TBGs.

a) Naturalism-Based Interview Questions

Silverman (2020) explains that naturalism entails the need for researchers to view and formulate questions considering a real-life situation. The interviewees are asked openended questions that give them the opportunity to share experiences; this, in turn, allows the construction of in-depth insights. This study formulated open-ended questions for the Phase I and Phase II interviews; the respondents shared their experiences and encounters with table-banking activities. For instance, one of the focus groups (Phase I) was asked about their views of the effectiveness of TBGs in Kenya. Some participants gave short answers while others gave lengthy responses regarding their reallife experiences in relationship to TBGs. An example of the questions in Phase II (a) was *"Which SACCOs are successful?"* which was asked to three representatives of the SACCO umbrella organisation (two via email and one face-to-face with a hard-copy questionnaire). Two respondents shared very similar answers, while one gave slightly different responses, as per their professional experiences in the SACCO; all responses were considered in the analysis.

b) Open-Ended Questions

Parahoo (2014) defines a research instrument as a tool used to collect data. The questions used in the current study were open-ended questions starting with the words which, what, how, and who (Parahoo, 2014.). The tool enabled the researcher to collect the data from a large population sample in a relatively short time. It also helped capture both qualitative and quantitative data. In addition, it yielded relatively objective data, despite its qualitative nature.

i) Focus-Group Discussion Questions for Phase I

In Phase I, the researcher used open-ended questions (Appendix A), and the key informants were invited to participate in the face-to-face focus-group discussion. The first independent variable was TBG inputs: community values and norms, NGO roles, and government policies. The second independent variable was TBG internal activities: leadership, strategies, and risk management as they affected the progress of the group

members' contributions. The conceptual framework guided by the research is laid out in this section. Phase I of the investigation answered questions formulated from the research questions as illustrated in Appendix A.

The researcher interviewed SACCO specialists to gain an in-depth understanding of SACCOs' operations and organisational effectiveness as compared to TBGs. The outcome of Phase I informed the questions for further investigation in Phase II (b). The chosen areas of investigation included: i) the place and role of strategic planning; ii) the place and role of a structure to oversee the rollout of strategy; iii) the place and role of management literacy as a transition to less informal operations and processes and to upskilling group members to take on business-strategy rollouts; and iv) the regulatory environment.

ii) Interview Questions for Phase II (a)

Phase I questions (Appendix F) were open-ended. After the first survey of the focus group, the researcher analysed the data and identified the gaps, and questions were developed. This study explored SACCOs' operations that were compared to the TBG policy regulations and the internal processes (leadership, risk management, structures, and processes). The questions were informed by the findings of Phase I (a), which were benchmarked with Phase I (b). Findings in Phase I highlighted how to manage risks in informal banking, especially with respect to the TBGs and the SACCOs, and the structures and processes of TBGs, SACCOs, NGOs, and the CBOs. The SACCOs' similarity to the TBGs drove the need to gather information for comparison with the TBGs. Other variables identified for further studies were leadership and policy regulations for the effectiveness of SACCOs. Relevant questions were developed.

iii) Interview Questions for Phase II (b)

In Phase II (b), the questions included open-ended questions (Appendix H) about the factors that influence TBG organisation effectiveness. The first factor explored was the

inputs of the TBG organisational structure: leadership of the TBG and the decisionmaking process in the group.

The second factor was TBGs' internal activities, specifically, members' contributions and loan defaulting. The third factor was structures that contributed to TBGs' operations as SSEs. The fourth factor was leadership and risk management. The fifth factor was TBG financial inclusion, which investigated affordable sources of finance and TBG financial support. The elements measured to determine the effect of these factors on TBG outcomes were: living standards, socioeconomic empowerment, financial services, and household living standards (income). The intervening variables of the study were the socioeconomic and financial challenges facing TBGs.

4.8 Multiple Data Sets

As described above, the five data sets explored by the study included a focus-group discussion, two rounds of interviews, two types of public media sources, and policy documents.

a) Selected Focus-Group Participants, Phase I

Purposive Selection of Participants

Ahmad, M., & Wilkins, S. (2025) explain that purposive sampling approaches have been used widely by researchers in qualitative research. However, the purposive approach has no research-based framework for conducting, teaching and evaluating its application.

Purposive technique was adopted to recruit and select key informants to participate in the study. After the researcher failed to reach some of the proposed key informants, as provided in the study proposal. The researcher opted to visit the office of the Ministry of East African Community Labour Social Protection in Nakuru County, where the researcher informed the officer of the need to have a focused discussion with organisations affiliated with TBGs and made a phone call.

A specific group of participants from SACCOs, ROSEWO and CBOs was selected to participate in the study. The leaders from the SSEs were deemed to have in-depth knowledge of TBG workings in Kenya and clearly understood the cultural norms, practices, operations and social economic impact of TBG in Nakuru County. Others from the SACCOs and CBOs participated in TBGs and witnessed the success of TBGs progression to SACCOs in Nakuru. The experts provide financial services, register TBGs, and share SSE aspects with the TBGs indicated in Table 4.8.0. SSE's experts shared their experiences, learning, reflections, and education regarding the inputs, practice and policy, structures and processes, and outputs of TBGs as SSEs. Ahmad and Wilkins (2025) further support Creswell and Poth (2017) in stating that purposive sampling intentionally selects data or participants who share attributes that meet specific requirements.

This forum was guided by the researcher's supervisors to ensure that the researcher did not overlook any significant factors and that inquiries were posed clearly. The researcher, who acted as a moderator, began by introducing herself, as well as the scope and objective of the study. The key informants volunteered to consent in study see copies; Appendices C and D. The key informants met face to face in a round-table format, where they contributed and argued about experiences on structures and processes or organisation operations. This brought new insights about what practices and policies would influence the organisation effectiveness of TBGs. Of the nine people selected for the focus-group discussion, eight attended. The opening questions served as an introduction to the study's concerns. The researcher asked the respondents if she could record all the interviews on audiotape. In addition, two research assistants collected field notes to ensure that all ideas and topics were effectively documented. The researcher filled in all the procedures with a summary of key points on each question asked at the end of the discussion. The two research assistants ensured that all information obtained from respondents was recorded. Subsequently, three from SACCOs umbrella organisation officers and six TBG members were interviewed. Other sources of information were news reports/public communication, and anecdotal reports within the TBG sector and the community. This

data was used as a contextual benchmark of success or failure that the study took as a baseline.

1. *4.8.0 Focus-Group Key Informants*

Organisation	**Role**	**No. of participants**	**Participants in attendance**
Women Enterprise Fund	Trainer for TBG trainers	1	1
Skyline SACCO	Credit provider	1	1
Rongai Social Economic Women Organisation	TBG umbrella NGO		
Reality SACCO	SACCO	1	1
Medy SACCO	SACCO	1	1
Water Reservation CBO	Community-based organisation in Rongai Nakuru	1	1
Missionary of Mercy	Community- groups facilitator	1	1
Ministry of East African Community Labour and Social Protection	Government officer	1	1

b) SACCO Umbrella Organisation Interviewees

During Phase I (a), the researcher interviewed three SACCO experts. The analysis from Phase I dictated the need to explore the umbrella organisations overseeing the SACCOs to find out how effective they were in terms of the factors leading to success, including practices and policies, structures, and processes. The researcher contacted the three

participants. One respondent asked for the documents and questionnaire through WhatsApp, the second wished to receive it via email, and the third requested that the investigator drop the questionnaire at their office.

2. *4.8.1 Target Population (ROSEWO) 2022*

Wards in Rongai Constituency	**Number of groups**
Kampi ya moto	21
Solai	27
Sachagwan	30
Losibil	38
Mogotio	45
Lengenet	72
Total	**200**

c) Study Population for TBGs

Loseke defines populations as being the whole group, event, or artefacts to which the findings are generalised (Loseke, 2013). In this study, the target population represented a population of more than 200 TBGs. The groups are distributed across the Rongai Constituency. Therefore, the study target population was drawn from the TBGs under the umbrella of Rongai Social Economic Women Organisation (ROSEWO), which constituted more than 200 groups in total *(Table 4.8.1)*. This study purposely selected six TBG individuals to represent the population.

d) Phase II (b) Selected Participants

The researcher visited the ROSEWO office in Rongai Constituency and asked the manager to recruit six individuals from the three levels: successful, on average, and those on the verge of failure. Phase II (b) targeted a sample size of six TBG members (Ahlén, 2012); ultimately, five participants were interviewed. The participants were invited to the researcher's office for the interview. Participants consented to undertake the interview**.** The interviews were scheduled to last for 20 minutes. Table 4.8.1 shows the numbers of TBGs in the Rongai Constituency.

3. 4.8.2 Table-Banking Groups Sources from ROSEWO

Wards in Rongai	**Number of groups**	**Sample size**	**Purposively selected participants**
Kampi ya moto	14	18	1
Lengenet	15	22	1
Solai	40	20	1
Losibil	21	21	0
Sachagwan	45	26	1
Lachwera	25	25	0
Mogotio	22	25	1
Junction	18	25	1
Total	**200**	**133**	**6**

e) Phase II (b) Table -Banking Participant Selection

The six table-banking participants were purposely selected from the study's overall target population for the interview *(Table 4.8.3).* The participants were chosen by the ROSEWO officer from rural sub-counties where two TBG members had been the most successful, two had experienced less-severe challenges, and two were on the verge of failure. The participants were recruited by the ROSEWO umbrella organisation and interviewed faceto-face by the researcher.

4. *4.8.3 Phase 2 (b) TBGs Recruited by ROSEWO*

S/no.	Nakuru County	Level of Success	No. of respondents
1	Rongai	Successful	1
2	Rongai	Successful	1
3	Rongai	On average	1
4	Rongai	On average	1
5	Rongai	On the verge of failure	1
6	Rongai	On the verge of failure	1
	TOTAL		6

f) Interview Procedure for Six TBG Participants

The members of the TBGs were interviewed face to face, and the five participants met in a place suitable to them. Before the interview, respondents were told of the study's goal and were assured of the confidentiality of their information. The researcher used a questionnaire to discuss the unstructured questions, and notes were taken immediately. In each instance, the researcher invited the participants to openly share their ideas and feelings about the types of informal TBG services.

Phase II (b) The research investigated five participants (TBGs members) from the six purposely selected TBGs, two of which were successful in Kenya, two considered to be performing at an average level, and two that were on the verge of failure or exhibiting

low performance. Data collected from the multiple case studies was analysed and synthesised to inform the revision of the conceptual framework.

4.9 Sources of Secondary Data

The following are secondary data collected for review of existing knowledge on TBG effectiveness.

5. *4.9.0 Sources of Secondary Data*

Type of data	**Source of data**
1. Policy documents	Risk Management Guidelines 2013, Central Bank of Kenya 2017
	Ministry Cooperatives and Development Act
	Public Finance Management (Biashara Kenya Fund) Regulations, 2020.
	The SACCO Societies Non-Deposit taking regulations 2020
Public media sources Documents from the newspaper	*The Standard* newspaper 2010 to 2023 National Newspaper 2010 to 2023

i) Policy Documents

Additional data relating to both formal and informal banking and the organisational effectiveness of TBG was gathered from policy documents, newspapers, and YouTube were analysed. The exploration of secondary data from the field enabled the researcher to gain more insight into system approaches and the conceptual framework (inputs,

structures, processes, and output) which has been described or critiqued, as well as the policy implications of these critiques. This helped the researcher to provide credibility.

ii) Public Media Sources

The public media sources were the newspapers from the *Nation* and *Standard Media* in Kenya, while the second source of online media was YouTube videos by *Citizen Media* and *Nation Media* covering Kenyan regions. The aim of considering data from the media was to increase the credibility and relevance of the study using public information. Public media has been able to reach all the regions of Kenya. This adds a country-wide perspective to the more locally based interviews and reports.

iii) Documents from Newspapers

The newspapers were sourced in hard and soft copies, from the *Nation* and the *Citizen* news media in Kenya. Dates ranged from 2010 to 2015 and from 2018 to 2023. The reporters interviewed TBG participants across Kenyan regions, who shared their success stories and the challenges they face while practising TBG socioeconomic activities.

iv) Table-banking YouTube Documentaries

The study collected YouTube videos of interviews with groups participating in Table Banking activities in Kenya. The clips were from the years 2019 to 2022. The journalists had gone to regions of Kenya, where they spoke with people in self-help groups about their socioeconomic activities. The TBG members shared their experiences and achievements from the social and solidarity economy organisation. The videos were official broadcasts from journalists with the Kenya Broadcasting Company (KBC) and Citizen Television channels in the financial sectors. The researcher transcribed the interviews for analysis.

The research explored factors leading to the success stories, the challenges, the organisational effectiveness of TBGs, and the policy implications. The data collected

from the YouTube channels was used to investigate the system approach, conceptual framework, and research questions based on the objectives of the study.

4.10 Qualitative Data Analysis

The researcher used framework analysis as a qualitative data-analysis methodology. The data gathered from interviews and focus groups was categorised into topics based on the study objectives. Themes were explored for similarities and contrasts, which aided in grouping them into thematic groups. This study employed five steps of data review in the system method adopted from *Pope et al (2000)*.

The first step in familiarisation was for the researcher to become acquainted with the raw data by listening to recordings, examining notes taken during interviews, and noting significant ideas and diverse topics as the interviews progressed. In step two, the researcher created a table that categorised the concepts into codes and themes from which the data could be evaluated and referenced. These concepts were derived from the data based on the research questions and objectives, but the methodology retained the flexibility to consider unexpected data. To prevent data loss, the researcher used a thematic framework or index to group the data into an index code cluster, often supported by index names or headers, in step three. The researcher then organised the data according to the relevant components of the theme framework, which contributed to the establishment of order, in step four. The fifth and last step was mapping and interpreting. The researcher visually presented the data using figures to explain the connection between the variables of the analysis, as well as to summarise the findings.

i) Thematic Approach and Analysis

The lack of relevant studies in academic literature on TBGs' organisational effectiveness led to this study's use of open coding of the qualitative data. This concept is shared by *DeJonckheere et al (2024)* examination of thematic analysis.

To obtain meaningful results for this research, a hybrid thematic approach was applied in which the analysis deductively and inductively applied system theory's concept of organisational effectiveness and the adopted TBG conceptual framework to interpret the data collected from the multiple data sets. The deductive approach allowed for the new findings driven by the qualitative data to be collected, and the inductive approach formed and added features of the system theory and the conceptual framework (DeJonckheere, et al., 2024).

However, researchers using thematic analysis are expected to contemplate on diverse questions that could result in a repeated theme, gotten from the data collected, that might appear in part or significant evidence of a particular study (Braun, et al., 2022). In this study of TBGs the researcher asked open ended questions that required participants to narrate their experiences. Concurrently, the study considered public anecdotal reviews on TBG phenomena.

The research applied thematic methods that involved the collection of qualitative data from key informants related to the field of study. Qualitative data tends to be openended without predetermined responses (Creswell & Creswell, 2017). In this study, the qualitative findings were interpreted using the summary discussions of data from the main themes, reflecting the holistic system and operations of table banking. The study found that organisational-effectiveness factors that influence TBGs' processes, structures, and regulatory framework were present in the multiple cases selected.

The thematic analysis represents information characterised by patterns with a common denotation. In qualitative research, inductive coding drives the data while the deductive data is interpreted using the existing approaches. To explore the study of TBG organisational effectiveness and practice and policy implications, the two types of coding maximised the explicit benefits of qualitative analysis. For efficiency and the production of quality research, the investigator is required to continuously reflect on the questions, the approaches, and the conceptual framework (Ayre & McCaffery, 2022).

ii) Coding Technique

This study explored data in a sequence explained in Section *4.8.0* above. The objective qualitative data enabled the thematic-analysis process to combine codes into themes using a hybrid deductive-inductive approach (DeJonckheere, et al., 2024). A table was created manually to order the codes that were created in accordance with system theory and the TBG conceptual framework. The respondents' answers to the research questions thus covered all the areas as given in the conceptual framework. The analysis recognised new factors that needed further exploration.

Progressively, the codes were combined to form themes, while the emerging concepts and the set of similar texts were marked for easy recognition. The researcher transcribed and identified the themes using the codes, factoring in the objective of the study, the organisational effectiveness approach, and the conceptual framework. The investigator read and reviewed the transcript, coded the themes, and considered the existing factors from the findings. However, a gap was noticed that required benchmarking when the researcher interviewed SACCO experts to explore the structures, leadership, and level of success of the SACCOs to compare them with those of the TBGs.

A native expression is observed in face-to-face discussion and interviews, and the researcher had to use indigenous techniques to identify themes in which the participants meant to explain a point while answering questions for the case study of TBG organisational effectiveness. *Silverman (2020, p.226)* looks at quantitative content analysis, qualitative thematic analysis and constructionist methods and states that "it is worth noting that nearly all qualitative focus group studies use one form or another of thematic analysis" (Silverman, 2020, p. 226). Consequently, due to the nature of the open-ended questions used in the focus groups and expert questionnaires, the respondents had silent moments. At such moments, the researcher could use observation to fill in the gap to attain valuable data.

The researcher rigorously went through the written transcripts from the focus groups and interviews, identifying the suitable terminologies in relationship to the study framework. The Phase I focus-group findings showed that the participants frequently mentioned risk management, followed by structures and processes, and then the leadership aspect. High interest rates and community values and norms were the least mentioned factors. Surprisingly, some issues emerged that revolved around the SACCOs' success stories. New approaches in this study included empowerment, peer-to-peer, and group-cohesion approaches. Factors were determined and developed based on existing knowledge and an understanding of SSE philosophies in the study of TBG organisational effectiveness. The insight allowed the researcher to seek expert contributions for an in-depth examination of the SACCOs for comparison with TBG effectiveness.

iii) Construction of Reflexive Themes

After the collection of the data and the generation of the transcript, the researcher applied the thematic-analysis process. According to *Braun et al (2022)*, there are six steps in an iterative process. The study of all the data collected from the five data sets underwent these steps: (1) The researcher familiarised herself with the collected data from the focus groups, interviews, and public media. The transcript data was reviewed by reading between the lines, allowing the researcher to get to know the data better. The researcher understood the data and found the relevant data that matched the tablebanking organisational effectiveness phenomenon. In this study, the conceptual framework and the organisational-effectiveness system approach informed the research design. (2) The researcher identified repeated codes and labelled them with different colours. (3) The researcher grouped the codes to determine the variables brought up by the respondents. At this stage, the recognised themes were developed to answer the research questions. (4) To develop an insight from table banking as a case, the researcher read over the data repeatedly to grasp the meaning of the findings and relate it to the aim and objectives of the study. (5) The reviewed themes were defined and named, and it was determined whether they were suitable for the study. Three major themes were created. (6) At this stage, the researcher identified the repeated pattern of the themes in the reviewed

information, as the product of the themes related to the research questions, system theory, and the adopted conceptual framework of TBG organisational effectiveness.

The three themes below developed out of this six-step process. Colour-coding the repeated codes and using reflexive illustrations brought out how the themes were developed, which guided this study's findings (Muir, 2023).

Reflexive Thematic Analysis Tool

6. 4.10.0 Theme 1 – Pertinent Regulatory Framework Influencing TBGs' Organisational Effectiveness

Codes	**Sub-Theme**	**Theme**
TBG governing rules and regulations Practices and policies for effective credit operations Table banking and growth regulation Government funds	Ministry policy regulations that control TBGs	**Effects of the regulatory framework on TBGs' organisational effectiveness**
Gender inclusion Saving culture	Influence of community values and norms in TBGs	

7. *4.10.1 Theme 2 – Organisation Structures and Processes that Contribute to the Achievement of TBGs' Organisational Effectiveness*

Codes	**Sub-Theme**	**Theme**
Leadership structure Goals and objectives	Structures	**Organisation structures and processes that contribute to the achievement of TBG organisational effectiveness**
Loan processes Registration Existing member recommendation Loan appraisal Signatories	Processes	
Leadership attributes/ traits Leadership management Education	Leadership	
Capacity-building Training Business plans	Strategies	
Managing defaults post-COVID- 19 debt repayment Loan-recovery methods Cause of loan default post-debt recovery effects Post-loan default effects [Pretender loan repayment]	Risk management	

8. 4.10.2 Theme 3 – Measures of TBG Organisational-Effectiveness Outcomes

Codes	**Sub-Theme**	**Theme**
Welfare, peer to peer Social activities Children's education Improved living standards Improved social status	**Social activities** ***Individual participants*** Social development High living standards Better social status	**Measures of TBG organisational effectiveness outcomes**
Access to loans Improved businesses Loans from WEF Employment Unemployment Unemployment caused by COVID-19 Lack of wages	**Economic activities** Improved financial services Employment opportunity	

WEF, UWEZO funds, suggestion on Hustler funds Word of mouth, stories of success from members Loan default Low interest rate COVID-19 effects	**Organisation** External finance ● The attraction of new members High repayment	

4.11 Credibility

The literature to date has not explored the organisational effectiveness of TBGs, although some studies have investigated their socioeconomic aspects as informal financial institutions. The study gained insight from the data collected from the five data sets. The respondents in the focus-group discussions shared lived experiences as participants in TBGs. The interviewees had also engaged and worked with TBG members. Examples include the Ministry officer who registered and trained starters on the objectives and rules of the groups, a WEF trainer who provided capacity-building and financial management of the borrowed funds, and the ROSEWO administrator who shared how TBGs operate, their socioeconomic benefits, and their challenges.

Representatives of SACCO umbrella organisations answered questions regarding how the structures and processes of their SACCOs gave them greater organisational effectiveness as compared to the TBGs, while TBG participants shared their experiences about their socioeconomic level. The public media sources reported many socioeconomic success stories, as well as challenges TBGs face. The policy documents, mostly from the SACCO umbrella organisations such as SASRA, had guidelines on the SACCO policies.

4.12 Ethical Considerations

The researcher applied for ethics approval before commencing the study in the field. Upon receiving the ethics approval, the researcher applied for a permit to start collecting data in Kenya. The researcher obtained all relevant consent paperwork from the respective Kenyan government agencies, including the National Council for Science, Technology, and Innovation (NACOSTI), which is part of the Ministry of Higher Education, Science, and Technology. The researcher also received a letter of authorisation from the County Commissioners of the selected counties to conduct the study in those regions.

The researcher ensured that the following values and principles were adhered to:

- **Respect for Humans**

This ethical consideration is concerned with the recognition of the intrinsic value of each person. Each person has the autonomy that allows them to make their own decisions (Australia Council for International Development, 2017). Therefore, the research focused on the promotion of each person's autonomy. In this study, the participants were not forced to do things they did not wish to.

- **Beneficence**

Beneficence is concerned with doing things that are beneficial to others (Australia Council for International Development, 2017), including not doing things that may harm them. The researcher ensured that the research participants were not exposed to harm in any way during and after the research.

- **Privacy and Confidentiality**

The privacy requirement calls for researchers to observe the privacy of the research participants (Australia Council for International Development, 2017). To do this, the researcher did not ask the research participants for information that would have violated their privacy. The study only focused on the collection of information that was relevant to the research topic. Confidentiality calls for the appropriate use of the collected information. The researcher assured the respondents that the information collected would

only be handled by the researcher and her supervisors and used for the intended purpose only.

- **Informed Consent/Voluntary Participation**

The researcher informed the interviewees and focus-group participants about the objective of the study and the implications of their involvement (Australia Council for International Development, 2017). The research participants signed consent forms to indicate that they had read the purpose and requirements of the research. The researcher also informed the participants of their freedom to choose to leave the research at any point.

Ethical considerations played a critical role in achieving the objectives of this study while upholding high standards of fundamental values to the researcher, participants, the academic fraternity, and the public. The participants were given the option to consent and were assured that the data collected would be kept confidential. Informants supported the crucial moral, ethical, and social values in research. The researchers were asked to adhere to the principles of ethical research before carrying out the study. Confidentiality and honesty were used when handling the collected data. The researcher gave respect to all participants' rights and privileges (Australia Council for International Development, 2017, p. 18).

Human Research Ethics Committees (HRECs) are established to review and evaluate research protocols to ensure that a given piece of research has adequately addressed the principles of ethical research conduct and safeguards both researchers and research participants. An ethical review process can offer helpful insights related to the ethical considerations of a research project that should be considered and addressed before proceeding.

The researcher ensured that all the respondents understood the process in which they took part, including the importance of the participants and how the data would be used, and to

whom any questions or concerns should be reported. Voluntary informed consent was used, which meant that participants understood their rights and agreed to participate without any obligation before the analysis began. The researcher also respected the respondents' right to privacy and maintained their confidentiality and anonymity.

Respondents were assured that no personal information would be disclosed without their consent for any reason, and they were notified that the study was conducted for academic purposes, and that results would be shared with them to maximise the benefits of the study of table banking as an informal sector. These benefits could include improved regulations and motivation for further research in this field. During the data gathering stage, the researcher applied the principle of respect for the respondents. The researcher honoured the respondents' views throughout the interview process. The collection of the qualitative data was based on the principle of self-determination, and the researcher ensured that the information gathered from them would not harm them in any way.

4.13 Chapter Summary

The qualitative research investigated multiple case studies, which explored five data sets from primary and secondary sources. The researcher used the purposive sampling method to select participants for this study. Questions were framed for three data sets: the focus group discussion in Phase I, and the interviews in Phase II (a) – representatives of SACCO umbrella organisations, and Phase II (b) – TBG participants. The findings from these discussions were grouped under three topics: pertinent regulatory frameworks, factors contributing to the achievement of TBGs' organisational effectiveness, and measures contributing to TBGs' organisational-effectiveness outcomes.

Chapter 5 Regulatory Frameworks and Table Banking Groups' Effectiveness

5.0 Chapter Overview

This chapter discusses the study findings related to TBGs' organisational effectiveness from a case study of Nakuru City in Kenya. The researcher interacted with the data sets and integrated both inductive (raw data analysis) and deductive (data analysis) methods to construct the findings. The factors that contribute to TBGs' organisational effectiveness that affect the current policy implications of social and economic operations from the findings are related to the inputs, processes, and outcomes.

The triangulation of the findings was critically articulated through the lenses of constructivism and naturalism. To elaborate an indication of new knowledge, descriptive tools were used to discuss the findings using phrases, diagrams, and tables. This was in accordance with the study objectives, research questions, the newly adopted organisation effectiveness system-approach theory, and the formulated TBG conceptual framework. The research sequentially identified and benchmarked findings from the five data sets. Three of the data sets underwent a rigorous thematic qualitative approach, presented below, that identified the main themes. In the chapter findings, based on the researcher's holistic overview of the transcript, newspaper reports and the answered questionnaire explanations and arguments, are presented in a naturalistic manner.

This study identified several themes. The current chapter's main theme is the first of these themes – pertinent regulatory frameworks – and its three sub-themes: Ministry policy regulations, community values and norms, and umbrella oversight organisations. The study established gaps in the pertinent regulatory framework that affect the organisational effectiveness of TBG operations; for instance, the need for regulations that allow them to grow within their environment.

Currently, successful TBGs are encouraged to transition to SACCOs when they attain a membership of more than 100 people, as revealed by the focus group (Anna, Personal Communication, FGD, 05/10/2022). Another limitation was that TBGs cannot operate as financial institutions. The main objective of TBGs provided by social services in Kenya was to save and borrow amongst themselves for SSE purposes. However, the lack of regulations and growth strategies might lead to stagnation of TBG progress, which could cause even the most successful SSEs in Kenya to fail. NTV media described significant growth: "a [self-help group] founded in 2007 expanded into two [self-help groups], namely Commercial A and B, due to high registration of participants. The latter group was enrolled as 'a voluntary savings and loans group' formally when it had a total of 33 members" (NTV Kenya, 2018).

In recent years, unregulated *chama* have evolved and operate online. A headline in the *Nation Media (2022)* read, "Women are swarming to online *chama*, it's a bumper harvest for the founders". A sociologist reasoned that the Fear of Missing Out (FOMO) has misled women to join online *chama*. The sociologist highlighted that with the availability of formal options like money markets or bonds, people prefer quick money schemes (Nation Africa, 2022). Gradually, to protect TBGs from such schemes, researchers have identified the need for better policies.

To prevent dishonest community groups, this study of TBGs OE has recognised the importance of structured systems to prevent dishonest community groups. Examples are self-help groups that transitioned to SACCOs and a *chama* to limited companies. An example was ARIL, an informal *chama* that started years back with friends and registered a company in 2012 to become a formal, regulated SSE (Standard Digital, 2011). Unlike SACCOs and Banks, the TBGs require only minimal documentation. However, TBGs are registered by the Ministry of Labour and Social Protection, State Department for Social Protection, and Senior Citizens Affairs. Currently, in the advent of Artificial Intelligence, individuals have formed informal groups online without government registration.

These are quick money-making *chama*, as revealed by a sociologist interviewed by *Nation Media*, who noted that most women members join due to peer pressure and FOMO, and their lack of access to other opportunities in the money market, such as bonds, which are regulated. At the same time, it is possible for a group like ARIL, which began as an informal SSE and converted into a formal registered company. Social Protection in 2024 started to identify community groups that are registered with the State Department for Social Protection and Senior Citizen Affairs.

In 2024, to improve community-group membership regulation, the State Department for Social Protection and Senior Citizen Affairs with a partner created a digital system, the web-based service DSD/Social Protection, which registers community groups, including TBGs and self-help groups, that adhere to regulations (State Department for Social Protection & Senior Citizen Affairs, 2024). The current study found that SACCO umbrella organisations had in place better policy regulations than TBGs.

On risk-management practices and policies, the interviews with the representation of three umbrella SACCO organisations staff and TBG members provided insights into how to manage risk, particularly loan defaults. TBG members also shared strategies used to manage TBG operations during the COVID-19 pandemic. The study of SACCO standard policy regulations and managing risk in the organisation was used as a benchmark to compare with how the TBGs deal with loan defaults and manage risk.

The SACCOs have standard regulations and specific policies for managing bad debts, as per their legal framework. “Risk management policies are made by each SACCO as per IFRS the provision of loan loss is provided based on loans settled [and] the standard policy Regulations” (Lina, SACCO umbrella organisation, 12/2022). “The group have formed regulations that allow the group to recover from the securities given by the borrower” (Mercy, Personal Communication, TBG, 18/01/2023). TBG members

interviewed agreed that the group policies and regulations guided TBGs if a TBG member defaulted on a loan.

The ROSEWO officer explained that to ensure that members follow the system procedures and processes to take up loans, the borrower has to be guaranteed by a member and must provide collateral, mostly consisting of household items, in writing.

The NGO officials follow up with members to pay their loans on time. However, when a member fails to repay, the burden of the unpaid loans is left to the group officials, who approach the government administration office Ward Chief, "where there is an agreement that allows the defaulter to pay reasonable amounts in most cases; defaulters may choose to stay in the group or leave" (Jane, Personal Communication, FGD, 05/10/2022). Other issues discussed relate to gender inequality where the opposite gender appears to be a threat. *Eric* narrated how he faced the challenge of being stereotyped by a bank manager as untrustworthy in representing the interests of women (Eric, 2022). However, problems occurred when men saw women as being dishonest, as discussed in the focus group (John, Personal Communication, FGD, 05/10/2022). One participant observed that men wanted to access affirmative funds like the WEF, which were meant for women (Mark, Personal Communication, FGD, 05/10/2022).

Gender equity is key to the success of informal banking, and to the organisational effectiveness of TBGs. *Shankar et al (2020)* argued that to end gender inequality the policies and programs need to be aligned to problem resolution related to gender norms, the structural patterns that bring solutions to women participation in social economic activities. One challenge in collecting focus-group and interview data was participants' inconsistent availability.

5.1 Ministry Policy Regulations that Control TBGs

This section of the chapter deductively and inductively explains the findings from the three research data sets and two public-media reviews regarding the policy regulations that control TBGs. The sub-themes expounded below are the TBG governing rules and regulations, practices, and policies for effective credit operations, table banking and growth regulation, and the use of government funds. This section explains the influence of community values and norms under the sub-themes of gender inclusion and saving culture, and the umbrella organisation oversight roles under the two sub-themes: accounting services and training provision.

In addition, the chapter has broader feedback from the newspapers that were examined for the background study of self-help groups from the year 2010 to 2023, followed by the focus group and SACCO umbrella organisation interviews, and the TBG interviews.
Figure 5.1.0 illustrates the three main themes identified in this study: Ministry policy regulations, umbrella-organisation oversight, and community values and norms.

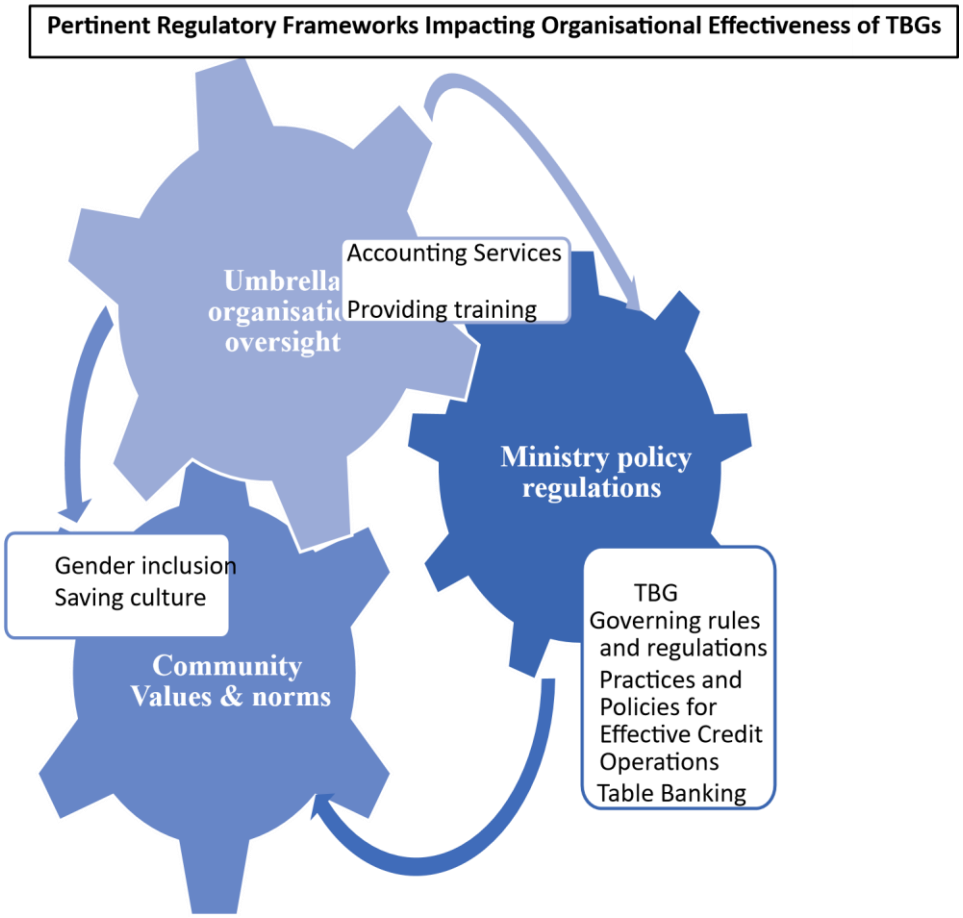


Figure 5.1.0 TBG Organisational Effectiveness Conceptual Framework

TBG Governing Rules and Regulations

At the moment the pertinent ministry regulation supports the registration of groups and allows them to make their own rules and regulations that suit their social and economic objectives. "Increasing the authority of individuals to devise their own rules may well result in processes that allow social norms to evolve and thereby increase the probability of individuals better solving collective action problems" (Ostrom, E., 2000, p.154).

The participants noted that the reason for formulating their own rules and regulations

was that the rules protect the groups from losing money. *Luke* said, "Experience is the best teacher: the more you participate in such groups, the more cases you come across, the more you become clever, you make various rules, and if they think of stealing, they know they will be held responsible" (Luke, Personal Communication, FGD, 05/10/2022).

The focus-group participant from the State Department for Social Protection & Senior Citizen Affairs noted, "If you [cannot] follow those rules, there's just a way in which the system will remove you, or you just leave. When we are training, we insist on by-laws and the rules" (Anna, Personal Communication, FGD, 2022) She explained that the government requires that new table banking members are initially trained before they begin SSE activities; this is intended to build capacity. She also said that trainers put more emphasis on by-laws and rules that protect the TBG participants when they are carrying out community-group socioeconomic activities.

The Ministry officer added, "When they open a new group's account, we ask them what goals they have. If their goal is to save for the future or maybe they have the vision to take a loan, we advise them that bank and SACCO requirements differ" (Jane, Personal Communication, FGD, 05/10/2022). Whenever a group wants to take a loan in the future, trainers inform them about the loan regulations of banks and SACCOs.

However, a Gucha district gender and social services officer, reported in a local newspaper article that many of the lending institutions in the districts register as selfhelp groups only to break the rules later: "We only register groups whose objectives agree with the activities. Though it has come to our attention that some of these groups have been turned into financial intermediaries." The reporter noted that the officer said her Ministry does not allow groups to register as creditors. She said she learned that some groups were giving out loans after some members who had borrowed cash came to her office complaining that they had been exploited (Nation Africa, 2012/2020). The TBGs' policies and regulations provided by the Ministry of Labour and Social Protection, State

Department for Social Protection & Senior Citizen Affairs require TBGs not to operate as microfinance institutions.

The simple registration process for *chama* drew people in. The *Nation Media* explained that one must pay a registration fee, provide copies of identity cards for each member, and turn in minutes from the group meeting to the Ministry of East African Community Labour and Social Protection, to receive a certificate. Jona (not the person's real name) told the *Nation Media* reporter that more women are being drawn to *chama* since it's much easier to join. "There are no formalities to joining a *chama*. If you want to open a SACCO or bank account, you will need to travel to a physical branch, present your ID [identity card], KRA [Kenya Revenue Authority] pin, have a referral, and sign a host of documents" (Nation Africa, 2022).

The easy registration of online *chama* caused them to gain popularity, as shown in *Nation Media* headlines like "Women are swarming to online *chama*, it's a bumper harvest for the founders." The lack of legal registration of *chama* was a government failure. A *Nation Media* interviewer added that some informal *Chama* were not registered with the then Ministry of Gender, Children and Social Development (now the Ministry of East African Community Labour and Social Protection), which was and is against the law governing community groups (Nation Africa, 2022).

Recently, to protect communities from exploitation, the Directorate of Social Development, with the support of the World Food Program (WFP) 2022/2023, came up with a Community Development Management Information System (CDMIS) that accounts for all the existing community groups' data in all the sub-counties in Kenya as part of a model for regulation (State Department for Social Protection & Senior Citizen Affairs, 2024).

Practices and Policies for Effective Credit Operations

Focus group participants noted that the lack of standard policies for TBGs and emerging SACCOs meant that self-help groups learned the hard way how to mitigate loan defaulting, considering that every TBG made its own rules to manage its socioeconomic activities relevant to sustainability (Luke, Personal Communication, FGD, 05/10/2022). For the TBGs to operate effectively, the Ministry of Labour and Social Protection, State Department for Social Protection and Senior Citizen Affairs provide new TPGs with induction training, particularly on how to make laws and rules to guide the participants in fulfilling their SSE aims and objectives (Anna, Personal Communication, FGD, 2022).

One participant said that formal SACCOs had policy actions regarding debt recovered from the guarantors who agreed to provide loan security, and the attached collateral (for example, personal property, parcels of land, or household items) might be auctioned for recovery of the defaulted loan (SACCO umbrella, personal communication, 12/2022). This participant also said that loan defaulters could be blacklisted with the CRB, which would prevent them from accessing any loan from SACCOs or any other financial institutions covered by the CRB. *Sacco umbrella officer, personal communication (12/2022)* explained that "The guarantors are accountable for their failed loan repayments in the SACCOs and are attaching guarantor's funds and assets to recover the defaulted amount." This was supported by another officer (SACCO umbrella, personal communication, 12/2022).

In the year 2010, a new directive was implemented that required banks to share credit information with their customers, which led to efforts to combat a high loan-default rate that was mostly caused by borrowers who would transfer their debt from one institution to another with no intention of paying it back (Nation Africa, 2012).

According to the 2011 bank-supervision report released by the Central Bank, as of December 31, 2011, banks had requested 1.3 million credit reports from the two bureaus, up from 284,722 reports sought in 2010. Also, the report indicated that the percentage of non-performing loans to gross loans decreased from 6.3% in December 2010 to 4.4% in December 2011 (Nation Africa, 2012).

The above description of loans reflects how financial institutions face the challenge of loan repayment. To fight fraud, bankers acted through their institutions to create a single national framework that permits information sharing amongst all lending institutions (Nation Africa, 2012). The high level of loan default in financial institutions has also been a concern regarding non-bank groups such as TBGs. It is thus crucial that TBGs formulate effective measures to reduce the risk of loss from loan defaults.

To weed out loan defaulters, financial institutions held a conference in 2012 in Nairobi. The *Nation Media (2012)* reporter said that microfinance institutions pushed for amendments to the Microfinance Act to allow them to be regulated by the Central Bank of Kenya. This would not only see them share credit information among themselves and other financial players but also allow them to participate in national payment systems. The proposals may also herald the formation of a regulatory authority to oversee their operations, as is the case with SACCOs that fall under the SACCO Societies Regulatory Authority (SASRA), an umbrella organisation. More discussion from the Association of Microfinance Institutions of Kenya [AMFI] highlighted reforms that would enable microfinance institutions to compete with other financial institutions like banks and deposit-taking microfinance institutions (DTMIs) by rolling out agency banking services as well as accepting deposits from the public (Nation Africa, 2012).

The Credit Reference Bureau Africa Ltd (CRB) and Metropolis Credit Reference Bureau Ltd (MCRB) gather, compile, and provide credit data to lenders to help them make credit choices. They assess the quality of loans, identify problem loan accounts, and ensure adequate provisions for potential losses. The *Nation Media* reported that financial

institutions experienced greater success after these changes to the ways that consumers could obtain their credit information (Nation Africa, 2012).

The reduction in credit risk was largely attributed to enhanced appraisal standards, including the credit information-sharing reports used by banks. During the period under review, gross non-performing loans declined by 8% to Sh53.0 billion in December 2011 from KES57.6 billion in December 2010, which was partly attributed to the risk management programs implemented by financial institutions, which enhanced credit appraisal and administration standards (Nation Africa, 2012). As directed in the Central Bank of Kenya report, investing in groups allows members to spread risk and receive a large portion of the profit due to the share value (*Standard Media*, 2012).

The new regulations proposed a raft of measures that are meant to enable the sharing of credit information even with non-deposit-taking microfinance institutions; these measures aim to reduce the occurrence of non-performing loans. These regulations have improved credit repayment by loan borrowers and reduced challenges, including those of multiple borrowers, many of whom were defaulters elsewhere (Nation Media, 2014). Each SACCO credit facility has standard risk-management regulations that manage bad debts as recorded in the 9th International Financial Reporting Standards (IFRS). The interview participants in this study also noted that SACCOs handle loan defaulters through the CRB, where debtors are blacklisted from accessing new loans (SACCO umbrella, personal communication, 12/2022). This is in place to govern risks, as discussed above. Another advantage SACCOs have over TBGs is that the CRB identifies loan defaulters and avoids overburdening them with more loans. A government study of SACCO umbrella organisations outlines a regulatory legal framework and how they regulate their operations to strengthen the governing laws (State Department for Cooperatives (SDC) & SASRA, 2021). However, the findings showed that the SDC agreed that TBGs need regulations to operate effectively.

The Credit and Risk Management Committee ensures the implementation and regular review of appropriate credit and risk management policies, consistent with the relevant provisions of the Sacco Societies Act, the Regulations, 2020, and these by-laws (SDC & SASRA, 2021). Further study is required on what practices and policies are required for TBGs to attain the SACCO level, be more formal and improve risk-management regulations to reduce loan default in TBGs.

Other Risks

Another risk TBGs experienced was the 2020 COVID-19 pandemic, where preparedness to manage unexpected natural disasters negatively impacted the TBGs' socioeconomic activities (Rose, 2022) which led them to expect support from the umbrella organisation. This prompted the need to seek feedback from TBG members in Rongai, Nakuru County, to determine applicable approaches used by ROSEWO to mitigate pandemic challenges. TBG interview respondents agreed that ROSEWO supported TBG members during the pandemic period; strategies included allowing a grace period of six months for loan recovery and following social-distancing rules. To manage such risks in future, the TBG respondents suggested that innovative money-transfer tools need to be introduced for payment of savings and loans with government support to businesses.

Below are excerpts from interviews with representatives of various TBGs in Rongai that demonstrate lived experiences and expectations during the pandemic.

In response to the question about what social and economic effects the pandemic had had on TBG activities, several participants pointed out that businesses were closed; as a result "members contributed the little they could [and]…NGOs relaxed the payments"(Mercy, Personal Communication, TBG, 18/01/2023). The participants floated several ideas of a new normal for TBGs to be cushioned against such calamities as the pandemic. For example, one participant said, "The loans should be insured" (Mercy, Personal Communication, TBG, 18/01/2023). Participants also discussed ideas for innovative money transfer systems: "To avoid contact with people during pandemics in

the future, mobile money transfer should be introduced for savings and loans" (Joy, Personal Communication, TBG, 18/01/2023). In the same vein, another participant shared, "An electronic money transfer system needs to be innovated' (Agnes, personal, Communication, TBG Nakuru, 18/01/2023) TBG participants Faith and Mercy also suggested government intervention during calamities in the form of grants to the NGOs to support the TBGs in their economic activities.

Table-Banking Growth Regulations

TBGs are not permitted by law to provide financial banking services to external clients. This study found reports in public media that some TBGs carry out credit activities. The key objectives of the Ministry of Labour and Social Protection, State Department for Social Protection & Senior Citizen Affairs were for TBGs to benefit from economic activities after being registered. The community groups must open a business account to secure members. TBGs progress and develop into financial institutions such as SACCOs. *John (personal communication, 05/10/2022)* a focus-group respondent, revealed that when TBGs have a maximum number of 100 members, they are required to transition into a SACCO. For the growth of the group, the Ministry advised that the TBGs take advantage of the SACCO transition to strengthen the formality of their socioeconomic activities. Participant John supported the perspective of table-banking expansion and growth (John, Personal Communication, FGD, 05/10/2022).

Some TBGs are registered to operate within their scope, however some groups provide financial services externally against the then Ministry of Gender and Youth Affairs regulations not to offer loans (Nation Africa, 2012/2020). To join a TBG an individual has to ensure they are informed of legality and their practices. Another newspaper article titled "Before you join a '*chama*', keep these in mind" shared that TBG structures of governance need self-help groups to have a common objective with long-term investment goals. The reporter noted that a benefit of registering a TBG was that the treasurer would not be able to access funds without consulting with the other three signatories (Standard Media, 2020).

However, African Ruby Investments Limited (ARIL) registered as a company years ago for accountability and transparency, and evolved from a *chama* that invests in friends. One of their members revealed that the limited company had started as a business in 2008 with a bank account. After operating as a business for two years the friends established a group of committed members, which became a limited company in 2008, because it was easier to buy and sell as a company than as a business. Moreover, the members of a limited company are not directly affected by loan claims. An ARIL member interviewed by Standard Digital Media said, "Our Memorandum and Articles of Association govern us and the company has grown and we hope to grow old in it" (Standard Digital, 2011). This *chama* was similar to a TBG.

In many years, the Kenya Women Finance Trust (KWFT) financially facilitated groups in most regions of Kenya, and later recognised and registered as a bank by the Central Bank. The interviewee explained that the informal groups under NGOs like KWFT operate effectively as a bank that benefits the communities' social economy. "It is the largest women's finance group in East Africa, and Mr. Githaiga estimates that it is the sixth largest bank in Kenya. But KWFT does not operate like a commercial bank. "We are an institution driven by development, not profit. Our atmosphere is informal and comfortable" (Nation Africa, 2011).

Various financial institutions started as community groups and later registered as financial providers, and are regulated by the Central Bank of Kenya. Most of the financial organisations mentioned below have a peer-to-peer guarantee concept. The *Nation* reporter added that the Central Bank has only registered eight deposit-taking microfinance institutions. Microfinance institutions are licensed by the regulators Faulu Kenya DTM Limited, Kenya Women Finance Trust DTM Limited, Rafiki Deposit Taking Microfinance, Remu DTM Limited, SMEP Deposit Taking Microfinance Limited,

UWEZO Deposit Taking Microfinance Limited, Century Deposit Taking Microfinance Limited, and SUMAC DTM Limited (Nation Africa, 2012).

The community groups lack knowledge in identifying beneficial financial investments. A large population of women joins the merry-go-round, also known as *chama,* which involves rotational pooling of money periodically for household items that generates no profit. Patty (not her real name) said, "Other investment vehicles such as bonds and money market funds, and even SACCOs, are a safer haven than these *chama*" (Nation Africa, 2022). An interviewee shared that, "This can be an advantage when the *chama* is well regulated, licensed, and registered. But it can also be a disadvantage when the end game is to con." There are safer options to invest in than *chama* (Nation Africa, 2022).

Over time, traditional methods of banking have evolved, with some losing the social touch as *chama* that operate online. A sociologist said that the current online *chama* exists with no social meaning: "Women's *chama* have been in existence since the era of barter trade when women formed village groups to exchange goods. These groups graduated into merry-go-rounds and later table-banking *chama*." Offline *chama* are an attempt to carry on the tradition of village women's groups. The sociologist said that "whereas previous *chama* were held together by the social fabric...modern *chama* have adopted a form of anonymity" (Nation Africa, 2022). There is fear that online *chama* dilute the social aspect of people meeting and interacting in their neighbourhood communities.

Social peer pressure has resulted in people joining online *chama* and ignoring other financial services. *Nation Media* spoke to an interviewee, Peter, (not real name) who said ironically, some women know about these investment alternatives but opt for *chama*?" He attributed this to perceptions that, over and above wealth creation, these *chama* are a form of social interaction and social belonging. FOMO also influences many women's choices. Setting guidelines for the TBGs and *chama* is key for development. This study explored the importance of putting regulations on *chama* carrying out similar activities to

TBGs, to protect the public from falling prey to untrustworthy dealers (Nation Africa, 2022).

The *chama* as SSEs are formed with individuals who are close and known to each other, to set boundaries and to separate the formal activities, the groups follow a systemic procedure. TBGs officially register to write minutes in every meeting and report quarterly social and economic activities to the social services. *Standard Media* published an article on "how to create the best *chama* with friends" that noted that coming together as friends has its limitations. A group member quoted in the article said, "Avoid *[SIC]* doing things casually just because you are friends and find a way to establish a system for tracking the group's progress and performance." The reporter asked the group, "What are the expectations of the group?" The reporter observed that *chama* guidelines address the meeting period, contributions, penalties in fines for late contributions, group goals, and investment decisions (Standard Media, 2023). The reporter noted that all the members need to agree with the group's regulations and policies.

A SACCO umbrella organisation in this study of OE asserted that to attain a level of effectiveness equivalent to that of SACCOs, TBGs need a legal framework to oversee their work. Further amendments to be made to strengthen the laws and rules that govern them could include an explicit specification that they be voluntary and have written bylaws, savings, and credit policies. However, the KUSCO respondent in this study could not comment on what policies TBGs need to improve on (SACCO umbrella, personal communication, 12/2022).

Government Financial Support to Informal Banking

The desperation for informal groups to access low- interest loans from the government was expressed in this study, where affirmative funds are meant for women, leaving men out in the self-help groups and some SACCOs. Yimer (2025) study supports the problem presented in the Table Banking OE study. 'Access to credit from government banks and institutions with low interest rates becomes possible only for government enterprises,

individuals, and companies with a political affiliation.' Yimer also indicates that 'credits are also channelled to projects selected and picked by governments, mainly based on noneconomic calculations' (Yimer, G. 2025).

The government provides various financial avenues the most popular to TBGs is WEF meant for the women in groups, other funds UWEZO for the youth, Equity Bank Funds, and Hustler Fund. Luke argued that direct finance to the existing informal banks could enable them to build products, unlike when the funds are facilitated through the bank, which might not support the existing group market needs. The fund that went through Equity Bank from the government was to support established TBGs. Luke highlighted that instead, Equity Bank started forming and funding other groups to create similar products without including the existing groups (Luke, Personal Communication, FGD, 05/10/2022).

The distribution of WEF to the women who qualify to borrow have been effective. A trainer from the Women Enterprise Fund (WEF) asserted that the affirmative fund has no issues. "If the government provides finances for table banking without incorporating [] the politicians, for instance [] the social services, they have no problem, as long as the groups need finances from WEF." The members of one group borrowed KES 500,000 and made a profit of KES 1M (Sue, Personal Communication, FGD, 05/10/2022). In addition, *Mark (personal communication, FGD, 05/10/022)* suggested that the Hustler Fund need to provide online financial access to all Kenyans who need to finance small business ventures. The participant hoped that the SACCOs could access the Hustler funds directly, instead of the banks, and argued that "if the money is channelled through the bank, people would have no confidence in borrowing the money. The banks are profitmaking entities and changing people's views about banks is a challenge," (Sue, Personal Communication, FGD, 05/10/2022).

However, considering the Vision 2030, women and youth affirmative funds mentioned above were implemented, there is a need to publish their social economic experiences and performance. A story published in *Standard Media (2015)* stated that the government has implemented affirmative funds for financial inclusion to finance persons with disability, youth, and women to reach Vision 2030 goals.

5.2 Influence of Community Values and Norms in TBGs

The second part of the pertinent regulatory framework is the issue of community values and norms. Focus-group participants expressed concerns about the opposite gender and counterparts, who had challenges trusting new entrants who needed to benefit from self-help groups' socioeconomic activities.

Gender Inclusion

When representing the financial matters of women, the possibility of a man being stereotyped and thought to have a bad motive by a financial adviser is high. There was a scenario where a group member was a consultant who represented a self-help group in the application process of an international grant, to be made into the group's bank account. However, upon approaching the bank manager, the consultant was told, "You are a man, you are not supposed to be associated with the woman's group" (Eric, 2022). Another respondent thought that males assumed women were dishonest when joining the TBGs as new members. In this scenario, the women members were portrayed as wanting to loan money and deliberately not pay the borrowed amount. "Mostly, women are the culprits. The five new members register with KES 1,000. They save for a while, observing the loopholes, and plan to disappear with the borrowed money, assuming there will be no consequences" (Luke, Personal Communication, FGD, 05/10/2022).

This second factor relates to affirmative funds that negatively impact cultural values and norms. Although affirmative funds were implemented for equality, the opposite is happening. The men feel left out. Luke said, "You know, there's something, like now the

WEF. You know, they put their quotations that the leadership must be women." *Luke (personal communication, FGD, 05/10/022)* felt that the preference for women to access WEF could harm men's social status. On cultural norm, *Eric (personal communication, FGD, 05/10/022)* exclaimed, "That is impossible?" Eric did not agree with the idea of women having exclusive access to the WEF, fearing that women would dominate the organisation's socioeconomic activities. *Mark* was worried that the women would make decisions about the WEF. When the money meant for the group enters the women's accounts, and it's a group they have formed, the women will want to control the money" (Mark, Personal Communication, FGD, 05/10/2022).

Cultural norms and values hinder the socio and economic progress of women in SSE groups like TBGs. One major disadvantage observed in KWFT when financing women groups was lack of women owning property to act as collateral to take up loans, because of the cultural perspective of the communities. A *Nation Media* reporter said "The issues from the 1980s have not fundamentally changed. To get credit, you need to have a title or deed to property, houses, or cars. Only 18 percent of the titles in Kenya belong to women. When it comes to borrowing or accessing credit, they cannot do it. If a woman can convince her husband to give up a title as surety for a loan, often she will lose much of the money to him as a result. KWFT is addressing these issues by offering small-scale loans to women alone and the creation of a mobile banking system that allows women greater control over their finances" (Daily Nation, 2011/2020).

Improved legislation has played a significant role in advancing the rights of women. *Daily Nation (2011/2020)* reported that Kenya is among the 10 leading countries in sub-Saharan Africa that have eliminated laws discriminating against women in the acquisition of property, basic legal transactions, and obtaining a passport The findings of the current study showed that the role of gender has been recognised as enabling the growth of the traditional *chama* and TBGs, which have improved the ability of financial access and gender inclusion. This has contributed to the positive outcomes of financial inclusion and cultural norms and values, which have changed the perception of communities in Kenya.

A *Daily Nation (2011/2020)* reporter observed that constitutional laws on gender equity are important for socioeconomic growth, and that the Kenyan constitution is also changing the way women do business. Kenya is gradually becoming an African leader in terms of legislative gender reforms, according to a World Bank report released in 2011 (Daily Nation, 2011/2020). The 2012 Women, Business, and Law Report found that Kenya is now leading Africa in terms of removing barriers to women conducting business. The report lauded the Kenyan government for writing laws in the new constitution that will allow women easier access to financial institutions and family property. There are many challenges, but changing attitudes and laws in the new constitution could see Kenya become an African leader in female entrepreneurship (Daily Nation, 2011/2020).

In 2010, an International Finance Corporation (IFC) report recognised that Kenyan women's leadership could affect economic growth, provided the constitution was changed to allow it. More recently, the Daily Nation reported, "Eliminating gender-based inequalities in Kenya could result in a one-off increase in as much as 4.3 percentage points in GDP growth and a sustained year-on-year increase of 2.0 to 3.5 percentage points" (Daily Nation, 2011/2020).

The NTV media on gender equity interviewed Job, a Commercial B group who perceived that other people in the community thought that such groups are generally for women only. Job believes men ought to join and see how beneficial TBGs are. In a YouTube video, a member defined table banking as a group's operation "on the principle of voluntary savings and loans. The member also mentioned the policy of Commercial B as being "open to both men and women" (Nation TV Kenya, 2018).

The standard media reporters indicated that the constitution of Kenya allows women to own land, which can act as collateral to access funds from banks, "The Constitution of Kenya 2010 gives women a right to own and inherit land which has given them the confidence to engage banks more openly."

> *In Kenya, commercial banks dominate the financial services system with a majority of 43 banks licensed in the country situated in major cities and urban areas. Even though women constitute 50.3 percent of Kenyans according to the 2009 Kenya Population and Housing Census, the majority of them are still locked out of the mainstream banking framework, by either choice or fate, due to the deep-rooted socio-economic and cultural factors that for many decades have worked to their disadvantage (*Standard Media, 2015).

The problem of gender equity in the TBGs affects not only the women but the men as well. Because TBGs are SSEs, the cultural norm is that men cannot lead them. *Nation Africa (2013/2020)* reported, "Some men are also members in JOYWO, although they receive limited privileges. For instance, they are not allowed to hold any official positions in its leadership." In the focus group for this study, the social services officer shared that "men do not want to be left behind, and in the spirit of inclusion which was at the very core of our founding ethos, we have opened up membership to them with a lower threshold of 30 percent" (Nation Africa, 2013/2020).

Surprisingly, an observation was that women could be viewed negatively as potential defaulters, which could exclude them when attempting to access finances. A *Standard Media* reporter observed in 2015. "More important to note is that despite the concerted efforts to ensure easy access to finances by various industry players, there still exist several social and legal structures that discriminate against women. Women are still viewed as financially risky [in handling money]" (Standard Media, 2015). However, TBGs being feminist SSE register success as attributed to the low loan default rates.
The *Standard Media* reporter regarding the Global Entrepreneurship Summit in Nairobi on loans to women said in 2015, "JOYWO is an example of how women are mobilising at the community level against years of discrimination and the structural systems that disadvantage them, particularly in terms of access to financial services" (Standard Media, 2015).

In 2015, an article in *Standard Media* reported that many women, especially in rural Kenya, find themselves as the functional heads of their families. And without a regular source of income [] many are living in want. The situation is worsened by traditional systems that cause most women not have properties in their names that they can use as collateral for loans.

The chair of a self-help group in Nairobi, Kenya explained in a 2018 interview on *NTV* that most women were "stay-at-home moms", which meant only their husbands worked. Another member from the same group responded that "women used to be 'idle' most of the time. The sad side of it," she added, was "the frustration of men who lack a day's work and turn violent towards women, resulting in domestic violence". However, one male group participant suggested that men ought to join the community groups to benefit. Baraka Women's Centre interviewed a woman in 2020 who expressed:

> *Baraka Women's is a good organisation, as I can say that because it has empowered most women, it has enlightened them and they've been able to manage themselves because they've been provided with counselling because most women here come from backgrounds where they've experienced marital challenges, business challenges and most women are not educated* (Women Centre International, 2020).

The Culture of Saving for Emergencies and Investment

Standard Media reported in 2020:

> *Savings groups can come in handy, especially during an emergency or when you need a loan to kick-start a project. They are fast and convenient, and the terms are far more favourable than street lenders and loan sharks. The best part about a savings group is that at the end of the day, you will reap the benefits of your savings and interests.*

When *chama* money is properly harnessed, it can facilitate development and promote women's empowerment. Apart from investing, the founder of TBG known as Team Revolution:

> *To start a group business so we can earn money, the main group activity is table banking to circulate money for loans, which are given depending on members' savings. This strategy helps members have initiative since only those who save in the group by investing in a business can borrow loans* (Nation Media, 2020).

In a *Nation Africa* article in 2020, headlined "How Sh10-a-day savings grew to become millions", the reporter noted that this kind of saving is good because member savings continue to increase every day and the loan interest continues to be lower. The members have benefited from being motivated to increase their funds in their savings accounts.
Gender inclusion and encouraging a culture of saving were identified in the study as cultural norms and values that affect TBGs. Views from the SACCO umbrella organisations on the role of community values and norms in SACCOs' success showed that the concept of self-help, consideration of equality, equity openness, honesty, and social responsibility were incorporated in all their activities, as well as their voluntary participation and their concern for the community's values (SACCO umbrella, personal communication, 12/2022).

The focus-group participants in this study voiced their lived experiences in SACCOs, highlighting regulatory factors. The Government Ministry officer participant illustrated how TBG regulations work. The umbrella NGO ROSEWO expounded on the structures and processes of TBGs, the WEF officer discussed the training of loan borrowers, and two community-based organisations that operate TBGs spoke about the culture norms that affect TBG practices and policies.

The SACCO umbrella organisation dwelt more on the risk-management policies for loan defaulting. In contrast, the TBG interviewees said little about how to manage loan risks but responded to questions on how COVID-19 affected socioeconomic activities, strategies that ROSEWO implemented, and future risk management. The shared

experiences and expectations brought a new perspective on how the TBG umbrella organisation would need to be prepared for pandemics. The interviewees also noted that support from umbrella organisations and the government was needed to boost the community groups' economic activities.

5.3 NGO Oversight Role in TBG Operations

Only limited information on the oversight role of umbrella organisations emerged from the five data sets. A respondent working for ROSEWO, an umbrella NGO for TBGs in Rongai Constituency, shared the experience of running the socioeconomic activities of TBGs there for the previous 11 years. When the researcher visited the ROSEWO office in Nakuru County, the administration officer who had taken part in the focus group shared that the umbrella organisation supports more than 200 TBGs in Rongai Constituency in Nakuru City (Jane, Personal Communication, FGD, 05/10/2022).

The organisation has the mandate to provide financial-management services to the groups on a monthly basis at a fee of 3% of the pooled amounts of money. The team leader said that other services that the NGO offered were training in business, financial management, and HIV-AIDS awareness. *Jane (personal communication, FGD, (05/10/2022)* mentioned that a new group needs to sign a memorandum of understanding [MOU] and follow the NGO policy, with the option to quit with three months' notice. The leading advantage of being under the umbrella organisation is to bring uniformity, accountability and formality when dealing with finances and the management of the group in general.

ROSEWO also offers meeting space for the TBGs. In addition, the research observed that before the COVID-19 global pandemic, had impacted the NGO programs towards TBGs. The organisation had a routine to award the best performing members in terms of savings and highest dividends, during group annual general meetings. The motivation encouraged TBGs to embrace the culture of increasing savings to their account to enable them to access more credit when in need. The women have awareness and identify the importance

of education. Eventually, their performance could improve the government and NGOs' policy interventions, which have positively strengthened the implementation of laws that advocate total inclusion of all genders (Tiren, 2012).

Figure 5.3.0 represents the summary findings of the TBG regulations framework, as revealed by the study data.

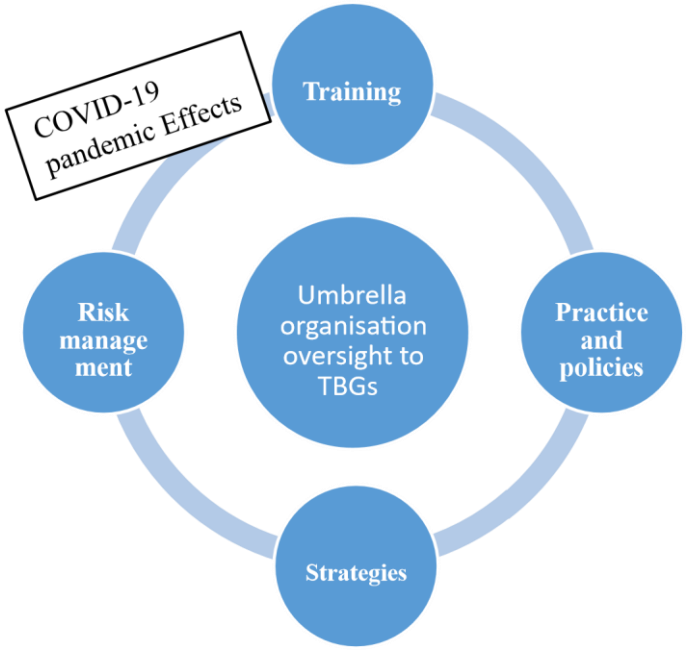


Figure 5.30 Umbrella-Organisation Oversight

The study found that umbrella organisations, including ROSEWO, KWFT, JOYWO, and SACCOs, have brought the financially vulnerable together and mobilised them. JOYWO patrons interviewed by *Standard Media (2015)* shared that women practice in table banking, "a concept crafted by the Government to empower them." In the interview, the patron said, "No woman should be left behind as we embark on a mission to empower them economically." After interviewing the JOYWO CEO the reporter explained that in the four years since its establishment, JOYWO, which started with 1,000 members in Uasin Gishu County, has since spread to other regions (Standard Media, 2015).

The main reason TBGs' umbrella NGOs involve the communities in socio and economic activities is to inspire them to obtain revenue for sustainability. In an interview with *Nation Africa (2013/2020)*, a JOYWO patron said, "Our objective as women should be to use every opportunity available to engage in income-generating activities which can uplift our living standards. This can be done if we embrace table banking" (Nation Africa, 2013/2020). The umbrella organisation ROSEWO has an objective of empowering TBGs socially and economically.

The *Nation Africa (2014/2020)* reported that ROSEWO, a TBG umbrella organisation, had been contracted by the Devolution Ministry to empower women with entrepreneurial skills. The ROSEWO's executive director, said they had seen women grow economically and socially. In addition, the reporter highlighted that Mosop is a TBG among 370 groups in Nakuru County trained by ROSEWO and practises social economic activities (Nation Africa, 2014/2020).

Training and Capacity-Building

According to ILO (2025) the global body 'supports cooperative movements and wider SSE ecosystems through tailored training and institutional strengthening, including innovative programmes focused on youth and women. 'The women get empowered through training and capacity-building. The skills and knowledge in business plans, appraisal, capacity-building and financial management will enable socioeconomic development and sustainability in SSEs. To set clear goals and objectives for their businesses and finances, skills in writing business plans enable TBG members to plan their activities and resources.

Notably, prior to TBG members acquiring WEF they must be trained on how to manage the funds as a group. The training has no fee attached. This underscores that the success of TBG members depends on their ability to learn better ways to use financial systems. Another focus-group participant said, "That's why there's training on capacity building…we train them to do small projects on how to make detergents, and yogurt if

they have milk, because they are rural women with little money" (John, Personal Communication, FGD, 05/10/2022).

Several NGOs have trained and facilitated women projects. In ROSEWO the TBG members received training in managing funds, most of the skills are learnt when the officer visits the groups monthly to facilitate their table banking revolving fund. However, ARIL, previously a *chama*, are friends who are professionals, their diverse expertise in different fields, like accounting and law enables them to bring in the human resource that articulates the structural and procedural matters independently. The educated groups implemented formal regulations for stability of entities to ensure sustainability. On the other hand, the TBGs accommodate professionals' women and men, who go for low interest loans.

A women's group in Greater Mukuru, Nairobi was supported by the Child Fund, an NGO run by the *Al Jalila* Foundation. The group's members, who lived in slum areas, voluntarily saved to acquire loans for business ventures, which now support up to 230 groups in the Greater *Mukuru* Slums in collaboration with a local community-based organisation. Before the close of 2015, the Child Fund provided aid for Commercial B's "Early Childhood Development Centre" project (NTV Kenya, 2018). Another women's group in Isiolo, Kenya benefited from Action Aid to train, to operate a banking account and conduct commercial farming (including permaculture); one member said it changed her outlook on life (Kismir, 2019). JIKA through JKUAT trained women in wealth creation in capacity-building empowered groups in undertaking socioeconomic activities, including making detergent, farming products and value addition.

By providing training and capacity-building, and encouraging the development of business plans, these individuals can have a better chance of utilising funds responsibly and achieving sustainable growth and success in their endeavours. The success of TBGs

at an individual level is determined by group members' degree of knowledge in financial management and their awareness of the importance of contributing to their savings kitty. The VSL apply the microfinance concept and train members to save and loan in groups (Village Savings Loan Associates, 2009). Such training not only remedies TBG participants' misunderstandings about finances but also helps them strive for better living standards and create more valuable economic assets for society, especially the rural areas where resources are scarce.

Apart from training members, TGB leaders need to acquire financial and governance skills to enable them to transition their TBGs to SACCOs**.** This requires the economic capacity to mobilise savings, and members with basic education levels in bookkeeping. A Boda-Boda SACCOs travelled from Nakuru County to another County in the Central Region to be educated on how to operate a business as a legal entity (Standard Media, 2021). Later, they formed a SACCO because of the effective training in managing finances for sustainability. SACCO umbrella organisations have the mandate to provide training to all managers of SACCO organisations. As indicated by *Garson (2010)*, such leadership development practices are an important area considered and implemented in organisations to increase human capability and gain a competitive advantage.

5.4 Chapter Summary

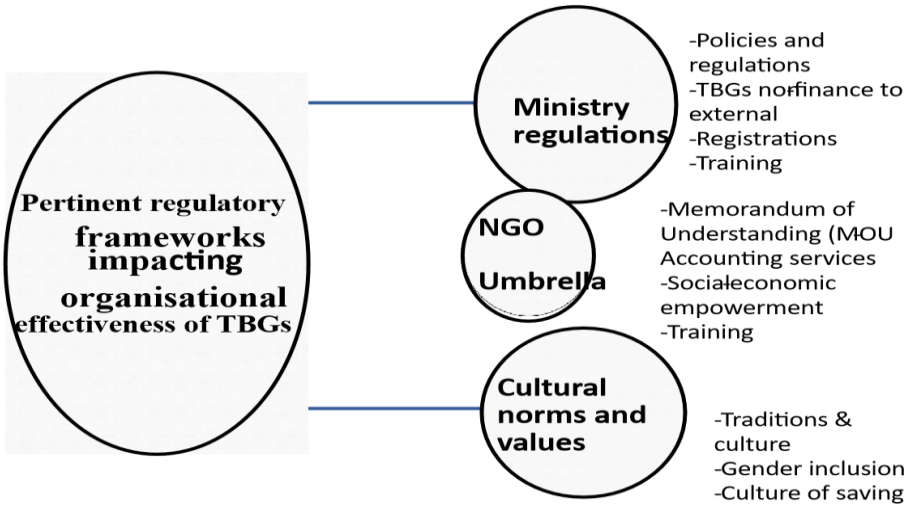


Figure 5.4.0 Summary of Pertinent Regulatory Framework Influencing TBGs' Organisational Effectiveness

Figure 5.4.0 summarises the findings from the above discussion on pertinent regulatory frameworks affecting TBGs' organisational effectiveness. This chapter describes the role of regulatory frameworks as an input to TBGs' organisation effectiveness. Existing regulatory frameworks played a major role in influencing the TBG system and conceptual framework. The study explored how ministry regulations, NGO umbrella organisation oversight, and cultural norms and values affected their socioeconomic practices. In the TBG system and framework, the recognised factors that could strengthen the TBG operations and sustainability include training, capacity-building, improved policies, and financial access.

Chapter 6 expound on the factors that interact with the structures and processes to determine the success of TBGs at the individual and organisational levels. The findings were experiences from participants and public-media discussions in response to questions on what structures and processes stimulate effective TBG operations. The chapter also

presents an in-depth argument on leadership practices, strategies, and risk management that affect the social and economic progress and growth of TBGs. Interestingly, a new term, [*pretender loan repayment],* was suggested as an element that might prevent surveyors from measuring the real socioeconomic impact of TBGs for stakeholders.

Chapter 6 Structures and Processes of Table-Banking Organisational Effectiveness

6.2 Registration Process

To be an eligible TBG member for loan and social purposes, one has to be an adult, pay a registration fee for the group certificate and be referred by an existing member, or if joining a new group, it should be people who trust each other, 'most importantly'(Anna, Personal Communication, FGD, 05/10/2022). The point of trust and knowing each other was emphasised for in most cases, the TBGs comprise members who are closely related in the community and who trust each other.

Similar membership procedures apply in some SACCOs, although their procedures are mandated by SDC and SASRA societies to embrace voluntary and open participation while recruiting members without considering political affiliation, race, religion, gender, or socioeconomic class. In accordance with the "one member, one vote" slogan, each member is granted equal voting rights. Each member also equitably contributes to the capital of the organisation and shares in the profits accrued from its operations (State Department for Cooperatives (SDC) & SASRA, 2021).

Loan Processes

Several public media reports noted that self-help groups' members borrow loans and repay them with interest. KTN reported that in Bondo, a directive of the JoyKinda selfhelp group is to "pool their funds, invest and [reap] a healthy harvest". The report further notes that table banking has provided "the rural population easy [loans]" as the group members meet to repay loans to "borrow more". A member of the JoyKinda group confirmed to KTN that members borrow from the group, invest, and pay back with interest, and that is how the group's funds increase (KTN Kenya, 2016).

YouTube videos also suggested that the element of trust among group members escalates: if one makes a late loan payment, an explanation has to be given to the group and, as neighbours who "know each other's struggles", they understand, and the date is deferred (Kismir, 2019). Similarly, a member of Baraka Women's Centre, a TBG, mentions how the group funds grow by saving the 10% loan interest that members return on repayment, where the minimal loan amount is either 500 or 1,000 Kenyan shillings (Women Centre International, 2020).

The fundamentals of loan procedures, interest payments, spouse witnesses, late-fine payments, and loan-defaulting solutions were interpreted in this study based on ideas suggested by focus-group participants. One of the participants indicated that appraisal of loans for borrowers was a measure used to mitigate debtor loan default. *Eric (Personal Communication, FGD,05/10/2022)* pointed out that his organisation used peer-to-peer trust amongst the members as part of the guarantor approach that trust is valued more than collateral in some groups, thus that eligibility for loans depends on group members' acceptance of an individual.

Correspondingly, some organisations have gone as far as using evaluators to ascertain the value of every project undertaken. Representatives of SACCO umbrella organisations the focus group highlighted that for loan borrowers to obtain loans, collateral needs to be evaluated and appraised to ensure worthiness. If a person chooses, for example, to use their business as collateral, the assessment officer visits the business to determine its value. John noted that an audit of records is done to determine the accuracy of the things listed as collateral. In other circumstances, a spouse's approval of a loan acts as security after a proper evaluation of items in the business (John, Personal Communication, FGD, 05/10/2022). Moreover, *Luke* said that in some instances people borrowed money, spent it unscrupulously, and were unable to pay it back (Luke, Personal Communication, FGD, 05/10/2022). Lack of background information about borrowers negatively affects TBG functionality.

The lending and default recovery process for SACCOs is different from that of TBGs. To finance a business, an audited financial record is required for appraisal and approval from both spouses. The supervisory committee meets regularly to decide on allocations and, in the event of a loan default, the individual who guaranteed a loan borrower in the SACCO will be responsible for recovering the loan from the defaulter. However, each group member of the five is given an equal amount to repay on behalf of the defaulter. If that proofs impossible because of large amounts, the collateral listed during the borrowing period is subsequently sold at auctions, and the SACCO settles the outstanding balance. SACCO members in the focus discussion, went on to explain a legal advocate is engaged during the auctioning.

However, unpaid loans incur a fine. Similarly, *Jane (personal communication, FGD, (05/10/2022)* specified that a WEF officer was always required to keep a keen eye on loan borrowers. The WEF employed a community trainer (*Sue)* to monitor loan payments on the ground. Furthermore, Sue pointed out that it was necessary to keep an eye on debtors, demonstrating that it was easy to remind the lenders to pay their dues when the loan period elapsed (Sue, Personal Communication, FGD, 05/10/2022).

The study noted the importance of monitoring the debtors, after taking up loans. In communities the cultural attributes and close observation of families business ventures could contribute to better performance. An illustration of Indians who run business in Kenya was shared in the focus discussion, where the communities realise their success is because of hard work. The cultural diversity impacts the social economic development of communities in Kenya. *John* explains "Yes, it is monitored, and you're told that you must return the money. So, they return the money. That's why Indians are very hardworking." (John, Personal Communication, FGD, 05/10/2022). The regulation processes, assessments, and appraisals for small and medium-sized businesses are all part of the loan-application process in Kenya.

6.0 Chapter Overview

Chapter 5 discussed the regulatory frameworks and TBGs' effectiveness. This chapter outlines findings from the five data sets, whose discussion are on the factors that contribute to the achievement of TBGs' organisational effectiveness and measures that contribute to their outcomes at the individual and organisational levels. The analysis from the multiple cases was inductively and deductively interpreted. The first information from focus discussions, two interviews, newspapers, and YouTube media reviews clearly showed that TBGs shared positive socioeconomic benefits for their individual members.

This study found that effective structures and processes determine how TBG operations are executed successfully and explored the processes that influence the organisational effectiveness of TBGs. It was found that most TBG members were familiar with each other and were neighbours. This enabled them to create trust among themselves. In contrast, SACCO members were not necessarily known to one another. Membership is open to the public with a requirement to fill a registration form and pay a fee. The funds pooled in TBGs revolve within the members in short-term and long-term loans. However, TBGs have limitations that lock their growth to higher levels.

The chapter goes on to explain the loan processes adopted by TBGs and SACCOs indicated from study of TBGs operations. The TBG loan process involved trust between the members. In case of loan defaults, the TBG members in most cases do not seize the collateral but agree with the defaulter to recover from savings and pay the remaining in instalments. However, the SACCO loan-recovery process involved a legal process and recovery of debt with attached collateral. Another factor influencing the success of TBGs is leadership, the strength of the leadership structure greatly determined the positive or negative performance of a TBG. TBG leaders are required to be honest, transparent, knowledgeable, and strategic to enable their TBGs to achieve their goals.

The illustration below shares factors and strategies that enable TBGs' organisational effectiveness, which entails the capacity-building, member training, and effective risk management policies and practices. Further, the discussion outlines the issue of defaulters and the measures to be undertaken to manage defaulting.

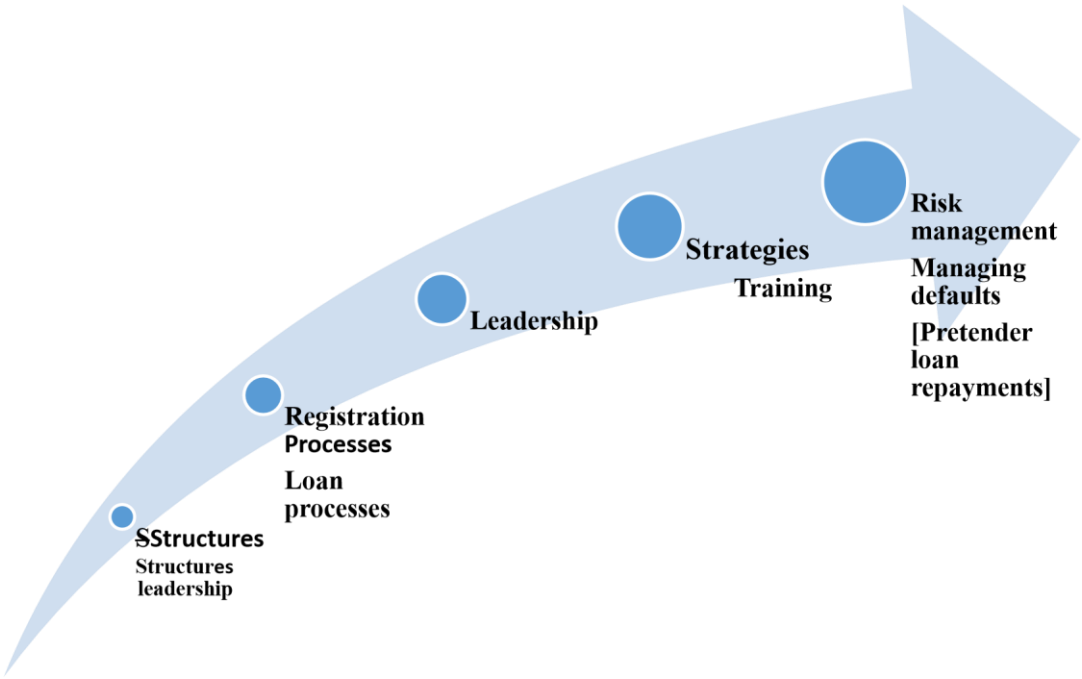


Figure 6.1.0 Factors contributing to the Achievement of TBG's Organisational Effectiveness

6.1 Organisation Structures and Processes that Contribute to TBGs' Achievements

In this section, the five data sets were triangulated to build an understanding of organisational structures that enable the TBGs to operate effectively. The researcher gathered and analysed data regarding how effective organisation structures and processes influence the operations of TBGs. The factors discussed are structures, leadership structures, pooling of funds, financial and risk management, aspects of formal structure and leadership, and loan processes.

Similar experiences of members in social-economic goals, objectives, and experiences shape the characteristics of TBG, which transform its organisation structure and table banking operations. When an organisation's structure aligns with its goals, competitive landscape, and available resources, the structure gains more significance. The pooled funds could be borrowed from the table or saved in the bank. The key issues members deliberate on are the economic ventures the TBG undertakes and the use of pooled finances to achieve TBG strategic goals. More importantly, TBGs will be able to pursue projects that accrue profit from the pooled funds. However, the lack of defined guidelines or steps to upgrade to the next levels might cause a setback in the TBGs' future growth and sustainability.

Structures

The TBGs are self-funding structures, defined by the individual objectives and economic activities of the group members, who agree to pool resources. However, it was noted that some TBGs are unstructured and not registered formally, while others are more structured.

Furthermore, banks have formal structures with financial and risk-management systems in place that control the distribution of funds. The Banks are widely regarded as profit generating entities, because unlike TBGs, they have to secure collateral, evaluate and monitor the ability of borrowers to pay, and extensively document the process of borrowing. This has caused many people to opt to associate with TBGs and SACCOs as less-formal providers. However, TBGs' systemic structures are favourable to SSEs who want to access affordable loans, which makes them more effective and calls for improved structures and processes for stability.

The participants' views of the TBG structure differ from their views of the SACCO umbrella organisations on different levels *(Table 6.1.1)*.

Features of SACCO Structures

1. 6.1.0 Features of SACCOs' Structures

Umbrella SACCO Staff	Vera	Lina	Juma	SACCO Structures
Levels				
High	Tier 1 SACCOs: Asset base of over KES 5 billion. SACCOs with share capital of over 10 million Kenya shillings.	An effective structure of high-range SACCOs with an asset base of KES 5 billion and a share capital of over 10 million KES.	SACCOs that draw members from ministries and have branches in cities and major towns are advantageous compared to ones in rural and small cities.	Tier 1 has an assets base of over KES 5 billion and a share capital of KES 10 million and draws members from the government with branches in major cities.
Medium	Tier 2 SACCOs: Asset base of KES 1.5 to 5 billion.	Tier 2 SACCOs operate at a medium level following the procedures given by SASRA.	The check-off SACCOs in the medium level operate through either a delegate system or membership, depending on the number of members.	Tier 2 SACCOs are required to have an asset base of above KES 1.5 billion to 5 billion, with checkoff, a delegate system, and a minimum number of members.
Low	Tier 3 SACCOs: Asset base of less than KES 1.5 billion.	An asset base of KES 1.5 to 5 billion to operate as Tier 2.	SACCO membership might be drawn from community-based organisations such as multinational SACCOs.	Tier 3 SACCOs have an asset base below KES 1.5 billion and draw members from community groups.

The review of Sacco's feedback in this study of TBGs OE revealed that Saccos are grouped into the tiers. Those at tier 1 operate with over KES 5 billion and a capital share

of over KES 10 million. Tier 2 SACCOs operate with an asset base of KES 1.5 to 5 billion and are regulated by the SACCOs Societies Regulatory Authority (SASRA). Tier 3 SACCOs are regarded as highly effective and have an asset base of below KES 1.5 billion. The membership structures of high-ranking SACCOs consist of workers from government ministries with branches in major towns, as compared to people in rural and small cities with low income (SACCO umbrella, personal communication, 12/2022). The existence of levels in SACCOs provides room for SACCO expansion to the next stages. For TBGs to thrive, the leadership needs to evaluate and monitor TBGs and grade them according to economic abilities, as the SACCOs are graded.

Leadership Structure

Generally, the government provides guidelines for leadership structure adopted by the TBGs. The TBGs need to have a chair, vice-chair, secretary with an assistant, and a treasurer. In contrast, the ROSEWO respondent indicated that NGOs are managed by a board of directors, with a chairperson, chief executive officer who is also the secretary, vice secretary, and treasurer, and staff including a programs manager, a finance officer, and field officers who facilitate the TBGs. Some selected members from TBGs are gatekeepers who mobilise new members and work closely with the office of the NGOs (Jane, Personal Communication, FGD, 05/10/2022). ASACCOs' leadership structure is like that of an NGO, with the exception that the financial processes are overseen by a supervisory committee consisting of three credit-department members.

Apart from the explained difference in SACCO, the number of leaders depends on the population of the registered members. As directed, SACCOs hold annual general elections to allocate various duties to the chairperson, vice-chair, and treasurer (SACCO umbrella, personal communication, 12/2022). Similarly, it reports details of the organisation's activities to the CEO, who in turn reports to the board every month, SACCO must elect a board of directors who oversee the SACCO's management as spelled in the Cooperative Societies Act.

The high performance of an organisation depends on a well-structured system; the features of such organisations include diverse lines of authority for instance the horizontal and vertical. Apart from that leadership control, centralised or, with hierarchy however organisations have different leadership structures (Mansour & David, 2021).

6.3 Leadership Practices Affecting TBGs

Initially, a leadership structure was discussed where the TBG's performance depends on its leadership structure. The management structure, strategic leadership, leader's education level, and leadership attributes have a significant impact on TBGs' ability to achieve their goals. The leadership and management factors are key to TBGs' success, and groups generally collapse as a result of poor leadership and management. John asserted, "I could say, it's mostly strengthening the leadership and management because they [SACCOs] are the ones who mostly fail because of greed (John, Personal Communication, FGD, 05/10/2022). However, for TBGs to transition to growth they require stability and better skills in the management of a larger group. Apart from that, the expectation is that good leaders will be business-oriented, Knowledgeable, strategic and can translate concepts into initiatives that generate revenue. Also, the leaders need to assess the groups' progress, and recover overdue loans from guarantors'. The leader must follow up with borrowers:

> *The group of 50 members are the guarantors, us as the leaders. When a member defaults, the first thing is to reduce the loan using their savings, and if the loan was KES 200.00, it will be divided among the 50 members* (Jane, Personal Communication, FGD, 05/10/2022).

The SACCO leaders need education on how to appraise borrowers.

> *That's why education matters. Maybe you did not do a proper appraisal, like has been said, someone has brought money and passed your threshold, but back home the items registered are not sufficient. If they cannot repay, the items will be taken* (Mark, Personal Communication, FGD, 05/10/2022).

The leadership attributes of TBG managers came in third. According to respondents, most of the active TBG members are women. Men who are involved in some TBGs work behind the scenes, and it's the women who appear in the mainstream media. Most TBGs only allow a few male participants to have leadership positions. Additionally, women apply to the WEF for funding directly for the TBGs or SACCOs.

> *What I would like to say is that the table-banking money, wherever it comes from, be it from the government, or the pockets, management matters. It does not matter even if it is the Member of Parliament, [if they are] without discipline [they] won't make it* (Mark, Personal Communication, FGD, 05/10/2022).

Leaders of informal banks are required to be compassionate, perceptive, and capable of carrying out group goals to maintain their integrity. During the focus-group discussion, *Mark (personal communication, FGD, 05/10/2022*) spoke of deceitful leaders embezzling TBG funds. *Eric (personal communication, FGD, 05/10/2022)* attested that these issues typically affected rural community organisations, when scammers arrived in their communities driving nice cars and, generally, claiming to represent particular microfinance institutions. They play this role for a certain period while swindling members' money before they disappear without a trace. In some cases, leaders take advantage of vulnerable groups who have no idea of the accrued savings. In other cases, more-informed members of informal banking groups manipulate the illiterate members, disappearing with their savings.

Another characteristic of competent SACCO board leaders that was covered in the focusgroup discussion is that the members should not be political or tribal. *Mark (personal communication, 05/10/2022)* recounted, "A political SACCO (Bunge SACCO) was formed, which failed because of lack of regulation, lack of good structures and discipline." Mark added that to be a SACCO leader, the requirements are to have a

minimum membership of two years and proof of KES 300,000 in savings. This enables the member to be included in the organisation leadership system.

Leadership traits that enable TBGs to Succeed

The success of TBG as an organisation depends largely on leaders who are knowledgeable in skills and exhibit morals that contribute to effective communication, respect, trustworthiness, accountability, empathy, and integrity.

SACCO leaders are required to have sufficient savings to be elected. "You can't be a board member, you could even find that an old woman, a farmer, but she can save with us like KES 300,000" (Mark, Personal Communication, FGD, 05/10/2022). This, however, is not the case with TBGs, which have fewer and less strict policies for the election of leaders. As stated by the ROSEWO officer, TBG leaders selected are the most trusted members in the group (Jane, Personal Communication, FGD, 05/10/2022).

The umbrella SACCO organisation interviews described the traits desired for leadership in the SACCO: a vision that aligns with the mission of the organisation, transparency, and selflessness.

> *The leader's character and virtues have to be honest when handling the SACCO's managerial matters. Another relevant virtue of a good leader when performing duties in the organisation is integrity, because of the nature of the SACCO being a financial institution [that is] accountable* (SACCO umbrella, personal communication, 12/2022).

A competent leader is required to possess honesty while addressing managerial matters within the SACCO. For TBGs to progress to SACCOs, they need to refer to the Cooperative Act, rules, and corresponding SACCO by-laws when training leaders. "They [rules] are well stipulated in the Cooperative Societies Act and in the SACCO's by-laws" (Juma, personal communication, Saccos Umbrella, 12/2022). The major traits that are considered when choosing leaders in a SACCO are: "Honesty, vision, integrity, transparency, and accountability" (SACCO umbrella, personal communication, 12/2022).

6.4 Strategies that Affect TBGs

Recruitment of new members indicates progress. As narrated in this study, those who join TBGs without training have low performance and are unable to plan the use of the group's resources effectively. Research by *Safari et al (2010)* indicates that creative and innovative approaches are crucial for entrepreneurs seeking to establish their operations for sustainability in the contemporary business environment. This is the only guarantee that contemporary organisations have of achieving organisational effectiveness and top-notch performance.

The strategies that sustained and inspired the growth of informal groups included the training of new members, mobilising members, developing member products, and ensuring that the members always exhibited good character. The first strategy mentioned was mobilising and training new members. Training is normally provided by a social services representative who ensures that the new TBG members understand the processes and regulations of the TBG concept. The social-services officer explained:

> *Five, or even 10, but they keep on recruiting others, and the moment they recruit, we have to train, because out of experience we have seen that those who were not around during training are the ones who disturb us a lot* (Anna, Personal Communication, FGD, 05/10/2022).

SACCOs new membership growth involves recruitment or signing of MOUs with existing SACCO members. However, through this approach the respondents indicated that they were able to easily access grants from WEF.

> *Usually, to grow, it is a must for every member to refer to at least two in his or her life in the SACCO, two members. So, if you bring a [new] member, we call it a "factor tree"; if you bring two, the other can bring four, and they*

> *bring others. So, we grow like that* (Sue, Personal Communication, FGD, 05/10/2022).

To access low interest finance, from the women funds, the SACCO members entered an MOU through the women in their groups who independently qualified to borrow the affirmative funds and channel it to SACCOs for lending. Luke indicated that together with his wife, they created a SACCO, over several years has brought together the nearby women who already received funding from WEF and UNAITAS. Luke said that the process of creating the SACCO was easy because new members were readily available and registered from the neighbourhood (Luke, Personal Communication, FGD, 05/10/2022).

The third strategy discussed was member products. Focus-group participants Luke and John explained the process that was involved in the building and development of the social and economic aspects of TBGs. As noted by the WEF officer participant, the members purchase shares to gain dividends:

> *One share is 20 shillings. No. You buy 250 shares. That is 5,000. Then from there, you know, shares are the backbone of the society. Because even if you leave, you'll get back the others but those [shares], maybe you sell those* (John, Personal Communication, FGD, 05/10/2022).

When membership of SACCO increases, they experience growth in savings that could enable it to finance the building of homes for people. This incentive is useful in both motivating existing members and attracting new ones. As indicated by participant *Luke, personal communication, FGD, (05/10/22*) TBGs offer a better means of accomplishing collective goals besides providing financial access to the members. One such goal is the construction of homes for SACCO members, which requires cooperation and member engagement.

The positive attributes of community members in TBGs or SACCOs have significantly contributed to the high collection of member savings, which sustained the informal banks as observed in this study. The TBGs and SACCOs thrive when they have trustworthy members relying on 'trust' as a pillar for successful SSEs in traditional finance, *all depends on trust amongst the members. Most times you find that we gather people who live in our area, so we know so and so, their behavioural changes and whatnot. And it's very* important *that aspect of social trust* (Eric, 2022).

Respondent Anna agreed with Eric that most TBGs work on trust and said that no collateral is involved. However, as Luke noted, not all members are trustworthy.

Some are thieves who come to join the groups without our knowledge because they come with the motive and intention to access the funds and plan not to repay the borrowed funds. Those are challenges that the initiators of table-banking groups face

(Luke, Personal Communication, FGD, 05/10/2022).

The strategy of TBG members building personal savings in their accounts, helps to hold them together. The social solidarity relationship in TBGs is transparent, members are aware of the processes, where they save, borrow loans and repay promptly. This reciprocity dynamic is simple and effective for the community groups. *Anna, personal communication, FGD, (05/10/22*) commented that the savings allowed TBG members to obtain loans. A clear example by John who stated, "…we started thinking, we pooled our money and loaned one person KES 4,000. We met weekly and saved KES 50, and the second time we [loaned] KES 6,000.... The peer-to-peer funding pools enable groups to pool as little as KES 100 and distribute money to one individual at a time, thereby boosting the members' businesses. A person can obtain funds twice or three times in a year thanks to their savings" (John, Personal Communication, FGD, 05/10/2022). However, given that these groups have no set of rules governing them, they are susceptible to defaulters.

Investment Strategy

Members' investment in SACCOs was crucial in ensuring that the SACCOs grew and could achieve their goals. Member investment was increased, noted one participant, "by coming up with different investment credit facilities/products in the SACCO" (SACCO umbrella, personal communication, 12/2022).

Pretender Loan Repayments

To keep debt records clean, TBG members borrow cash from friends or family and repay after borrowing loans from the table. The researcher suggested the new term [*pretender loan repayment]*, meaning that the borrowers cover up debts through borrowed cash rather than from their business ventures, which enables them to avoid loan defaulting, to maintain trust. This predicament does not exclude the population borrowing from other financial institution.

Table banking is good, but you find that because of the economic difficulty, someone will approach you asking for KES 2,000 just to show in the table banking meeting, then return it, which makes table banking lose the actual objective of alleviating poverty (Eric, 2022).

Because of the stringent measures and fines imposed by some TBGs, members are at times forced to take other loans to present as their own contributions during the tablegroup meetings. Friendly fines put in place to make sure that all the members contribute in a timely manner in a fair and equal manner. While *"pretender loan repayment*" has advantages for members, it could potentially lead to a debt trap.

Since it was rolled out on November 30, 2022,

> *Hustler's fund has registered 17.7 million Kenyans as of January 4, 2023. Reports indicate that the outstanding loans taken in the Hustler Fund initiative were KES 12.8 billion. Data also indicates that Kenyans had taken a total of Sh288 billion in outstanding loans on rival site Fuliza in the six*

> *months preceding the financial year ended June 2022. In other words, people borrowed approximately KES 1.57 billion daily. It is important to note that the Hustlers Fund and Fuliza initiatives came in handy at a time when there were economic difficulties and as such enabled ends to be met* (Nation Africa, 2023).

A founder and lead psychologist of a counselling centre said in an interview with *Nation Africa* (2023) that there should be strategies to handle defaulting, and that it is not a good idea to settle a debt by taking on more debt. Debt depression has been studied and advanced as a medical condition rather than a financial condition. The interviewee said that treatment of debt depression involves psychotherapy and psychological interventions, in conjunction with other medical treatments, and that the best coping mechanisms for debt depression include social support, psychotherapy, psychiatric review, and professional personal finance intervention (Nation Africa, 2023).
Pretender loans make it difficult to rate successful TBGs, the members need to be educated on how to invest the borrowed money.

Capacity-Building

Capacity-building involves the developing of skills or the strengthening of already developed skills, instincts, abilities, processes, and resources needed by organisations to survive. Capacity requires that teams constantly reinvent themselves to keep up with the dynamic business world. In capacity-building, members are empowered and their unique talents and abilities recognised. The pooling of individual members' strengths has proved crucial in determining organisations' profitability and survival.

The idea of capacity-building is crucial in ensuring the success of SACCOs. This was possible through creating efficient annual budgets for the education program that built the capacity of the board of directors, the management, and the members in general. Participants from SACCO umbrella groups emphasised that the board, staff, and members are trained to enhance their efficiency and participation.

Training

The establishment of TBGs depends greatly on training. The focus-group participants noted that the Ministry of East African Community Labour and Social Protection has the responsibility to train groups and NGOs. Out of the five respondents from ROSEWO, three indicated that they had received no prior training. Only two had received the necessary training from the umbrella organisation. As noted by the TBG interviewees the training process was rotational, where members were mandated to train other new members after receiving training. Upon inquiry, it was noted that some NGOs, UWEZO, and WEF organisations were mainly in charge of the training programs. Nevertheless, the focus-group participants noted with concern that they had received no training on how to plan businesses.

The ROSEWO TBG umbrella organisation offered training to officers, who then facilitated accounting services to TBGs. Another report indicated that other organisations such as JOYWO also provided training to TBG participants for capacity-building in financial management and business-plan skills. A FinAccess report indicated that

> *'Financially literate individuals make informed financial decisions and are most likely to survive in the face of rising interest rates and inflation and risk diversification, and to continue investing for the future'. Based on findings by the Kenya National Bureau of Statistics, 42.1% of adults were found to be highly financially literate, 40.6% literate, and 14.5% partially literate (The Kenya National Bureau of Statistics, 2024).*

TBG Strategy Concept

An indispensable aspect of table banking is that it works at the community level. The results of this study indicate that the concept of table banking is changing the lives of thousands of women and their families in rural Kenya. As specified by one of the respondents, the table-banking concept involves members getting together once a month

and placing their money on the table, where it is instantly available for members to borrow. By using this method, women in Africa who require loans but do not have collateral no longer have to worry about bank fees and waiting periods before loans are approved, among other challenges involved in formal banking.

One group that started as a TBG grew to become the Gilgil SACCO before changing its name to Vision Afrika SACCO, as reported in the *Nation Africa (2011).* One of the people interviewed in an article said that many people were not aware of how small amounts of savings could lead to a considerable amount. After the TBG transitioned to a SACCO, with primarily small-scale traders as members, other vendors joined.

In an interview with *Standard Media (2015),* the JOYWO founder noted that by using the TBG strategy, women have been able to receive substantial amounts in loans, which has helped boost the women businesses and that the strategy of dividing members into smaller groups at the village level has been beneficial to JOYWO, as it has made management of rural areas fairly easy. To guarantee that all the women are in the same financial position, each group has a minimum and maximum contribution amount that each member should give. Every participant receives a passbook to keep track of transactions. A member may take out short-term loans from the money on the table, repayable in three months, for up to twice her contribution amount. A long-term loan has a payback duration of between six and 36 months and can be up to three times a member's shares.

Similarly, the concept of table banking ensures that revenue is readily available for projects that may enable the group to generate profit.

> *A table banking initiative is a group funding strategy where members of a particular group place their savings, loan repayments, and other contributions on the table and then borrow immediately either as a long-term or a short-term loan. The group often uses the money borrowed as capital for economic projects. The initiative started by a community based by an*

organisation in the region has been designed to also offer financial literacy to the members such as ways of drawing up investment Plans and sourcing for business ideas (KBC Channel 1, 2019).

A self-help group partnered with Kenya Commercial Bank in Gilgil Township also took the initiative to register as SACCO as a result of the culture of saving money in their accounts, which produced enormous social and economic growth (Nation Africa, 2011/2020). Surprisingly, teachers and military personnel, who are government employees, became interested in joining, preferring to borrow from the informal banks because the loan application takes a shorter time, with less documentation required and a lower interest rate charged (Nation Africa, 2011/2020).

To grow such groups, Kenya Commercial Bank director suggested in an interview with *Standard Media (2015)* that one tactic to improve informal banking is mobile banking. The article indicated that security, confidentiality, and convenience are the three requirements that mobile-banking service providers must satisfy to draw women customers and increase the financial inclusion of women (Standard Media, 2015).

6.5 Risk-Management Practices and Policies for Effective TBGs

This study of TBGs indicated that debtors may be unable to fulfil mandatory loan payments due to poor income or natural calamities like COVID 19. If the debtor defaults, their credit history will prevent them from being approved for further loans. Cherotich et al reviewed that women with increased financial knowledge paid their debts as compared to those who have skills in managing borrowed funds, the borrower is affected by loan defaults since they will not have instant access to funds. However, Cherotich et al studied women farmers in Kericho, Kenya and found that due to improved financial literacy loan borrowing among members and non-members of TBGs increased from KES 26,080.38 to KES 85,250.87, in level one of financial literacy, respectively. In addition, women with

high levels of financial literacy borrowed more money than those with less (Cherotich, et al., 2022, p. 107).

The focus-group participants shared concerns on how to manage risks such as loan defaulting and loan pretenders. Three participants discussed the effect of loan defaulting.

> *Many of them come with an excuse that they didn't earn or get a job, as many of them do manual jobs like hand-washing laundry, and other small jobs. Jobs are also few and they have families. If someone gets one hundred Kenyan shillings (equivalent to $0.91), they use it to buy flour and vegetables* (Rose, Personal Communication, FGD, 05/10/2022).

Similarly, a respondent shares that;

> *Normally, when someone saves money – for example, if it is KES.10, 000 they will not get KES10, 000 but will get twice or thrice the money as a loan, so if the person is given KES 30,000 and defaults, others will have lengthy excuses from January to December from this person, and the KES 20,000 seems to have been lost* (John, Personal Communication, FGD, 05/10/2022).

Respondent *Mark, personal communication, FGD (2022)* stated, "A woman selling vegetables borrows KES 20,000, and every week pays back KES 1,500. If she fails to pay, she will not be eligible to borrow another loan in the next period. If the 20 people pay loans as required, in the next meeting 20 people can borrow." Luke said,

> *There are challenges, whenever there is something good, there must be a side effect. In a business-like table banking, the money will be given to be returned on a specific date; for instance, if a member was…person was to pay KES 2,000, if they have insufficient finances, and brought KES 1,500 and you cannot turn them away, the defaulter will not be able to borrow any money that day* (Luke, Personal Communication, FGD, 05/10/2022).

Managing Defaults

Effective strategies are necessary for the management of loan defaulters. In the informal banking system, when a member defaults to pay a loan, the amount is equally split to repay the SACCO, the strategy does not apply in TBGs. Luke argued that TBG handling of cash money is seen as a high risk unlike where the SACCOs deposit their deposits in Banks *(*Luke, Personal Communication, FGD, 05/10/2022). When members borrow loans from the table in TBG, they depend on "trust" because they are neatly known to each other, unlike SACCOs where membership is from the public. As specified in a *Nation Africa* report in 2012, there were already plans in place for laying out a legislative framework under which TBGs should operate. Some of these reforms call for legal modifications to implement the necessary regulations.

This research of TBGs OE clarifies how peer sharing of defaulted loans guarantees timely loan repayment. *Levin, (2012)* discussed that the Microfinance model built by Yunus encourages borrowers to make timely loan payments, when in groups of five people, they guarantee each other, and this acts as part of their loan security. These members are the ones who are held responsible for pursuing the defaulter. *Levin, (2012)* goes on to explain that this instils a sense of accountability in the defaulting member, who makes sure to repay to retain the respect of the other numbers of members in the group. The members increased their credit limit and loan limits through constant on-time payments (Levin, 2012, p. 12).

The concept of TBGs is different from Microfinance, when taking loans basically they rely on 'trust' and the group members are unlikely to pay for defaulted loans for a fellow member, as explained in default section in chapter 6, a provision of flexible credit

payment plan arrangements is provided as per group rules and regulations. On the other hand, formal banking is controlled by CBK regulations.

> *The Central Bank of Kenya requires that an effective risk management process for the financial organisation requires a Comprehensive Risk Management Programme (CMP) to be prepared to oversee all the risk* (Central Bank of Kenya, 2013, p. 12).

Another strategy highlighted to reduce loan default is investing in property, which serves as collateral Luke suggested "We told the bank we want a property, which was divided among the group; the main reason [was] to act as collateral. For example, if a person borrows KES 20,000, failure to pay without collateral attached could easily happen" (Luke, Personal Communication, FGD, 05/10/2022). The group invested in purchasing a parcel of land, the ownership of which was subdivided to the group members.

This study found that to handle loan defaults in SACCOs the loan defaulters are followed up by the SACCOs members, who hold their guarantors accountable and retain the items put against the loan for collateral, as well as the defaulters' savings. For TBGs the process involves bringing the local administration office in as a witness for the defaulter to declare terms of payment. However, the best way to manage risk was to use members' savings as collateral. In SACCOs the guarantors are followed up if the loan is not paid by the individual they guaranteed. To evade unnecessary loan defaults, borrowers are appraised before acquiring the loans. The best way to account for recovery of defaults is to appraise the loan borrowers' business premises before processing the loans.

Similarly, as discussed in Section 5.1 where a system should be established that will enable credit providers, such as non-deposit-taking Microfinance institutions, investment clubs, SACCOs, and merry-go-round groups the ability to exchange credit information with one another. The law currently only permits commercial banks and DTMIs to share

credit data on their customers with CRBs to assess borrower risk and reduce instances of multiple loan uptakes and serial repayment defaults.

Loan-Default Management

TBGs as per this study experience less problems with member loan default. Microfinance institutions faced more problems than SACCOs with defaulters, as shared in *Nation Africa,* Microfinance institutions, whose lending is based on group dynamics, face the difficulty of serial defaults by members, many of whom have several loans from different microfinance institutions and other lenders. This contrasts with SACCOs, where defaults are observed by guarantors (Nation Africa, 2012).

In addition to knowing how debt works and distinguishing between good and bad debt, borrowers must restructure their loan consolidation, manage payments and choose affordable credit with low interest rates. This enables them to identify the moneylenders who charge high interest rates, work to get out of mobile loans, and target principal to accelerate payments. An article in *Nation Africa (2023)* points out that the restructuring of loans is crucial in the current business environment. Applying for a bank moratorium is not the same as restructuring a loan. It entails combining payments into one to avoid having money taken out repeatedly (Nation Africa, 2023). Through the consolidation of resources, the lender can combine all the available debt. However, the article further notes that some aspects, such as conditions, interest rates, and overall cost of credit and consolidation, needed to be taken into consideration.

An article in *Nation Africa (2023)* generally advised people to avoid borrowing from moneylenders who charge high interest rates, this is because informal lenders such as these lenders impose harsh loan terms, encouraging them instead to use a typical bank, and to only take loans when they had a high credit score and had the means to repay the loans. The article also noted the disadvantages of mobile loan apps: “Most of the available mobile loan apps which initially seemed affordable turned out to be complicated with

their loan terms. Individuals were also encouraged to pay their principal amounts as soon as possible" (Nation Africa, 2023).

The advantage of saving in a SACCO is that it allows the customer to access loans from any bank or SACCO; the *chama* do not have such an advantage, as explained in an article in *Nation Africa (2022),* in which an interviewee said:

> *If you are in a chama, you can never use your contributions as a guarantor to secure a loan from a bank or SACCO. But your FOSA statement can be adequate to give you a loan, which means that the minimum monthly contribution you make to your Sacco empowers you to access funding.*

Causes of Loan Default

> *Loan defaulters in Kenya are increasing over time and are likely to increase in the future, more families are increasingly burdening themselves with loans they can hardly repay. Because [microfinance institution] client protection is weaker than it is in traditional institutions, borrowers are more vulnerable to [microfinance institutions'] harsh practices. Those who are employed and receive a salary from formal labour have been negatively impacted by loan defaults, especially teachers [who] are the most affected* (Nation Africa, 2012).

The primary cause of loan default, as reported by *Standard Media (2020),* was differing financial ideologies and socioeconomic objectives among the members. These differences cause many of them to leave the group early, and others to fail to make loan payments, which will undermine the group's strength over time. Sometimes, background checks are crucial in determining a member's ability to repay the loan and the uses for which the member is borrowing the money. In addition to creating group viability, this ensures that the group members stay motivated and driven (Standard Media, 2020).

A teacher interviewed by *Nation Africa (2023)* indicated that she earned approximately KES 45,000 monthly. She said that SACCO loans are the reason she was able to have

enough for her expenditures. The respondent also expressed the financial stress she faced as a teacher and how she struggled to survive. According to the survey, many small business owners have resorted to TBGs because they offer loans at lower rates than microfinance institutions.

Borrowers quickly take advantage of any bending of restrictions A psychologist was quoted in a *Nation Africa (2023)* article, saying that "the current world, which is highly competitive in setting standards and class, has led to an insatiable appetite for debt, as more women are willing and ready to do anything to please.... This includes taking on debt to fit in with the latest trends in society, and to appear trendy within their chama". According to *Nation newspaper*, the accessibility of loans, including the possibility to easily obtain weekly, monthly, and quarterly loans on mobile phones, has facilitated credit acceptance, in contrast to the recent past, when borrowing was a very tedious process (Nation Africa, 2023). Traditionally, borrowers needed to go through the bank, fill out papers, and present security for the loan, and chances of approval were very low.

Post-Loan-Default Effects

SSEs ventures could be expensive to maintain, to keep up with the *chama ongoing* programs for instance parents and in-laws' visitations that rotate to all group members. In a single visit, a member contributes a fixed amount of gifts in cash and has to dress for the occasion in a "kitenge." The danger of flowing with the pace drives the women to go for available high paying interest rates. The article notes that taking out loans from unofficial intermediaries like moneylenders who charge high interest rates and then defaulting results in additional interests and penalties, as well as the loss of collateral. An example was given of a *chama* where members contributed KES 10,000 monthly to visit in-laws. As the member specified, contributing was considered crucial and sometimes the members would even take out loans so as not to default. For these meetings, the women would also buy the latest *kitenge* [*African printed*] dresses to look presentable among their friends (Nation Africa, 2023).

Post-Debt-Recovery Effects

When borrowers fail to pay loans, the small financial institutions make losses which significantly affect their operations. A *Nation Africa* (2018) article reported that retail businesses and traditional financing institutions were affected by bad debts from defaulters, and that due to the small size of these businesses, even a single debt could have a significant negative impact. This can lead to the financial institutions taking legal actions, where the customer gets a lawsuit. A *Standard Media* (2020) article reported that a woman was taken to court for allegedly taking *chama* money amounting to KES 96,000.

Recently, in Kenya psychologist have witnessed increased number of women with mental and suicide issues from loan defaults, due to lifestyle and peer pressure. According to a *Nation Africa* (2023) article, many people are taking their own lives after being harassed and degraded by recovery agents. As reported in the article, over the recent past there has been an increase in the number of SOS distress calls about Kenyan women drowning in debt.

Defaulting on a loan can lead to serious psychological issues. At times, there has been a need for medical attention to avoid financial and mental suffering. The article pointed out that most debtors suffer from a state of depression known as the "ripple effect". In serious situations, the depression from owing a huge sum of money has led to cases of suicide. The ripple effect has also been associated with reduced spending power, lowered quality of life, and non-repayments (Nation Africa, 2023).

To conquer the post debt recovery affects women looking for therapy. According to a *Saturday Magazine* (*Nation Africa*, *2023*) analysis, most women are now seeking guidance on coping strategies and other debt-relief strategies. A financial expert interviewed said, “Medical treatment for debt depression will be through psychotherapy and psychiatric interventions and professional personal finance intervention, as the best strategy for coping.”

Loan-Recovery Methods

The loan defaulter faces a double implication, where a large group of people go to the debtor 's home and carry household items to recover the loan in an appropriate and forceful way. A report by *Nation Africa (2012)* indicates that a certain microfinance institution was using improper loan-recovery techniques. Experts believe many microfinance organisations advertise as providing financial services, but their terms and debt-recovery practices are bringing agony to impoverished people. The article gives the example of a woman, who owed KES 53,416 to an organisation. The group member had managed to pay back KES 10,000 in addition to KES 21,000 that she had deposited as collateral. However, when she failed to pay back the remaining amount due to economic hardship, she said that a group of 20 women visited her home and took everything, leaving her without shelter and with her life savings gone (Nation Africa, 2012/2020). A similar strategy was shared in SACCOs experiences in this study. TBG loan recovery methods are lenient and allows debtors to pay in a plan.

In 2015 the TBGs recorded a 2 per cent default rate, while in the 2015 Global Entrepreneurship Summit in Nairobi the Patron reported that, “Like any other organisation of this size, JOYWO faces some challenges, “This is why we always insist that members should know and be able to watch for one another.”

2.. Characteristics of TBGs and SACCOs

	Table Banking Group	SACCO
Structures	● Informal ● NGO umbrella organisation/State Ministry of Social Protection ● No categories	● Less informal/others formal ● Deposit-taking and check offs from company employees ● Ministry of Cooperative and Development/SASRA/Kenya Union of SACCO Organisations
Processes	● No business plans ● No business appraisal	● Existence of business plans ● Business appraisal
Strategies	● Fewer members receiving training ● Minimal training in financial and risk management	● Mandatory members of leaders ● Provide training in financial and risk management
Leadership	Chairperson, assistant chairperson, secretary, assistant/treasurer	Board members/chief executive offices
Risk Management	No tool for monitoring defaulters	Existence of references bureaus
Membership	70% female and 30% male with 15 to 30 members; maximum of 100 members	Gender equity/more than 100 members

6.6 Chapter Summary

In summary, this chapter has explored structures and processes with measures of organisational effectiveness in TBGs. Feedback on the research question indicates that the structures and procedures are necessary for an efficient TBG system approach. This study identified business planning and business appraisal as tools that improve TBGs' organisational effectiveness. The initial proposed system theory and conceptual framework included structures, processes, leadership, and risk-management factors. The study found that a financial institution with a well-defined structure and set of procedures will help its members and leaders accomplish their goals and objectives effectively.

Formal TBGs are granted a certificate that is renewed yearly and registered with the government ministry. Except for those near the NGO offices, where a meeting place is provided, the groups meet in their homesteads without a front desk. The focus-group participants identified framework, procedures, leadership, risk management, and tactics as factors in TBGs' efficacy.

TBGs and some SACCOs are viewed not to have managed challenges successfully due to weak processes and structures. The findings suggested the need for internal processes and structured systems to control the risks to avoid losses. One of the participants in the focus group contributed that TBG members has to be aware of the connection between organisational structure, processes, and financial systems, on the one hand, with improved performance. On the other hand, identify risk, to be measured, controlled, and monitored for organisational effectiveness. An unpublished study of Mogadishu private banks finds that an organisation has practices and policies that enable the leaders to effectively run the office to mitigate unpredictable risks that cause financial losses (Abdi, 2015).

For TBGs to be effective the leaders need to manage TBG finances with honesty, integrity, and transparency. According to the BBVA *Microfinance Corporate Foundation (2011)* a leader who encourages excellent social performance has a stronger connection with the company they work for. The people who have structures, procedures, and systems with

organisational values for success get along well with leaders who follow laws and regulations. It is assumed that effective and efficient performance within enterprises is supported by good leadership. During the discussion in this study, participants engaged in multiple debates regarding executives who fall short of fulfilling their financial management responsibilities to the organisation's standards. Such incidents happen because of a lack of ethics and dishonesty. TBGs need to be disciplined when handling funds and leaders or managers need education on how to appraise borrowers. However, TBGs face challenges from intruders stealing the group's funds, which affects the financial position of the group, as TBGs often have little or no security to secure their finances (Garson, 2010).

Chapter 7 discusses the outcomes for both individuals participating in TBGs and TBG organisations' socioeconomic capacity based on the participants lived experiences. The findings revealed the benefits and the challenges hindering SSE-based organisations from achieving goals and objectives. Individuals identified economic benefits as improved financial services and employment opportunities, and social benefits as high living standards and better social status. Concurrently, the TBGs as organisations considered external finance, the attraction of new members, high investment, and repayment rates as determinants of their stability for effectiveness.

Chapter 7 Outcome of TBG Effectiveness at the Individual and Organisational Levels

7.0 Chapter Overview

Chapter 6 examined structures and processes with measures of table-banking organisational effectiveness. This chapter explains the outcome that TBGs achieve at the organisational and individual levels. The analysis from the multiple cases was contextualised and interpreted. The data from the focus groups, two sets of interviews, and the reviewed newspapers and YouTube media clearly showed that TBGs' strategies have a strong effect on how well they function as SSEs.

The need to access interest friendly loans resulted in individuals benefiting from table banking. Xinhua reported that a microfinance credit officer said that their members are moving to join TBGs because they offer low-interest rate loans as compared to microfinance institutions (Standard Media, 2014). Evidently, an article in *Standard Media (2015)* Newspaper reported that TBGs have spread since 2009 to 44 counties in Kenya, with 11,236 groups with a revolving fund of KES 2.1 billion. TBG membership had increased because of the low interest rates they offered.

At the individual level TBGs has the ability to produce positive socioeconomic benefits, as shown by the success stories related in the focus group and interviews and covered by the media. The members had better standards of living with high social status. In addition, TBG activities created employment for members; however, the year 2020 COVID-19 pandemic interfered with TBG operations, which affected members' businesses. At an organisational level, the study found that the ROSEWO NGO gave the participants six months to pay loans. The TBG members expressed in their interviews that within five or 10 years, they expected to have purchased land and built their own homes.

On the issue of access to affordable finance, the findings revealed that external funds are mostly affirmative funds from the government; for instance, from UWEZO and WEF. The SACCO participants argued that funds like Hustler could have been directed to them. To qualify for WEF, the women SACCO members borrowed low interest rates of 5%, to be loaned to all members at 10%. The WEF interest rates are favourable, while the SACCOs and bank loans attract high interest rates.

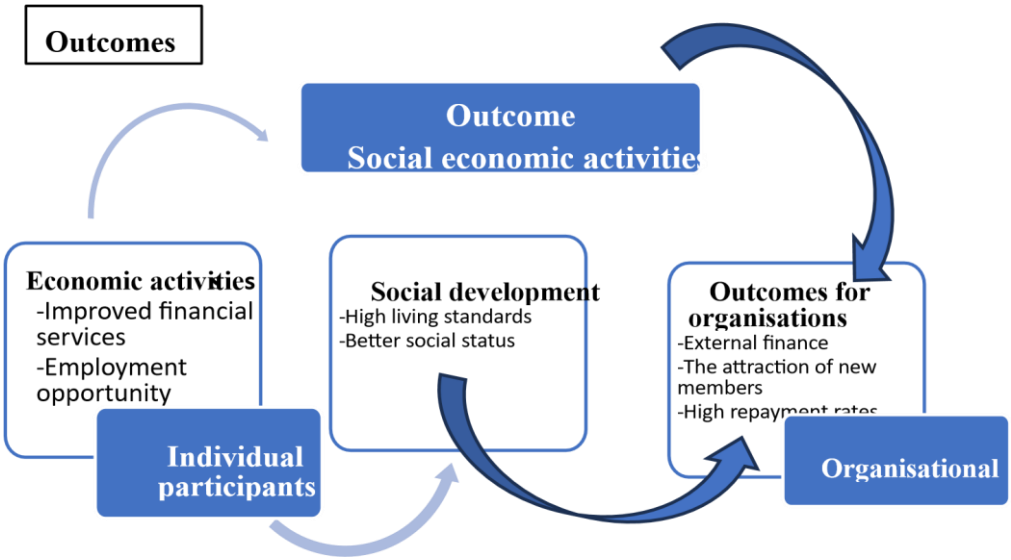


Figure 7.1.0 Outcomes of TBGs' Organisational Effectiveness

7.1 Socioeconomic Outcomes as a Result of TBGs' Organisational Effectiveness

This section discusses the socioeconomic outcomes that result from TBGs' commitment to organisational effectiveness. Two sub-themes were identified in the study results: how organisational-effectiveness initiatives affect individuals, and how they affect organisations.

Effects of Organisational Effectiveness on Individual Participants' Socioeconomic Activities

The study results showed that the effects of TBGs' activities on individuals' socioeconomic activities included both socioeconomic benefits and the challenges faced. Financial matters can have positive as well as negative effects on the living standards of the members. The advantages of TBG participation allow members to combine their resources, obtain loans, and gradually repay them, which ultimately increases their capacity to fund, for example, children's school fees or business investments; disadvantages include the burden of loan repayment on poor communities. However, the discipline in financial management that is required to participate in TBGs raises members' living standards and improves their economic stability (Oloibe & Owino, 2016).

Improved Financial Services

The major source of TBG's funds is from self-funding from members' personal savings, when members meet once a month, they repay their borrowed loans with an interest, which they loan to one another immediately on the table. At the end of a financial year, a TBG member earns cumulative annual dividends on the savings and loans borrowed during the year.

The tools of savings and loans are machinery used by members of society that enable

TBG to operate their economic matters efficiently. In Korogocho, Nairobi, a *Nation Media (2020)* interviewee stated that the main role of this fund is "to help money flow to everyone because, in table banking, they are taking loans. So, you take a loan to start a business every time we meet through table banking". The interviewee cautioned that "when they lend any amount an assessment has to be done putting into consideration individual savings, as failure to pay affects the group." The interviewee declared that TBG boosts new and existing businesses with credit for economic empowerment.

When TBGs are compared with other loaning Institutions they are more reachable. TBGs have huge social and economic impact to the communities who could not access loans from SACCOs and Banks. Eric posed a question "Why [is there] table banking and yet we have conventional financial institutions? We have banks, we have SACCOs, we have UWEZO fund, and we have Women Enterprise Fund." Table banking has helped families, homesteads, and the economy*"* (Eric, 2022).

Through government funding – for instance, UWEZO and WEF groups, too, benefit from TBGs' activities. The SACCO participants anticipated that the Hustler could have been directed to them, with low interest rates just like the WEF which they access through the women in their SACCOs. If the funds could be directed to SACCOs they could make profits of approximately 11%. Moreover, to access funds, the participants were concerned that the strategy of receiving funding from WEF at a cheaper interest rate makes the women gain and which eventually benefits the entire family.

The Kenya government has supported the financially vulnerable and created affirmative funds that have supported social economic activities of the women and youth to achieve the vision 2030. To improve community financial engagement the TBGs members are encouraged to save, borrow loans and gain from the annual dividends. The SSEs enable the communities and the county economy to grow.

Regarding improved and intensive strategies in mobilisation of personal savings and equal financial inclusion, "the majority of SACCOs raise funds from member savings which are loaned to them" (Vera, personal communication, Saccos Umbrella, 12/2022). SACCOs also "source finances from banks to facilitate loans to their members when they have a high demand for loans and their deposits are not sufficient*"* (Vera, personal communication, Saccos Umbrella, 12/2022). "There was no government funding directed to the SACCOs, although funds from WEF and Hustler Fund could finance the SACCOs"

(Juma, personal communication, Saccos Umbrella, 12/2022). Some SACCOs borrow from the WEF at relatively low interest rates and charge their members slightly higher but still manageable rates, thus increasing their capability to support their members.

TBGs also address the improvement of financial access, mainly in the form of the members' contributions, but also in the form of demand and revolving funds. The interviews showed that TBGs effectively employ their internal resources to save and offer loans to themselves. This approach is much more resilient and designed to work with communities, leaning on the trust and togetherness of the members. There are other ways that TBGs obtain external financing, including WEF. These are very important in ensuring that the groups remain liquid and able to run their trading operations.

Employment Opportunities

The focus-group participants discussed the SSE aspect of TBGs, explaining that table banking activities and social welfare projects depend on social trust to operate successfully.

Social solidarity resonates with economic empowerment, which contributes to the group members' development. *A Nation Africa (2011)* article included an interview with the managing director of the KWFT, who said, "The best empowerment for anyone in the world is economical. When you have that power, you can make decisions and choose for yourself." Similarly, in *the Standard Digital (2011)* article, a member of an ARIL group who invested in property said, by a member "We have bought shares and land. We are also on the lookout for unique investment opportunities. While being careful to invest in genuine economic opportunities."

In addition to economic benefits, according to *Nation Africa (2011)*, TGBs support women's employment, with female entrepreneurs operating close to 40% of MSMEs in

Kenya and account for about 20% of the national GDP. Such businesses have created 46,200 jobs since the year 2000, and the informal sector accounted for an estimated 445,000 additional jobs (Nation Africa, 2011).

In an *NTV (2018)* interview, two women narrated how communities identified gaps and opportunities in their environment and created jobs. "At this point, Child Fund, a nongovernmental organisation that supports women in slums to start and run businesses by training them on voluntary savings and loans, the method helps the group acquire the necessary resources to support an Early Childhood Development Centre," said one of the interviewees. She continued, "We saw that in our area we had difficulties to access daycare services because people had to cross a river to go to Nairobi South, which is far. And during the rains, the river floods and children don't go to school. Most parents here struggle for upkeep, selling food in the industrial area, selling groundnuts, and he/she doesn't know where to leave their child, so we decided to come up with a day care" (NTV Kenya, 2018).

The SSE aspect was felt in the group of people from diverse employment fields from Jua Kali artisans to professionals who needed financed loans for their personal development. What started as a group of Jua Kali artisans expanded to a large group of diversified earners with different sources of income? A *Nation Africa (2020)* article reported, "In seven years, what started as a small group for small-scale traders, hawkers, Jua kali artisans, charcoal vendors, small-scale farmers, and quarry miners has now attracted even salaried workers in the government, the Teachers Service Commission, and military personnel."

A *Nation Media* (*2020)* interviewee stated that the Team Revolution TBG was started to "ensure that we better the livelihood of young women in the informal settlement". She

explained that the group began to give women a chance to "contribute more to economic development," an effort she also hoped to apply on a personal level (Nation Media, 2020).

Effects of the COVID-19 Pandemic

Unexpected calamities affect TBGs *Rose (personal communication, FGD, 05/10/2022),* a focus-group respondent, pointed out that despite the continuing willingness of individuals to participate in TBGs, the 2020 COVID-19 pandemic had an impact: "Table banking has gone down, because of a lack of income."

Focus-group respondent *Rose (personal communication, 05/10/22)* was concerned about women who ventured into low-income and small businesses and could not afford to participate in TBGs during the pandemic. This prompted the researcher to seek more information on the issue. All four respondents who discussed the effects of the COVID19 pandemic noted that their businesses were closed for six months, resulting in no returns.

Rose noted that young mothers ended up doing manual jobs and menial tasks, with their small earnings spent on essential products such as flour or vegetables. The shortage of resources makes financial investment a privilege, which in turn makes TBG participation a daunting task (Rose, Personal Communication, FGD, 05/10/2022). The Central Bank of India (RBI) and financial institutions reacted promptly to the far-reaching effects of COVID-19. The RBI coordinated with the Indian Government to mitigate risks. These measures included a moratorium on insolvency and temporary bank-loan repayment rescheduling (Sharma & Sharma, 2022, p. 1420).

Sharma and Sharma (2022) argued that financial institutions show the dire need for effective financial rescue strategies, similar to those deployed by central banks such as the Reserve Bank of India, for the restoration of economic viability and continuation of micro-community financial work amid unexpected disasters.

The study results suggest that several women, especially those in casual employment, could not continue or keep their savings during the pandemic to participate in TBGs, as businesses were shut down for an extended period. This disruption highlighted the economic fragility of TBG members and the need for strong financial frameworks to help TBG members during crises. However, not all TBG members lost their savings or their businesses. *Nation Media (2020)* interviewed a member of Team Revolution, a TBG in *Korogocho*, who said the group started a project to manufacture and sell soap and bleach, and opened other small businesses in their village to cook and sell food, which helped them survive the pandemic (Nation Media, 2020).

Social Development

The main benefit of being together as a social group of friends (*chama*) was observed in ARIL group and SSE. *Standard Media (2011)* reported that the investment group had humble beginnings. A member narrated that, "We have been friends for a very long time, and we socialised together, then decided we could benefit financially from our friendship."

Another, positive societal aspect of *chama* was reported in *Standard Media (2012)*. The connection between individuals in these groups enables the members to communicate with new and old friends, expand their social and professional networks, and reduce stress. Furthermore, the reporter added that the *chama* offered a great deal of social and ethical assistance during personal events including weddings, births, graduations, or hospitalisations.

A *Standard Media (2014)* reporter established that the value of TBGs was not in the exclusion of individual needs but in their ability to foster a communal protective safety, where people can address economic needs collectively as they seek to strengthen communities. The group activities as (Seurei, 2018) cultivate the feeling of being

empowered when engaging in occasions, such as weddings, which motivates more people to join TBGs, thereby increasing their community value.

TBG activities and social-welfare projects depend on social trust to operate successfully. A respondent argued that members wanted to have more savings for welfare. What underpins TBGs is viewing society as an entity and discovering the bond that exists between individuals:

> *Why table banking? Because people are looking at that social aspect, that neighbourhood, and that commonality. In addition, TBG exceeds mere financial operations; it is a measurable value that focuses on the social aspect, the camaraderie. It is a centre stage where people share their burdens, build friendships, and foster communal well-being (Luke, Personal Communication, FGD, 05/10/2022).*

The setting aside of a part of the collected money as social welfare signifies a societal element of promoting shared values and goals beyond serving individual economic interests. Another respondent said that TBGs provide economic empowerment by circulating money within the group, creating a virtuous cycle. Reinvestment of accrued profits ensures a surge of finances that helps boost individual livelihoods by fulfilling basic needs such as rent and family expenses.

Despite the COVID-19 pandemic effects, the focus-group findings on social status showed that TBG members improved because most of them felt empowered and appreciated in their communities, and they participated in social and community welfare activities such as weddings (Maggie, personal communication, TBG member, 18/012023). Study participants noted that TBG members' involvement improves their social status. Individuals experience a measure of control and recognition within their groups, where they participate in social activities.

Better Living Standards

The purpose of table banking is to put money together, and lend to group members who repay slowly, with the main aim being to empower the members and to raise living standards. According to a *KTN* reporter, a person who founded a TBG was able to bring women on board and form a group of 32 women with a minimum monthly turnover of Kenya Shillings 400,000. Ivy, an individual participant, said that those who initially did not have money could have at least 5,000 shillings in their first three months upon joining the group (KTN Kenya, 2016). This enables them to afford basic needs.

Another group in *Mukuru Fuata Nyayo* TBG in Nairobi County engaged in TBGs' economic activities alongside social and solidarity aspects; participants have greatly benefited from these activities, in terms of both improved living standards and employment opportunities. An NTV case study showed how three women in the TBG used the money they earned from their business to set up a day-care with the help of the support received from the Child Fund (NTV Kenya, 2018).

Key informants in the focus group discussed the benefit of SSEs, where communities share economic objectives while considering gender inclusiveness. This allows TBG members to invest in building homes by acquiring group loans. *Eric (personal communication, FGD, 05/10/2022)* said that table banking improves participants' economic empowerment through the provision of opportunities to gather and define their economic goals, which in turn brings together members fosters for unity and mutual support.

The focus-group results revealed that TBG members have the opportunity to educate their children. "What matters in table banking is to put money together. If you [borrow], you

repay it slowly. It raises one's living standard, pays children's school fees, and boosts your business or any other needs, with discipline" (Sue, Personal Communication, FGD, 05/10/2022). "If someone gets one hundred Kenyan shillings (equivalent to $0.91), they use it to buy flour and vegetables" (Rose, Personal Communication, FGD, 05/10/2022).

The leader of the Team Revolution TBG in Nairobi, which is involved in training for economic development, was interviewed by a *Nation Media* reporter in 2020.The leader said, "I'm a member of a community-based organisation. The reason why we started Team Revolution is to ensure that we better the livelihood of young women in informal settlements." Team revolution offered training in three main modules: business management, cooking, and practical tasks that enable participants to generate cash and keep their households afloat. This approach ensures that gains are permanent, which allows women to go on their different businesses without outside support.

Training TBG members in practical finance-related skills enhanced their living standards. This training is more than basic financial management; it includes a wide range of practical skills that empower women to establish, manage, and run their businesses, which, in return, helps to raise their socioeconomic status.

7.2 Consequences of Organisational Effectiveness for the Organisation

This section evaluates measures of TBG organisation effectiveness in terms of outcomes that affect TBGs as organisations. Major areas of focus are external funding from government affirmative funds, repayment rates as affected by low interest rates, and the ability to attract new members.

External Finance

The need for financial access drew attention to the necessity for the government to provide funding for TBGs and SACCOs. Study participants made several suggestions concerning how this funding could be better facilitated. Grassroots actors advocated for the idea that the government need to consider funding SACCOS and TBGs with direct funding. *Luke (personal communication, FGD, 5/10/2022)* suggested, "If the government could fund the SACCOs or Table Banking directly…. The UWEZO was distributed to individuals. If Reality SACCO gets KES 50 million from (UWEZO) they should be able to lend to other SACCOs or table-banking groups to benefit." *Mark (personal communication, 5/10/2022)* and *Sue (personal communication, 5/10/2022)* concurred, saying that direct funding initiatives like the UWEZO fund would greatly improve support to organisations operating in many communities.

Focus-group participant *Sue (personal communication, 05/10/2022)* admitted that political conflicts were a reason for the unsuccessful exploitation of the UWEZO fund. Sue shares her experience "For me, the UWEZO fund failed because it was political. I went to Jomo Kenyatta University to be trained about the WEF, which came through the social services office [and] started with KES 50,000 that was given to Table Banking groups, which they can borrow to KES 1M progressively."

Sue (personal communication, FGD, 05/10/2022) continued: "The Women Enterprise Fund does not have a lot of problems (SIC) compared to the UWEZO fund, the Member of Parliament owns it and gives it to the people who support him/her, and if they are given the money, they can choose not to pay it back. Government affirmative funds, UWEZO funds, and Women Enterprise Fund [money] are available to meet the financial needs of all the Kenyan communities, with easier application processes." This shows that if the UWEZO fund could be well commercialised it could have benefited more communities and positive returns can be realised.

Concerning SACCOs with good-performance funds, focus-group participant *Mark (personal communication, 05/10/2022)* mentioned that *Matatu* SACCOs had good recordkeeping and performance due to tight regulations and clear structures. Mark noted that the Bunge SACCO funds or the potential Hustler Fund could help with the effectiveness and impact of the funding they lent: "If the current government will release the Hustler Fund, it must train people and develop structures, as previously discussed" (Mark, Personal Communication, FGD, 05/10/2022). This finding demonstrates the importance of technical training and well-built organisation structures for the success of such funds. The focus-group discussion revealed that the main reason customers disliked borrowing from banks was their complex registration procedures and high interest rates. This caused concern that the Hustler Fund could not obtain credit even from banks because people might avoid borrowing because of these factors.

The TBGs can source external grants however they have to notify the Ministry because of regulation on external grants that need approval. Any internationally donations for SACCOs are channelled through the government accounts with official signatures. Another, focus group expert explained that all international donor funds applied to SACCOs should be well scrutinised and often necessitated that they should channel to the government account with a government officer acting as a signatory (Eric, 2022). Sourcing international grants, respondent Eric points out that various types of international funds can be targeted toward technical knowledge and expert training in financial management. For example, the USAID and the ILO are prominent actors in offering beneficial grants. It was apparent from the recollection made by *Eric* on a grant writing proposal that secured funds for the organization from New York in the earlier years (Eric, 2022). The government provides external loans to TBGs from WEF as a cheaper way to borrow. They encouraged each other by telling their success stories, and they gave each other strategies on how to take out WEF loans even if some of their husbands were members of the clubs. An individual member of a group mentioned that

the bank loan helped them purchase land. Focus-group participants *Anna and Sue (personal communication, 05/10/2022)* explained that social-services officers could teach borrowers how to use the loans and pay them back with minimal challenges, giving the example of Naivasha Women Savings and Credit Cooperative Society is a case of resource mobilisation via WEF.

Gender bias in WEF policies was debated in the focus group. Participant *Luke (personal communication, 05/10/2022)* noted that men have very little direct access to the funds, as the organisation should have a female head who can authorise it. Nevertheless, TBG members stated that the informal groups that include men from the community come up with strategies that can enable them access to the WEF by entering into agreements MOUs) with women. WEF funds may be made available to SACCOs if applications are submitted through the category benefiting women borrowers, with the clear knowledge that such funds will be used to fuel the main agenda of the group (Luke, Personal Communication, FGD, 05/10/2022). TBG organisational effectiveness can be increased substantially through proactive external funding, appropriate regulation, and robust inner system frameworks. In doing so TBGs will be able to deal with the challenges and take account of the participants' suggestions to enhance the financial stability of the organisation and attract new members more effectively.

In the focus group a participant expressed that the SACCOs' difficulty in trusting banks, especially with regard to the current government's plan to institute the Hustler Fund as a channel for bank lending, results from potential borrowers' concerns that Hustler Fund loans will, like banks, impose difficult application procedures and high interest rates. A focus group participant from Ministry of Labour and Social Protection, State Department for Social Protection, and Senior Citizens Affairs said during the focus-group discussion that any grants for informal banking groups need to have a signatory from the government office, and that SACCOs who might apply for donor funds will be monitored "Sometimes,

donor or government funds come with a regulation that this money must be put in a government bank…. The account signatory must include a government officer or their business" (Anna, Personal Communication, FGD, 05/10/2022).

Focus-group participant *Eric (personal communication, 05/10/2022)* shared how to source international grants for capacity-building and training in financial management. He emphasised that international funds are available: There's USAID.... There's ILO. They give out 25 million in grants.... I wrote a proposal for an organisation in 2010 which was given 1M…; in 2010 that was a lot of money, wired from New York to an account…but was meant for a particular project as per the proposal.

As discussed in the focus group, TBGs can access external funding from local banks and government affirmative funds. In this study, the WEF directly allocates funds to women's groups in the form of TBGs. In contrast, UWEZO-devolved funds from the government are meant to benefit women, youth, and people with disabilities, in all counties in Kenya. The WEF trainer participant said that the women in the groups easily borrow affordable loans, which start from KES 50,000 up to KES 1M (Sue, Personal Communication, FGD, 05/10/2022). One of the participants applied for international grants from overseas to fund a table-banking project in which women would be the majority.

Significantly, a respondent felt that men were being disadvantaged and would have to make an agreement with the women to acquire the WEF funding (Eric, 2022). *Ouko (2006)* argues that microfinance-institution regulation must be closely controlled to stay financially viable and ultimately capable of serving the public without being significantly subsidised. The opposing argument is that microfinance institutions should instead concentrate on clients with special needs. In the past, women had problems finding financial institutions to serve their credit needs; apparently the same issue echoed with the men in this study, who felt excluded. Ouko further found that microfinance

institutions' primary goal is financial inclusion, which is intended to satisfy the social aspect as well (Ouko, 2006).

High Repayment Rates

Low interest rates and mutual trust encourage SACCO and TBG members to pay their loans promptly, which results in high repayment rates. Most of the focus-group participants mentioned that SACCOs offer favourable interest rates. One participant further pointed out that banks are currently offering loans at interest rates of up to 18%, whereas the WEF lends to SACCOs at a lower rate of 5%, and individuals can borrow from SACCOs at an interest rate of 8% (Mark, Personal Communication, FGD, 05/10/2022). The SACCO participants in the focus-group discussion agreed that sourcing loans with low interest rates from the WEF created revenue.

An example was shared where self-help groups consisting of 250 members could form smaller groups of 10 members each to collectively access a total loan amount of KES 1.6 million at a 5% interest rate. These funds, when channelled through SACCOs, could be lent to members at an interest rate of 8%. The importance of lower interest rates was emphasised, with SACCO loans typically carrying higher rates exceeding 14%, and banks charging SACCOs charging as much as 18%. *Mark (personal communication, 05/10/2022)* highlighted the case of a specific SACCO in Rift Valley North, Uasin Gishu County, which provides loans at an interest rate of 5%, suggesting that county governments play a crucial role in directing resources toward supporting SACCOs.

However, this study observed that TBGs have an advantage over the SACCOs, in that TBG members' access loans with lower rates. And gain dividends making more personal profits unlike the SACCOs that offer less returns to individuals. *Levin, 2012* explained that Yunus's model offers loans, usually of about $250, to borrowers, who pay the loans back with interest; the interest contributes to the revolving funds of the self-help groups.

(Levin, 2012, p. 12) Other, benefit of such groups was their sustainability based on members' ability to agree on the terms of loan repayments and interest rates (Standard Media, 2023).

Attraction of New Members

The attraction of new members was found to increase the number of registered members and improve socioeconomic growth in TBGs. The discussion in this study revealed three main strategies: referrals from a current member, word of mouth, and prospective members' motivation to join groups that have evidence of achieving economic prosperity and progress.

The first of the above strategies explained by the focus-group participants were referrals by an existing group member. The government officer in the focus group, Anna, clarified, "As a teacher or an officer, I cannot introduce you to a group. It's the other way around. You form a group, you [] know each other, then you call us in []" (Anna, Personal Communication, FGD, 05/10/2022). This method promotes trust and acquaintance between the members of the group, which is vital to group unity and dependability. Additionally, participants said, "So, there's registration...being introduced, then you become a member. Then, the one who introduces you is the one who passes you the 20,000 loans*"* (Luke, Personal Communication, FGD, 05/10/2022). After the group is formed, the government officers will train them on TBG concepts; subsequently, existing members will train new members.

The second strategy discussed was word of mouth. Focus-group members talked about which activities tend to attract new members. Participants observed that good and effective governance of TBGs results in positive talk that brings in more members. *Luke (personal communication, 05/10/2022)* said, "The expansion of the group reached a point, and a SACCO was formed because of good management with 100 members…. The more the group grows, people spread the word. Luke further discusses that if the groups are

doing well, untrusted creditors might not be recruited if the groups are doing well, con men and women get recruited."

The third strategy is the effectiveness of members' success in demonstrating that the economy has improved and that the group's activities are benefiting the community, which attracts new members. For example, participant *John (personal communication, 05/10/2022)* said that with a savings of KES 30 M, Reality SACCO was formed in the town of Nakuru.

Several newspapers reviewed the growth of TBGs, which attracted new members through various development projects with financial benefits associated with the group. *Standard Media (2021)* reported that members were attracted to a TBG housing development project: "The group grew as more members joined in 2016. After evaluating their progress, the members increased their weekly savings to Sh200 and eventually to KES 1,000. *Jona,* not his real name. elaborated on the growth process that the group had at that time and how their plans were instrumental in further attracting newcomers. At the end of the year, the group became one of the biggest in the organisation with nearly 100 members" (Standard Media, 2021).

Economic activities ignited the interest of more members, who joined self-help groups, as mentioned above to have created employment opportunities (Nation Africa, 2011/2020). A similar community group with high investments mentioned in Chapter 5.3 who run a transport business came together to carry out socioeconomic activities, as explained in a *Standard Media (2021)* interview with the Boda-Boda that grew from a self-/the Kianjahi Housing Cooperative Society.

Elouaourti & Ibourk (2024, P.88) explained that since the year 2014 to 2022 Kenya has taken a lead in Africa in the digital financial inclusion with a larger population using

electronic transfer, Lesotho third, Uganda in fourth position and Botswana eighth, however countries like Egypt, Sudan, Tunisia and Niger face limitations. Their finding on wide use of digital applications affirms below that Kenya embraced the wireless networks.

The number of informal groups has increased since the advent of online technology, which has made it easy for people to connect from different localities for socioeconomic gain. An online *chama* founded by an individual and coordinated in Kenya using WhatsApp, demonstrated how technology can be used to facilitate financial inclusion and group transactions. The online *chama* founder managed to set up roughly 100 different *chama* on WhatsApp, which offered everything from travel and home appliances to modern merry-go-round savings groups (Nation Media, 2021).

The results of this study suggest that attracting new members creates an opportunity for TBGs to evolve into SACCOs. The participants noted that fast expansion of TBGs was ignited by the evidence of socioeconomic growth, trust and word of mouth. In contrast, formal banks may conduct campaigns to encourage individuals to open new accounts, but many of these accounts ultimately become dormant. *Dupas et al (2016, p.81)* identified that while a population in rural Kenya lived near formal banks, they were still hesitant to deposit their savings with them (Dupas, et al., 2012, p. 81). This suggests that people are interested in informal banking groups, where personal trust and social connections are stronger.

7.3 Chapter Summary

This chapter has presented the narratives and description of the various measures that enhance effective TBG operations in response to the research question. This contributes to the construction of the TBG system and conceptual framework explored in the study, considering the factors highlighted and described in Chapter 2 and articulated in Chapter 3. The findings from Chapters 5 and 6 regarding inputs and structures and processes reveal factors that have had an immense impact on the outcomes from TBG development. This chapter has explained how the social and economic factors and the existing policies and practices have shaped TBGs at both the individual and organisational levels, as revealed by the lived experience of TBG operators.

Chapter 8 summarises the study's contribution to the field of TBG organisational effectiveness in Kenya. Significantly, the study reflects the internal and external environment of TBG practices intended to strengthen their policies to enable them to sustain the social and economic activities of the communities, which depend on informal banking through TBGs to access affordable financing.

Chapter 8 Summary: Table Banking Practices from a Kenyan Perspective

8.0 Chapter Overview

The preceding chapter discussed the outcomes of TBGs at an organisational and individual level while considering the social and economic factors that contributed to these outcomes. This chapter brings together the study's findings that contribute to TBG practices from a Kenyan perspective to better understand the characteristics of TBGs and SACCOs. The chapter also reviews the model developed in the study that categorises TBGs as successful, average, or on the verge of failure. The chapter lays out the structures and processes that determine effective practice and policy shaping TBGs' growth and sustainability in the informal financial sector in Kenya.

The discussion comprises the following key themes: a) regulatory frameworks and table banking effectiveness; b) structures and processes for organisation effectiveness; and c) outcomes at the organisational and individual levels. In addition, this chapter explains the implications of the findings for TBGs' effectiveness in Kenya. The chapter concludes by discussing the reflective TBG experiences, literature challenges, and suggested areas for further study.

8.1 Review of Thesis Contribution

This organisational case study of Kenyan TBGs identified gaps, found new knowledge, and recognised similarities in the literature from other researchers in the field. The summary discussion of the eight chapters responded to the following research questions: i) *what factors enhance the organisational effectiveness of TBGs as an SSE enterprise? ii) How do regulatory frameworks influence the organisational effectiveness of TBGs?*

iii) What strategies can TBGs implement to improve organisational effectiveness? iv) How does the level of organisational effectiveness affect the outcomes of TBGs?

The study used a qualitative design approach to purposely select participants and identify secondary data. The data was analysed using thematic analysis to identify and interpret the findings.

Chapter 5 explained how the TBG system operates and suggested improvements to the policies of the Ministry of Labour and Social Protection, State Department for Social Protection, and Senior Citizens Affairs that would allow TBGs to have effective structures and processes, as those of SACCOs. However, TBGs are disadvantaged because government regulations do not allow them to lend to non-members. These factors hinder the expansion and sustainability of TBGs. TBGs have the potential to expand significantly. The focus-group participants in this study noted that TBGs transition into SACCOs when they attain a membership of over 100 people. This study observed trends in the membership, structures, and policies and processes of SACCOs and TBGs from lived narratives and anecdotes from primary and secondary sources.

Registered TBGs are provided start-up training by the Ministry of Labour and Social Protection, State Department for Social Protection, and Senior Citizens Affairs on how to operate. The regulations require that TBGs carry out socioeconomic activities within their groups of 10 to 30 members, and that they not lend money to non-members. In addition, the umbrella NGOs mobilise communities in different regions of Kenya to empower them in groups. As observed in this study, *chama* growth has been attributed to the training provided in areas of financial management and risk management, which protects the members and organisation from loss.

The focus-group participants discussed policy practice, raising the issue of affirmative funds, which touches on cultural norms and values. This study affirms that financial

access and inclusion with favourable terms enable informal banks to borrow easily with friendly interest rates. The government of Kenya provides affirmative funds to women through the WEF. The study showed that SACCO membership has no gender preference; surprisingly, the women in the SACCOs form groups where they access WEF funds at low interest rates in ways that benefit men. The men in the focus groups said that they hoped that the Hustler Fund, introduced in 2022 by the government, could be distributed through SACCOs.

Chapter 6 related how TBGs can grow and transition to become SACCOs. The question established structures, processes, leadership, and risk management that were built on the initial proposed system theory and conceptual framework necessary for an efficient TBG system approach. Successful SACCOs implement business-planning and business appraisal strategies as tools that improve credit facilities and reduce loan default. The identification of SACCOs that operate at low, medium, or high levels enables the SACCO umbrella bodies to regulate and monitor their financial operations effectively; this prompted the study to examine the organisational effectiveness of TBGs that were successful, average, or on verge of failure.

As observed in this study, the informality of TBGs has hindered social and economic progress and development that could lead to more-sustainably structured financial institutions. TBG risk-management processes are not clear, particularly about recovering unpaid loans; in contrast, SACCOs have standard policy practices in their legal framework that are drawn from the International Financial Reporting Standards (IFRS)-9. For TBGs to operate more effectively, loan-recovery policies with greater structure need to be in place. The study found that a financial institution with a welldefined structure and set of procedures will help its members and leaders accomplish their goals and objectives effectively.

Chapter 7 described the outcomes of TBGs at the organisational and individual levels, noting that the practices and policies discussed in Chapter 5 and the structures and

processes discussed in Chapter 6 affect TBGs' socioeconomic outcomes at both levels. The study findings identified factors that could improve TBG operations. The participants' experiences highlighted how the individuals thrived in employment opportunities and improved their living standards and social status, and how organisations accessed external funds, achieved high repayment rates, and attracted new members.

The SSE aspects of TBGs bring individuals together to pool resources and borrow from available funds. This helps create jobs for the women members to improve their living standards and social status. TBGs' main benefits are access to interest-friendly loans, peer trust, and access to government affirmative funds. However, during the 2020 COVID-19 pandemic the TBGs experienced challenges as the income from small businesses declined sharply or disappeared altogether.

At an organisational level, the organisation motivates members to save regularly. Both TBGs and SACCOs admitted that they depend on member savings. Focus-group participants thought that the government could have allocated SACCOs to facilitate the Hustler Fund. Successful TBGs are likely to have leaders whose attributes consist of honesty, integrity, transparency, accountability, and expertise in managing risks and finances. The mobilisation and attraction of new members create an opportunity for communities to alleviate poverty. To recruit members, the Ministry of Labour and Social Protection, State Department for Social Protection, and Senior Citizens Affairs, advocates that initial training and direction on social and economic objectives have to be specified. Most individuals join groups because of trust, word of mouth about economic development, and the perceived stability of the groups.

This chapter reflects on practices that moderate organisation effectiveness, explains the implications of the TBG framework for organisation effectiveness, suggests areas for future study, and offers a conclusion. Based on the deductive observations in Chapters 5, 6, and 7, this chapter derived and constructed a moderation pyramid to rate TBG performances at the scale of the factors that influence TBGs' organisational effectiveness:

improved legal structures and processes, mobilisation of more members, high investment/repayment rates, strong leadership, shared objectives among peers, trust among peers, a low level of loan defaults, improved socioeconomic status, and employment creation and training. To categorise TBGs, the constructed moderation model will evaluate their status to determine TBG effectiveness.

8.2 Reflection on Practices that Moderate TBGs Effectiveness

The researcher combined the information from the TBG interview findings with the rich findings constructed from the focus-group discussion, SACCO umbrella-organisation interviews, and triangulation from the newspapers, YouTube, and policy documents in related fields, as well as the literature review and the voice of the researcher. Moderators to TBG success were identified through considering the outcomes of TBG performance. There have been no existing measures to rate TBG performance as high, medium, or low. This initial identification of three levels of TBGs requires a longitudinal study of TBG in Nakuru County. Results might enable TBGs and umbrella organisations to evaluate the growth of TBGs' structures and processes for organisational effectiveness.

This study identified features of success, average performance, and verge of failure while considering the factors in system theory and the TBG conceptual framework. The study observed that TBGs and SACCOs have characteristics affecting the definition of their formality. This review describes the TBG benchmark and the gaps between TBGs and SACCOs.



Figure 8.3 0 Features of Moderation of Three Levels of TBGs

8.3 Moderation of Three Levels of TBGs Performance

Figure 8.3.0 illustrates how TBGs with high moderation succeed, while the ones with medium moderators are average and those with low moderators are on the verge of failure. The increased use of the moderators might influence the performance of TBGs, moving them towards success; similarly, intermediate moderation could produce average results, and minimal use of moderators could place TBGs on the verge of failure. The study considered these moderating dynamics: legal structures and processes, mobilised members, investment rates, leadership, shared peers' objectives, trusted peers, defaults, socioeconomic status, employment creation, and training. The researcher observed that the following features contributed to TBGs' success, and their lack contributed to TBGs' failure.

a) Improved Legal Structures and Processes

During the exploration of multiple data sets, the researcher found that TBGs are required to be officially registered by the Ministry of East African Community Labour and Social Protection. The need to legally register *chama* was reviewed, finding that a video on Standard Media's YouTube channel revealed how an informal group of friends registered a limited company known as ARIL. Therefore, the formality of a limited company enabled its members to have trust in it, paving the way for diversified investments from the professionals who had joined the group. In the event of company debt, individuals will not be held responsible. The legality aspect creates confidence among the members and accelerates group development. In addition, the improved policies boost the credibility of TBGs' partnerships with local and international financial funders.

TBGs that demonstrate average performance have been consistent in their processes, learning from their past mistakes and looking forward to a better future. The groups ensure that the members follow the rules and regulations. One focus-group respondent shared an experience of losing their savings to fraudulent investors, which led to them implementing financial structures and loan-appraisal processes to avoid loss. The implementation of minimum default rates encourages the group members to save more in the groups, which speeds their expansion. Such TBGs have grown together and transformed into SACCOs. Good examples are the Medy and Naivasha SACCOs, whose members have demonstrated resilience.

Low-level TBGs are those on the verge of failure. The participants struggle to avoid default, and debtors borrow funds from friends and family to cover up their struggles, which this study describes as a *"pretender loan payment*." Focus-group respondents emphasised the need to educate borrowers in business planning, giving an example of a young person who could borrow to start a business but later opted to use the money to shop in the supermarket for a fiancée. Such incidents lead to high levels of defaulted loans that cause TBGs to fail.

b) Mobilisation of Members

The focus-group discussion revealed that the Ministry of East African Community Labour and Social Protection advocates for groups of 15 to 30 members to connect for SSE reasons. New members join TBGs through word of mouth from friends who usually trust them very highly. Another motivation to approach TGBs as potential new members is the visibility of financial achievements, such as property acquisition or business expansion. With improved policies, TBGs with larger membership numbers can expand and transition into larger organisations.

Stories in the media showed that an NGO mobilised communities to join the TBG movement: in 2009 the JOYWO umbrella organisation started with 80 member groups, each with 15 and 35 individual members, and eventually had 11,500 women's groups with high membership numbers. However, keeping constant numbers of membership and dealing with unknown members hinders the growth of the group, which will be at an average level. Media reports also point out that lower-performing groups will not attract new members, and that some members might leave the groups because of loan default, placing them on the verge of failure.

c) High Investment Rates

TBGs that thrive have invested in property after registering as a cooperative society. A successful example reported from the media in Kenya is the *Kianjahi* Housing Cooperative Society, which transitioned from a *Boda Boda* self-help group. Their project was purchase of a parcel of land and build homes for members (Standard Media, 2021). Similarly, a focus-group participant who trains groups for the WEF shared that one TBG purchased a parcel of land, subdivided it, and sold it to make profits (Sue, Personal Communication, FGD, 05/10/2022). When self-help groups invest for personal development, it eases housing problems (Gatuguta, et al., 2014).

> *With the country experiencing an acute shortage of housing, especially for the low-income segment of the population in urban settlements, the Ministry has promoted 440 housing Cooperatives. However, these housing programmers have stagnated due to a lack of affordable mortgage facilities and long-term lending to assist in housing development. Besides, poor planning, the high cost of construction and building materials, and the complex land administration mechanisms discourage investors/cooperatives from committing funds for housing project[s]* (Nation Africa, 2023).

Average-performing TBGs have invested in property and aim to do more in the future**.** Low-performing TBGs could initially have articulated a mission and set goals but did not perform well because of lack of commitment to investment in property.

d) Leadership

TBGs with leaders who exhibit positive traits, such transparency, trustworthiness, honesty and integrity, are the most successful, meeting the groups' mission and vision. Leaders of good character enable the TBGs to achieve their planned SSE objectives while raising their standards. The study found that on average, TBGs ensure that their members follow the organisational rules and regulations and oversee all socioeconomic activities of the TBG. In contrast, some TBGs failed due to members' lack of financial management skills or fraud.

e) Shared Objectives with Peers

The study shows that the most successful TBGs have members who share common thoughts or ideas, and act on their TBG's plans. When the TBG members have the same social or economic goals, there will be less conflict when deciding on the projects they want to carry out. TBG leadership positions are voluntary, and intense commitment is required to meet TBGs' SSE purposes. For example, a video on NTV's YouTube channel reported a success story of women who came together to improve their living standards through their membership in a TBG in *Nairobi Fuata Nyayo*. They saw an opportunity to borrow funds to start a kindergarten, and they were able to work together in a fruitful way

(NTV Kenya, 2018). In this study, there was an observation where some members left groups because they did not agree with the decisions made. An example is a group that was transitioning from a housing-focused self-help group to a SACCO, when some members thought this was too ambitious. Similarly, some ARIL members left, having disagreed on the issue of upgrading into a company.

f) Trusted Peers

As TBGs are social groups that are started by close friends or neighbours, they can only be sustainable when the members have total trust in each other. Members' respect for the stipulated TBG rules introduces clarity and discipline, which have a positive impact on the group's development. In most cases the TBG members know each other's strengths and weaknesses and have trusted each other for a while; however, when mistrust sets in, the groups are likely to fail to function well, endangering their survival as an SSE.

g) Loan Default

The advantage of easy access to friendly loans has often meant that TBG members have taken out loans to support their families' everyday needs but potentially burden them. *Nation Africa (2023)* reported that borrowing through table banking and from other financial institutions might expose borrowers to the danger of being in bad debt. However, high-performing community groups such as SACCOs have CRB oversight to minimise this risk. Although they do not have CRB oversight, TBGs that are successful or average are highly disciplined with close group cohesiveness, while the TBGs on the verge of failure are most likely to have trust problems and weak group connections.

h) Improved Socioeconomic Status

TBGs vary in their socioeconomic objectives and goals and in whether these goals are short- or long-term. Focus-group and interview participants recounted their success stories in the focus group, and the survey of YouTube videos and newspapers also found numerous stories of successful borrowers. For example, one TBG participant who was

successful, started a grocery stall with a stock of KES 1,000, and within seven years had increased their stock to KES 10,000 (Nation Africa, 2011/2020).

ROSEWO TBG member interviewed in this study, who was deemed on average performance, said that they had started their business three years previously, and that the business generated increased annual dividends. When members of TGBs on the verge of failure were interviewed, they recounted their own successes but did not identify with socioeconomic failure.

In this study, the TBGs level of the individuals' socioeconomic success are defined by their own socioeconomic experiences, unlike the SACCOs which are evaluated by tiers to determine their socioeconomic performance in categories. This was as per SACCO umbrella Organisations feedback. To evaluate TBGs socioeconomic performances future study needs to investigate a larger target group for actual results.

One interviewee's participation in retail has contributed to their socioeconomic stability for five years**.** In the TBG interview findings**,** the three respondents suggest that they were all successful, and that their success was measured by increases in revolving funds and dividends, business expansion, and economic progress. *Joy (personal communication, 18/01/2023)* said, "The group was successful when they started, they pooled funds from KES 100,000 and now have KES 300, 000." *Faith* said, "The group started in 2018, progressing socially and economically, with members venturing into different businesses" (Faith, 2023). *Mercy (personal communication, 18/01/2023)* explained that "the members can access KES 200,000 and the members savings are increasing."

Better social and economic status achieved through participation in a TBG and the corresponding ability to access loans have improved their daily living standards**.** The findings recognised that low social and economic returns from TBGs are generally a result of non-performance, especially when borrowers redirect business funds to personal needs, as identified in the focus-group discussion.

The SACCO umbrella-organisation interviewees acknowledged that with five-year and 10-year goals SACCOs should have more savings, which allows them to deepen financial access for members, promote welfare, and boost core businesses.

i) Employment Creation

The study findings from all data sources show that TBGs are business-oriented and create jobs for their members and the surrounding communities.

Average-performing TBGs participate in socioeconomic activities to generate employment through the businesses they fund. In contrast, low-performing TGBs contribute to high unemployment rates through the instability of their economic activities, which generally result from unforeseen risks such as slow development in their local areas. Similarly, the focus-group participants identified the COVID-19 pandemic and resulting lockdowns as the cause of borrowers not accessing laundry work or opening grocery businesses (Rose, Personal Communication, FGD, 05/10/2022).

j) Training

Study participants noted that training is essential for high performance. The leadership skills that TBGs acquire may enable them to transition to SACCOs; this transition requires them to have the economic capacity to mobilise savings, and to have a base of members with basic education levels in bookkeeping. Additionally, leaders are required to train in financial management and good governance. SACCO umbrella organisations have the mandate to provide training to all the managers of SACCOs organisations. As indicated by *Garson (2010)* leadership-development practices are an important area considered and implemented in organisations to increase human capability and the ability to gain a competitive advantage.

The focus-group participants also noted that WEF training is a prerequisite for acquiring loans; similarly, *Standard Media* reported that ARIL provided training to their members,

with an associated positive socioeconomic impact (Standard Digital, 2011). Therefore, it can be assumed that for TBGs to be successful, they must have acquired sufficient skills and knowledge.

Average-performing TBGs have been provided training. The study identified that the JOYWO umbrella organisation has been providing training to its clients. Ensuring the sustainability of businesses requires participation in regular workshops around business planning, risk management, and financial management. A YouTube video about the Baraka Centre reported that entrepreneurs were trained in business management and bookkeeping records (Women Centre International, 2020).

TBGs on the verge of failure had undertaken little or no training in financial skills or had slow progress in carrying out their socioeconomic activities. When participants from these TBGs were interviewed, most of them said that they had not received training, which had slowed the advancement of their businesses.

This study found that moderators determine at what socioeconomic levels TBGs operate. At the moment there is no formal categorisation for TBG performance, in contrast to SACCOs, which have been categorised according to their legal structures and the processes that govern their performance Despite the lack of formal categorisation, TBGs with strong leadership traits, improved skills, training in business planning, appraisal of the purposes of the loan, and a large number of members show lower levels of loan default.

This study aims to foster TBG policy improvement, which will improve the degree to which TBGs can serve the financially vulnerable in rural and urban communities in Kenya. The moderation tool might enable the Ministry of Co-operative Development, the NGO umbrella monitor, and other stakeholders to encourage TBGs to grow within their environment instead of transitioning to SACCOs. The study findings suggest that for this

to happen, TBGs need improved practices and policies for effectiveness, greater emphasis on training in better leadership skills, and more-formal structures.

8.4 Implications of the Table-Banking Framework for Organisational Effectiveness

Based on relevance to an enterprise sector that is grounded in social solidarity, the present study adopted a TBG framework that explored organisational effectiveness. The research observed how TBG obtained economic resources that resulted in competitive advantage from accessing interest-friendly finances. Furthermore, the study investigated the efficiency of necessary processes and the achievement of the TBGs' objectives. In addition, the study sought to examine the level of success, on a scale of successful, average, and on the verge of failure. *Cetin and Cerit, (2010)* noted that for an organisation to achieve set goals the resources must be available; this demonstrates that the system approach works as expected. This study aimed to determine how the assessed outcome contributes to the improvement of the adopted conceptual framework of TBGs as effective SSEs. In addition, the study developed approaches to organisational effectiveness that correspond to TBGs as an effective SSE, as explained below.

A system approach to the concept of table banking enables the identification of various connecting factors *(Figure 8.4.0)*. In the study, several aspects were explored for TBGs' organisational effectiveness. The findings recognised that the input, structures and processes, achievements, and constituents' satisfaction were incorporated. The focus group participants pointed out the following factors as key: leadership, strategies, processes, risk-management internal activities, and practices that interact with the inputs for organisation effectiveness. Consequently, the outcome of the TBGs at an individual and organisational level was dependent on their socioeconomic achievements and effectiveness.

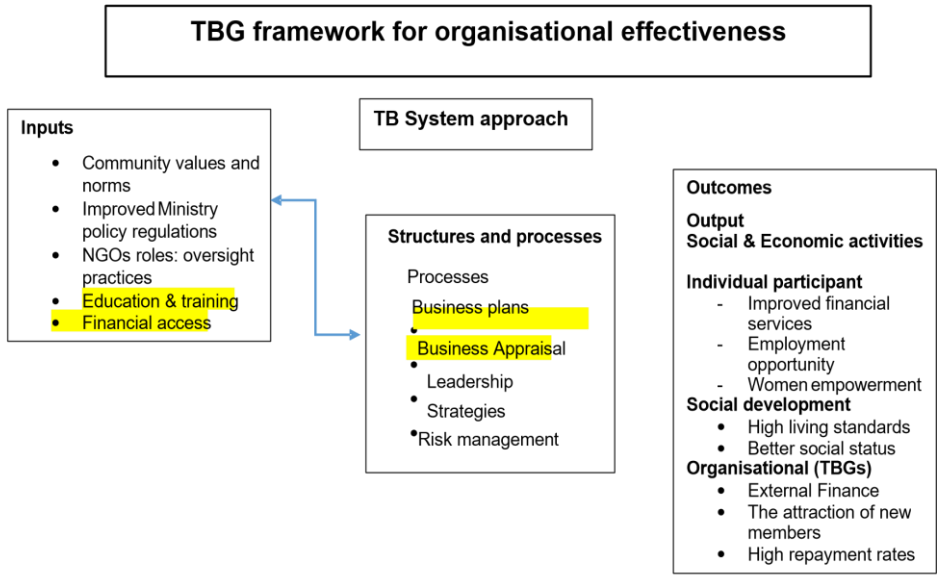


Figure 8.4.0 TBG Framework for Organisational Effectiveness

The focus-group participants spoke at length about issues in policy regulations and how to manage risks associated with financial management and loan approvals in TBGs. In this study of TBG effectiveness, the focus-group respondents raised concerns about factors that pertain to training and education of the TBG members, on matters of financial management and how to write business plans to improve their ventures.

The focus group key informants also brainstormed about financial access from the government, the WEF, and the Hustler Fund, which could be a necessity for the effectiveness of the TBGs. The availability of funds from external sources are inputs that make it possible for TBGs to achieve their objectives. However, the TBGs in this study were self-funded, with minimal funds from other organisations. Also, participants noted that the importance of business appraisal of TBG borrowers was key in decreasing defaults.

This study found that system-approach theory was suitable because TBGs as organisations have sub-systems that interact to ensure the TGBs effective internal and external functioning. The study findings interpreted the system approach, which broadly studied TBGs' organisational effectiveness. First, the study explored the factors in the relationship with the TBG inputs sub-system, including the Ministry regulation and policies that enabled the TBGs to be registered so as to function as an SSE. ROSEWO is an umbrella organisation that facilitates TBGs in their socioeconomic activities. It encourages groups to have a culture of saving, helps manage finances, secures loans with insurance and provide financial training to groups. ROSEWO has successfully supported more than 200 women groups in financial management. However, participants in this study pointed out that what ROSEWO has not been able to educate members in building capacity in business planning and loans appraisal. This study identified organisational processes and structures under which such gaps can be implemented.

Another part of the sub-system was the organisational structures and processes: the study argued that for stability and sustainability, TBG leaders must be trustworthy and maintain transparency. On the strategies of TBG organisational effectiveness, suggest that low interest rates, processes, and discussion about risk management highlighted better approaches to appraise borrowers, avoid risky loans, and establish policies to respond to disasters such as COVID-19.

The findings also concluded that TBG operations have a socioeconomic impact on individuals and organisations. The study found that an effective TBG system at an individual level raises members' living standards and social status, creates employment, improves access to finances, and explores the achievements and constituents that will boost organisational and individual socioeconomic outcomes. The study's critical examination of the theories and conceptual framework allowed for the findings regarding the research questions to fulfil the study's objective and aims.

This study of TBG OE examined individuals' level of table banking improved financial services, employment opportunities, social development, higher living standards, improved social status at the individual level, and the ability to secure external finance, attract new members, and ensure high repayment rates at the organisational level.

Based on a systems approach, this study findings showed that the input, structures and processes, achievements, and constituents' satisfaction were incorporated. The study explored the TBG organisational-effectiveness systems approach, as illustrated in Figure 5.3.0.

8.5 Study Challenges

The study faced several challenges. Firstly, there were insufficient policy regulation documents from SACCOs, which could have strengthened suggestions for TBGs' organisational effectiveness. Moreover, there were limitations in identifying SACCOs that had transitioned from TBGs, with less statistical support to measure the successful TBGs.

8.6 Conclusion

Table banking is currently operating in Kenya mainly as an informal sector with mixed success; thus, the research study explores TBGs' organisational effectiveness as enterprises. The research recognised factors that influence the effectiveness of TBGs that operate as SSE enterprises. To address the problem of unregulated practices, the research built on an organisational effectiveness approach – specifically, system theory – and a formulated table-banking conceptual framework. The insights from this approach revealed the pertinent regulatory framework that guides the TBG concept with limited government ministry regulations, and how this hinders TBG growth.

The study examined the structures and processes of SACCOs and found that they operate within three tiers with structures and processes categorised as high, medium, and low levels to allow rating and appraisal of the financial institutions. In contrast, TBGs have no levels to define their performance and progress and seldom offer training to their members and officers. However, the umbrella organisation selected TBG participants for this study in the following order: two who were deemed successful, two average, and two on the verge of failure.

Significantly, these findings highlighted the benefits of table-banking enterprises as SSEs. An examination of the *Nation* and *Standard* newspapers in hard copy and online revealed stories of both success and failure. The leading success stories were the mobilisation of women from across Kenyan regions who pooled savings to access finance for socioeconomic development, leading to improved living standards and better social status. However, failed TBGs have caused financial harm from loan defaulting or fraud due to weak regulations. For example, the study identified online *chama* that had not registered in accordance with Ministry of Labour and Social Protection, State Department for Social Protection, and Senior Citizens Affairs regulations. Videos retrieved from Kenyan broadcasts and personal online videos sharing experiences in table banking across Kenya mostly included interviews of women showcasing their economic activities and personal stories of success.

To avoid *(sic*) defaulting, some TBG members borrow from friends and family; this prompted the researcher to devise a new term, *[pretender loan repayments],* which can be incorporated into processes for monitoring and evaluating TBG performance. The study recommended that a longitudinal study is needed to determine operations and policy implications that can be used to classify TBGs into categories based on their performance. The study suggested that innovative systems and risk-management procedures need to be in place to control loan default risks and support TBG during pandemics like COVID-19. Significantly, the study revealed the success stories and the challenges that table-banking participants face.

The study had limitations in accessing policy documents from SACCOs and their umbrella organisations. This study of TBGs OE recommends that further research include a longitudinal study of TBGs' organisational effectiveness and approaches to manage loan defaulting with better loan-recovery methods, and the possibility of including credit reference bureaus in TBGs to test the credibility of loan borrowers. Finally, this study suggests more research attention be paid to the need to manage risks such as pandemics.

8.7 Areas for Further Study

The study used a qualitative research approach to determine what influences organisational effectiveness in Kenyan TBGs. This study makes the following recommendations for further study.

i) Use of a Quantitative Approach

Future considerations to use both qualitative and quantitative data to identify TBGs' organisational effectiveness in the informal sector, such as the number of TBGs that are legally registered and the quantification of TBGs that have transitioned to SACCOs.

ii) Introduction of a New Term: "Pretender Loan Repayment"

The researcher devised the term "*pretender loan payment*" to refer to debtors who cover up their inability to repay their loans by further borrowing from friends, family members, or other lending institutions (formal or informal). The researcher suggests that the above term can be applicable in further studies of table banking.

iii) Longitudinal Study

To study the measures that determine TBGs' for organisational effectiveness, the need for an extensive, longitudinal study of the TBG phenomenon in Nakuru County will enable the operational impact of practices and policies to be observed; this might enable

stakeholders to identify ways for TBGs to be sustainable and grow within their environment, and find meaningful insights into ways to measure TBG achievement levels over time. The suggested areas for longitudinal study are: practices, and policies that would enable TBGs to transition to SACCOs, factors for monitoring and evaluating ways to manage the risk of loan defaulting, and ways to find sustainable solutions when faced with pandemics and other crises.

iv) Proposed Participants

Proposed future research has to consider the involvement of a larger target population of TBG participants across regions in Kenya. Other participants to be considered are stakeholders from the government ministries and non-governmental institutions affiliated with TBGs, such as the relevant umbrella organisations, as well as SACCOs that have grown from TBGs.

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Appendices

Appendix A: Information to participants involved in research – English

Appendix B: Information to participants involved in research – Swahili

Appendix C: consent form for participants involved in this research – English

Appendix D: consent form for participants involved in this research – Swahili

Appendix E**:** Proposed Focus Group Discussion

Appendix F**:** Phase I: Focus Group Discussion Questions

Appendix G**:** Focus Group Discussion Transcript

Appendix H: Table Banking Group Interviews

Appendix I: Table Banking Group Feedback

Appendix J: SACCO Umbrella Organisation Interview

Appendix K: SACCO Umbrella Organisation Feedback

Appendix L: Approved Ethics and Integrity VU Consent

Appendix M: Approved License by National Commission for Science, Technology, and Innovation (NACOSTI)

Appendix A

INFORMATION TO PARTICIPANTS INVOLVED IN RESEARCH

You are invited to participate

You are invited to participate in a research project entitled "Organisational Effectiveness in Table Banking: Practice and Policy Implications from a Kenyan Case Study."

This project is being conducted by a student researcher Nelly Wendot, as part of a Doctor of Philosophy (PhD) study at Victoria University (VU) under the Chief supervision of Dr Charles Mphande from the College of Arts & Education and Assistant Supervisor Doctor Rafael Paguio from RMIT.

Project explanation

This research aims to explore factors or elements that impact organisational effectiveness, which would, in turn, influence Table Banking Groups ongoing sustainability. This study focuses on the components of Table Banking organisational effectiveness, drawing on various studies on Table Banking as a Social Solidarity Economy. The research will investigate factors or elements that impact organisational effectiveness with the purpose of evaluating Table Banking pertinent practice and regulatory frameworks as an SSE enterprise. Additionally, study will assess how Table Banking Groups will achieve organisational effectiveness levels and also determine how the level of organisational effectiveness will influence Table Banking outcomes.

What will I be asked to do?

You have been invited to participate as a funds provider to Table Banking Groups in Rongai constituency Nakuru County which as a significant social economic impact to the participants. The aim of the survey is to find out the factors that will contribute to the organisation effectiveness of Table Banking groups as Social and Solidarity Economy. The research project will engage you in an interview to be surveyed by the researcher face to face. The discussion will take about 2 hours to enable all participants to respond to the questions and kindly will be

recorded for the study purposes. To participate read the provided information about the research study, sign and return the form to give consent to the research student.

What will I gain from participating?

The results of the study might be beneficial to the stakeholders who have participated in light to policy regulation and the Table Banking concept might have an advantage of the results being used to practically improve policy regulations of the informal sector. The Table Banking participants will share their past experience and how the microcredit has been successful and what needs to be improved in regards to processes, strategies, leadership and risk management while considering community values and norms. Ministry policy regulations and NGOs roles and oversight practices will contribute to the practice and policy regulations. The theoretical concept of organisational effectiveness of Table Banking groups will inform the researchers and policy makers to better the social and solidarity economic activity.

How will the information I give be used?

The feedback from the research study will be for the thesis for Doctorial study, which when documented will add to the knowledge in the field of Table Banking Organisational Effectiveness as a Social and Solidarity Economy. The findings may bring about insights which may affect the performance of TB as a sector which would contribute significantly to wealth creation as a strategy of tackling poverty in rural parts of Kenya. The research will contribute to knowledge in SSE especially in the informal banking policy making and practices, among by the umbrella organisation, local and international agencies and researchers in the related field of study.

What are the potential risks of participating in this project?

The ethical procedures requires that there should be lower risk of the participant's to be exposed any harm, the participants are asked to report any distress which have resulted from the survey, in such circumstances the interview will be immediately halted .The affected individuals will seek help from the provided professional counsellors. Please contact Dr Charles Mphande (charle.mphande@vu.edu.au) the chief investigator for clarification for any issues or further information.

How will this project be conducted?

Participants will be invited by email or by phone which will recap the information of the project. Consent will be confirmed again at the beginning of the interview. The Cooperative Bank officer in Nakuru City will contacted for interview, a questionnaire will be used by the researcher to ask questions. The feedback will be written and recording will be done with consent from the interviewee.

Who is conducting the study?

Dr Charles Mphande Chief Investigator Vitoria University Tel: 03 99194755

Email: charle.mphande@vu.edu.au

Nelly Wendot Student Researcher Victoria University Tel: 0426157754.

Email: nelly.wendot@live.vu.edu.au

Any queries about your participation in this project may be directed to the Chief Investigator listed above.

If you have any queries or complaints about the way you have been treated, you may contact the

Ethics Secretary, Victoria University Human Research Ethics Committee, Office for Research, Victoria University, PO Box 14428, Melbourne, VIC, 8001, email researchethics@vu.edu.au or phone (03) 9919 4781 or 4461.

Appendix B

Kambasha cha B

FOMU YA IDHINI KWA WASHIRIKI WANAOHUSIKA KATIKA UTAFITI

MAELEZO KWA WASHIRIKI:

Tuniclike dominate Katia sehemu ya utafiti katika *Ufanisi wa Shirika (OE) wa Benki ya Meza nchini Kenya*.

Mradi huo unalenga kuchunguza OE ya vikundi vya Benki za Meza (Table Banking Groups) (TBGs) katika Jimbo la Rongai, mji wa Nakuru nchini Kenya, kama utafiti wa kesi. Utafiti hutafuta kujua sababu au vipengele vinavyoathiri ufanisi wa vikundi vya Benki za Meza kama mashirika. Mambo haya au vipengele vitatumiwa kutathmini mazoezi muhimu na mifumo ya udhibiti ya Benki za Meza kama biashara ya kiuchumi ya Kijamii na ya mshikamano, ambayo itatathmini jinsi TBGs inavyofikia viwango vya OE na kuamua jinsi ya kiwango cha OE kinavyoathiri matokeo ya Benki ya Meza (TB). Matokeo hayo yanaweza kuleta mawazo mapya ambayo yataboresha utendaji wa TB. Mshiriki atahojiwa uso kwa uso au kwa mtandaoni, kufuata kufanya dodoso. Mradi huo ni utafiti wenye hatari ndogo, ambapo washiriki wanaweza kupata dhiki kuhusu maswali yanayoulizwa juu ya ufanisi wao wa Benki ya Meza na katika kesi hiyo, mshiriki ana haki ya kuondoa ushiriki wake bila matokeo yoyote kwake, na habari yoyote iliyotolewa hadi wakati ule.

KUTHIBITISHO KWA MSHIRIKI

Mimi, _____

wa _____

Ninathibitisha kuwa nina umri wa angalau miaka 18* na kwamba ninatoa idhini yangu kwa hiari kushiriki katika utafiti huu:

Daktari wa Falsafa kufanyika katika Chuo Kikuu cha Victoria na:

Dr Charles Mphande.

Ninathibitisha kuwa malengo ya utafiti, pamoja na hatari zozote na ulinzi unaohusishwa na taratibu zilizoorodheshwa hapo chini kufanywa katika utafiti, nimeelezewa kikamilifu kwangu na:

Nelly Natii Wendot

na kwamba ninakubali kwa hiari kushiriki kuhusisha taratibu zilizotajwa hapo chini:

- Kukubali na kuweka sahihi ya kushiriki katika utafiti kwa hiari.
- Kushiriki katika mahojiano kwa hiari.
- Kushiriki katika mazungumzo ya kikundi
- Kushiriki katika Majadiliano ya Kikundi cha Kuzingatia.
- Kutoa idhini ya kurekodiwa wakati kuhojiwa, ikiwa inakubalika.

Ninathibitisha kuwa nimepata fursa ya kuwa maswali yoyote kujibu na kwamba ninaelewa ninaweza kujiondoa kutoka utafiti huu wakati wowote na uondoaji huu hautanihatarisha kwa njia yoyote.

Nimefahamishwa kuwa taarifa ninazotoa zitahifadhiwa kwa siri.

Sahihi:

Tarehe:

Maswali yoyote kuhusu ushiriki wako katika mradi huu yanaweza kuelekezwa kwa Mchunguzi Mkuu, Dk Charles Mphande

Simu ya mkononi: +61407811710

Simu: + (613) 9919 4755

Barua pepe: charles.mphande@vu.edu.au

Ikiwa una maswali au malalamiko kuhusu jinsi ulivyotendekwa, unaweza kuwasiliana na Ethics Secretary, Victoria University Human Research Ethics Committee, Office for Research, Victoria University, PO Box 14428, Melbourne, VIC, 8001, barua pepe Researchethics@vu.edu.au au piga simu kwenye (03) 9919 4781 or 4461.

[*tafadhali kumbuka: Ambapo mshiriki/washiriki ana umri chini ya miaka 18, idhini tofauti ya wazazi inahitajika; ambapo mshiriki/washiriki hawezi kujijibu wenyewe kwa sababu ya ugonjwa wa akili au ulemavu, idhini ya mzazi au mlezi inaweza kuhitajika.]

Appendix C

Phase I

CONSENT FORM FOR PARTICIPANTS INVOLVED IN RESEARCH

INFORMATION TO PARTICIPANTS:

want to invite you to be a part of a study into the Organisational Effectiveness of Table Banking in Kenya.

“The project aims to explore the Organisational Effectiveness of Table Banking Groups in Rongai Constituency, Nakuru city in Kenya, as a case study. The research will find out factors or elements that impact Organisational Effectiveness that will evaluate Table Banking's pertinent practice and regulatory frameworks as a Social Solidarity Economy enterprise. The results may bring new ideas that will improve the performance of Table Banking. The participant will be discussing face to face or online, following the questions for the study. The project is a low-risk study where the participants can experience social risk regarding questions relating to their organisation which might lead to discomfort. We point out also that this being a group activity, confidentiality of information you will provide cannot be guaranteed.

CERTIFICATION BY SUBJECT

I……

……..

Certify that I am at least 18 years old* and that I am voluntarily giving my consent to participate in the study:

Doctor of Philosophy being conducted at Victoria University by:

Dr Charles Mphande

I certify the objectives of the study, together with any risks and safeguards associated with the procedures listed hereunder in the research, have been fully explained to me by Nelly Natii Wendot, and that I freely consent to participation involving the below-mentioned procedures:

- Agree and sign to participate in a Focus Group Discussion ● Consent to record when being interviewed.
- You are at liberty to quit any time if stressed to go on, and may also withdraw information you have provided so far
- Accept data to be stored safely for seven years.

I certify that I have had the opportunity to answer any questions, that I understand that I can withdraw from this study at any time and that this withdrawal will not jeopardise me.

I have been informed that the information I provide will be kept confidential.

Signed:

Date:

Any queries about your participation in this project may direct to the researcher.

Dr Charles Mphande

Mob: +61407811710

Email: charles.mphande@vu.edu.au

If you have any queries or complaints about the way you have been treated, you may contact the

Ethics Secretary, Victoria University Human Research Ethics Committee, Office for Research, Victoria University, PO Box 14428, Melbourne, VIC, 8001, email Researchethics@vu.edu.au or phone (03) 9919 4781 or 4461.

Appendix D

Swahili Translated Consent Form

TAARIFA KWA WASHIRIKI WANAOHUSIKA KATIKA UTAFITI

Unaalikwa kushiriki

Unaalikwa kushiriki katika mradi wa utafiti unaoitwa *Ufanisi wa Shirika katika Benki za Meza: Athari za Mazoezi na Sera kutoka kwa Utafiti wa Uchunguzi wa Kenya*.

Mradi huu unaendeshwa na mtafiti mwanafunzi Nelly Wendot, kama sehemu ya utafiti wa Daktari wa Falsafa (PhD) kwa Chuo cha Victoria (VU) chini ya Usimamizi wa Dk Charles Mphande kutoka Chuo cha Sanaa na Elimu na Msimamizi Mwingine Mwenzake Daktari Rafael Paguio.

Maelezo ya mradi

Utafiti huu hulenga kuchunguza mambo au vipengele vinavyoathiri ufanisi wa shirika, ambavyo vingeweza, kwa upande mwingine, kushawishi uendelevu wa kuendelea wa Vikundi vya Benki za Meza. Utafiti huu huzingatia vipengele vya ufanisi wa shirika wa Benki ya Meza, kutumia tafiti mbalimbali juu ya Benki za Meza kama Uchumi wa Mshikamano wa Jamii. Utafiti huo utachunguza mambo au vipengele vinavyoathiri Ufanisi wa Shirika kwa madhumuni ya kutathmini mazoezi muhimu ya Benki ya Meza na mifumo ya udhibiti kama biashara ya SSE. Kwa kuongezea, utafiti huo utatathmini jinsi ya Vikundi vya Benki ya Meza vitakavyofikia viwango vya ufanisi wa shirika na pia vitakavyoamua jinsi ya kiwango cha ufanisi wa shirika kitaathiri matokeo ya Benki ya Meza.

Nitaombwa kufanya nini?

Umealikwa kushiriki katika mahojiano ya mtu moja au mazungumzo ya kikundi, au Majadiliano ya Kikundi cha Kuzingatia. Lengo ya utafiti ni kujua maoni ya washiriki kuhusu mambo ambayo yatachangia ufanisi wa shirika la vikundi vya Benki ya Meza kama Uchumi wa Jamii na Mshikamano. Mahojiano yatachukua takriban dakika 40

wakati mazungumza yanaweza kuchukua dakika 80. Ili kushiriki soma maelezo yaliyotolewa kuhusu utafitu, weka sahihi yako na rudisha fomu kutoa idhini kwa mwanafunzi wa utafiti. Vinginevyo, idhini inaweza kutolewa kwa maneno na kurekodiwa.

Je, nitapata nini kutokana na kushiriki?

Washiriki wa Benki ya Meza watakuwa na fursa ya kushiriki uzoefu wao na jinsi ya Benki ya Meza ilivyokuwa na ufanisi au la na nini kinachohitaji kuboreshwa kuhusiana na michakato, mikakati, uongozi na usimamizi wa hatari wakati wa kuzingatia maadili na kanuni za jamii. Ujuzi ule na uzoefu ulioshirikiwa unaweza kuathiri vizuri Benki za Meza nchini Kenya ambazo ni sehemu muhimu ya uchumi. Kwa sababu Benki za Meza ni katika mchakato wa ukuaji, washiriki watachangia kwa kanuni za sera za Wizara na majukumu na mazoea ya usimamizi ya NGOs. Kwa kuongeza, washiriki wanaweza kuchangia sana uumbaji wa maarifa kuhusu Benki za Meza na jinsi inavyoweza kuwa shughuli ya kichumi yenye imara na shughuli za kichumi cha kijamii na mshikamano.

Taarifa nilizotoa zitaumiaje?

Data iliyokusanyiwa itatumiwa katika muhtasari wa jumla ambao hautatambua washiriki kwa njia yoyote. Data zote hazitashirikiwa na watu wengine wowote isipokuwa mtafiti mwanafunzi na wasimamizi wake. Zaidi ya hayo, data itahamishwa kwenye viendeshi vya VU R haraka iwezekanavyo wakati mtafiti mwanafunzi yuko nchini Kenya.

Data iliyokusanyiwa itahifadhi kwa miaka 5 baada ya kukamilika kwa utafiti. Taarifa zitaharibu taharibiwa baada ya muda huu kwa kufuata utaratibu wa VU wa kuharibu taarifa za siri.

Je, ni hatari gani zinaweza kutokea kushiriki katika mradi huu?

Washiriki watapangiwa kukutana uso kwa uso na mtafiti ambapo watashauriwa kwa idhini na kuhojiwa. Utafiti huu ina hatari ndogo tu. Hata hivyo, ikiwa washiriki wanapata dhiki yoyote wakati wa kuhojiwa washiriki wataombwa kuacha kushiriki katika mahojiano. Zaidi ya hayo, kwa mujibu wa kanuni za mshikamano wa kijamii, msikilizaji anayefaa kitamaduni kutoka Benki za Meza au katika jumuiya pana ataombwa kufanya majadiliano. Ninafahamu kuwa Kamati ya Maadili inahitaji watu walioathirika wanapaswa kutafuta msaada kutoka kwa washauri wa kitaaluma waliotolewa. Hata hivyo, miundo na taasisi hizo hazitumiki katika muktadha wa jadi wa nchini Kenya.

Zaidi ya hayo, fursa itatolewa kuwasiliana na Mchunguzi Mkuu, Dk Charles Mphande kwa ufafanuzi katika masuala yoyote au kupata habari zaidi.

Mradi huu utaendesha jinsi gani?

Washiriki wataalikwa kwa njia ya barua pepe au kupitia simu ambayo itamweleza mhojiwa kuhusu mradi huo. Mhojiwa lazima akubali kabla ya kuanza kwa mahojiano. Mhojiwa ataulizwa maswali kwa kutumia dodoso uso kwa uso au mtandaoni katika kesi ambayo haiwezi kufikiwa. Kwa ruhusa, mahojiano yatarekodiwa kwa sauti kwa uelewa bora wa maoni yaliyotolewa na wahojiwa.

Nani anaendesha utafiti huo?

Dk Charles Mphande, Mchunguzi Mkuu, Chuo cha Sanaa na Elimu, Chuo cha Victoria, PO BOX 14428, Melbourne Victoria 800.

Simu: +(613) 9919 4755

Simu ya mkononi: +61 407811710

Barua pepe: charles.mphande@vu.edu.au

Nelly Wendot, Mtafiti Mwanafunzi Chuo cha Victoria Simu ya mkononi: +61 426 157

754.

Barua pepe: nelly.wendot@live.vu.edu.au

Maswali yoyote kuhusu ushiriki wako katika mradi huu yanaweza kuelekezwa kwa Mchunguzi Mkuu ambaye ameandikiwa hapa juu.

Proposed FOCUS GROUP DISCUSSION (05/10/2022)				
Date	**No. of Participants**	**NAME OF ORGANISATIONS**	**Position**	**Time**
	1	**Rongai Social Economic Women Organisation (ROSEWO)**	Director	
	2	**Women Enterprise Fund (WEF)**	Field Officer	
	3	**Skyline Sacco Ltd**	Marketing /Field officer	
	4	**Ministry of Public Services, Youth and Gender Affairs**	Field Officer	
	5	**Japan International Corporation Agency (JICA)**	Trainer for trainers	

	6	**United Nations Habitat**	Project Coordinator	
	7	**United States Aid (USAID)**	Project Coordinator	

Ikiwa una maswali au malalamiko kuhusu jinsi ulivyotendekwa, unaweza kuwasiliana na Ethics Secretary, Victoria University Human Research Ethics Committee, Office for Research, Victoria University, PO Box 14428, Melbourne, VIC, 8001, barua pepe researchethics@vu.edu.au au piga simu kwenye (03) 9919 4781 or 4461

Appendix E

		LUNCH		**1:00pm – 2:**
		Resume After Lunch		**2.00pm**
DAY 2		Online		**10:00am – 11:00am**
	8	**Kenya Sustainable Global Gardens**	Project Coordinator	
	9	**Canada Community Lending**	Founder	Not particip
		BREAK TIME		**12:00am – 12:30pm**

Appendix F

Phase I: Questions for Focus Group Discussions

1. **What is your view of TB in Kenya regarding their effectiveness?**

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……

……

……

2. **What would you point out as markers of EFFECTIVENESS for TB as business organisations with social objectives?**

Think of:

- **Leadership and structure,**

……
……

- **Processes of membership admission,**

……
……...

- **Processes of investment, and ……..**

……..

…….

- **Processes of collecting proceeds and re-investment……**

……

……....

3. **What leadership aspects can be used to achieve those features of organisational effectiveness?.....**

.....

.....

.....

4. **Briefly discuss the strategies that can be used to achieve those features of organisational effectiveness**

……

……

…….....

5. **What can you say about the government regulatory framework in which TBGs operate in relation to the following?**

- **Promoting robust investment ventures……**

……

……

…….

- **Promoting organizational learning and advancement?**

……

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- **Ability to attract external capital and investment beyond local regional/county economic activities?**

……

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6. **What are opportunities you see for TBGs in Kenya?**

.....

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7. **In the next 5 years where do you expect them to be at with the opportunities you have mentioned?**

……
……

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……..

8. **What about in the next 10 years?**

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9. Would there be any risks that would stand in their way?

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.....

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-And what can they do about them?

……

……

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……

10. Please give us some successful TBGs you know?

……

……

……..

-What made them succeed?

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……

……

11. Are there TBGs you know which you think have stunted?

……

……

……

……..

-What are factors behind that state of affairs?

……

……

……..

12. Are there TBGs which have failed?

……

……

……..

-What were/are factors behind their failure?

……

……

……..

13. Would you describe to me good practices for TBGs that hope to succeed and make a mark in the social and solidarity economy in Kenya?

……

……

……

……

15. **How can resources be managed by non-governmental organisations to support organizational functions and performance from the community dimension?**

……
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……

16. **What means can be used to reduce loan defaulting in the organisation?**

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……
……..

17. **What strategies could a TBG organisation use to attract new TB members?**

……

……

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18. **What tools can be used to make TBGs efficient in accessing financing, and managing investments?**

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19. **What instrumental ways can be used to make the current informal banking to open up more employment opportunities?**

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20. **Are there international examples of initiatives of Table Banking Kenya can borrow from? Please explain.**

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21. **Is there anything else you wish to add about making TBGs EFFECTIVE social solidarity economic activities?**

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Appendix G

Focus Group Discussion Transcript Held on 5th Oct 2022

Moderator: What is Table Banking? That's the first discussion I want us to have. And the good thing is that Kenyans. Now, I want you to see, because you have also seen what happens in other countries and such like things. You see our table banking groups, how they go? They go in a good way. Are they effective? Can they change
Nakuru? Are they being felt in Nakuru? Are they being felt in the Kenyan economy? This is the discussion I want us to begin. We will be having a random discussion. If you have a point you can bring it. I can see you have a point… Our sister, your name was… Rose, yes.

Rose: So, currently, because I am dealing with those who are called real hustlers, true hustlers, Table Banking has gone down, because income has disappeared. Most of the young mothers I deal with have no income.

Table banking activities have decreased because the young mothers have no jobs resulting to, no income.

Moderator: So, when you call a meeting and money is needed, do all people pay?

Rose: Many of them come with an excuse like "I didn't earn", "I didn't get a job" because you know many of them do manual jobs like hand washing laundry and other small jobs. So you find that jobs are few and they have families. So you see, if someone gets one hundred Kenyan shillings (equivalent to $0.91), they use it to buy flour and vegetables…

Moderator: Instead of bringing the money…

Rose: When it comes to bringing money, the income is too little to contribute to table banking. So, currently, it was better off before COVID. After COVID, it has been too difficult.

Moderator: Thank you so much. Lucy, that's a very good discussion. I bet you all agree that you've understood her and she's raised a good point? Before COVID, it was better.

After COVID, the economy has declined, and people don't have money to bring. Just to reinforce, even in the one we have, when it's time for meeting, someone has turned off their phone, and he's an adult. Will you take them to court? You can't take them to court because, if you take them to court, they will be judged by the administration of social welfare. The social welfare administration says, "This is a voluntary group you cannot force someone to be in", and they will win [the case].

Rose: Most of them [groups] are unstructured. They haven't reached Anna (Social services) office.

Moderator: Very unstructured. Thank you so much, Rose. Mr. Eric… Eric: Why table banking and yet we have conventional financial institutions?
Moderator: Yes.

Eric: We have banks, we have SACCOs, we have Uwezo fund, and we have Women Enterprise Fund, Why table banking? Because people are looking at that social aspect, that neighborhood and that commonality. You can share your problems. You can also share economic issues in terms of resources. Even though table banking helps people, there is an attempt by the government they want to fund them through other organisation because of lack of information the funds do not reach the groups.

In other Table Banking group's people bring their money which they ballot and also others come with sense and the aspect of microfinance.

Eric: I wrote a proposal for an organisation 2010 which was given 1M through National Displaced Persons, in 2010 that was a lot of money, was wired from New York to an account, I cannot mention. When the finances landed in the bank account, the manager signaled the executive, and advised them that the moneys can be multiplied into three to facilitate Table Banking loaning. The money was not meant for Table Banking purposes but was meant for a particular project as per the proposal. Since the manager knows that the group is a Self-Help Group, with the assumption that the only thing they can do is Table Banking. When the Executives (Chairlady, Secretary and treasurer) were called to Bank, they were coached how the money can assist them.

Upon knowing that the money was wired, I went to the manager, the manager was hostile, said “you are a man you are not supposed to be associated with a woman group.

Moderator: for the women group

Eric: are the finances meant for Table Banking. I had to stay in the Bank up to midnight sensitising the manager and the Executives. Already, we had booked for the first induction training and the bank is saying they cannot realise the money meant for Table Banking. People think that Table Banking participants do not think about other things. Table Banking as helped families, homesteads and the economy, in short Table is no bad , it only needs enhancement , as we speak now there is a new law on registration of groups, I do not know if you conversant with that ?, it talks more before it included Ministry of Labor, the new Act of Parliament effective from 26th July 2022. Table Banking is good but you find that because of the economic difficulty, someone will approach you asking for ksh 2000 just to show in Table Banking meeting, then return it, which makes Table Banking loose the actual objective of alleviating poverty and structuring income goes down, because of inflation and erratic weather and such like things.

Moderator: Thank you, you have widened, so the Bank manager does not understand the concept of Table Banking. Any other contribution?

Mark: I want to take it from where you stopped. Table Banking is a very good thing, started 1998, we joined a group called Bride, we were saving with them and they run away with our money, remember 1998 Ksh 700,000 was a lot of money. The group members followed them to Nairobi and found the offices in Parklands closed and bankrupt, we came back to Nakuru. We were 300 people most of them left, we remained 16, we broke in the office, to see what was inside, and we found the operation books. Went through them to find out how they made money. The 16 sat down and agreed that the ksh 700,000 was lost, we assessed how much savings and loan we had, and we paid up the loan to ourselves, chose the officials (chairperson, Secretary and treasurer) and started from there. Borrowed ksh 10,000 brought with an interest of 10%, when you

finish you borrow another amount for two to three months and started growing. We reached 50 people, we saw the 50 could ask for loan and run away, we decided to save with Cidian Bank formerly K-rep, the interest went to the bank and the principal went to the members. We told the bank we want a property, which was divided among group, because if you do not give them anything, if you loan them ksh 20,000 they can go away without having any collateral attached. This was done because of Table Banking. I mean that if utilised well and well structured, it will help a low income person (mwananchi). Table Banking members are women selling vegetables, charcoal and washing clothes. When they are loaned ksh 10,000 every
Monday they bring ksh 500, KES 300 with interest of ksh 100 to reduce the loan and

Ksh 200 for savings until the loan is cleared it goes on and on, they take a new loan. In 2014, the group grew to 300 members with millions of money. The only thing the bank did for the group was to loan them to buy a piece of land. When outsiders heard that they buy property for their members, and they call themselves Table Banking, more people wanted to join. With a savings of Ksh 30 M, Reality SACCO was formed in Nakuru town.

John: We do not ask the Bank for money to loan people (in Realty SACCO) we have enough money to loan people, we started from ksh 100 for Table Banking. We have not had a government which have looked into Table Banking, the funding should not be financed through the banks, and the banks have many requirements. If the government could fund the SACCOs or Table Banking directly. So that people getting grants with no interest to help them. The UWEZO was distributed to individuals and the finances was misappropriated with no refund. If Reality SACCO gets KSH 50 M they should be able to pay for other SACCOs or Table Banking Groups to benefit. If Table Banking gets good leaders who relate well with members, because the members have a target.

Moderator: Let's go ahead, how do you understand Table Banking. Eric gave a quick illustration that a bank manager sees things differently from the rest. How can you define Table Banking?

Moderator: You do not want the government to give money to the Bank,

Mark: We have the SACCOs, self- Help groups, when they borrow from the Bank they will be over charged. When we borrowed ksh 2M to buy a property, we paid the bank 3M with an interest of 1M.

If the SACCOs are empowered, the members borrowing from the SACCOs, the difference of the interest they pay the bank is small. When borrowing from self –Help groups the interest was 12% per annum, if you go to the bank and borrow 1M or 100M the interest is 18 %, us as SACCOs the interest of 20%. If the government has a way of channeling the finances directly to the SACCOs, the SACCOs will loan the group's members at 12%, will get profit and the group benefit. The Bank loan to SACCOs at 18% at what rate will they loan the people? The SACCO depend how the members' savings, they bring little by little which is loaned to them, at the moment the SACCO has not loaned any bank to finance for the loans. The only loan was for buying the property. When loaning members they pay an interest of 12%. A woman selling vegetables loan ksh 20,000 every week they pay back ksh 1,500, if she fails to pay she cannot be loaned, when 20 people pay loans as required other 20 people can be loaned.

Moderator: That will be a step forward and well understood.

Mark: To react to the question, how will the government channel money to people money. I see it is hard for the government to channel money to the common people without using the Bank, the central Bank handles the government finances, and the government through central bank should put up branches which can fund the common people directly. For instance the Hustler Fund which has been promised by the current government, if the money will be channeled through the bank, people will have no confidence of borrowing the money. The banks are profit making entities and changing people views about banks is a challenge, it is a hard task and difficult because of research I suggest that.

Moderator: How do you understand Table Banking?

Jane: The way understand it, I have done it in the last 11 years. It is a concept which is a group strategy , where members save, pay the short on monthly and long term loans over a long period of time, fines for controlling the group, insurance for the money paid, when the money is brought it is deposited on the table and borrowed immediately by the members.

Moderator: The money is put on the Table and you ask who wants to loan.

Jane: You lend the money

Moderator: Anyone else

Sue: Let me add, for me UWEZO fund failed because it was political, During the tenor of

Late President Kibaki, I went to Jomo Kenyatta University to be trained about

Women Enterprise Fund which came through Social services office, started with ksh 50,000 which was given to Table Banking groups which they can borrow to KES 1M progressively. The women Enterprise Fund does not have a lot of problems compared to UWEZO fund where the Member of Parliament owns it, and gives it to the people who support him/her, if they are given the money, they can choose not pay back. But WEF have Social Services officers who follow up for the loan payment in the ground. The Social services officer, like me I train the women how to they can use the money and return it as required and take it. In my group we took KES 500,000 we have made a profit of 1M and bought a piece of land. If the government provides finances for the Table Banking without cooperating the politicians, like the social services they have no problem, as long as the groups needs finances from WEF, they will be trained with no charges it will be free , the training will be on how to access and return the funds.

Moderator: Let, add to the definition of Table Banking

John: Well the definition depends on how people have agreed together, I see all the definition is about bringing money together on the table or in the bank account, but the main question is what you will do with the money, because in unity there is strength,

when everyone give ksh 100 each ,if we give the pooled money to one person it will support the person to boost their business, the next time we give another person to revamp their business, because one of us said they started the same, ours started 2005, nineteen years ago, called Medy SACCO. How it started casually, we were young men, during the Late President Moi's time, if we know there is money to be given out, we formed a group and rush to borrow the money and divide among ourselves.

Moderator: So, everyone goes with a share

John: When Late President Kibaki came, we heard there is money for Community Development Fund, we hurriedly registered a Self- Help Group called Medical line, and we thought it was the usual money for sharing. We had businesses along the mortuary way, we sold clothes, we went to our Member of Parliament late Mirugi Kariuki, told him we have a group and we need money. The MP explained to us that the CDF helps the community in building the roads it is not for the youth, unfortunately he died before they met. The MP had asked us not to break the group, we started thinking, we pooled our money and loaned one person ksh. 4,000, we met weekly and saved ksh 50, the second time we gave ksh 6,000, the person given will go home and hide the money under the mattress because it was a lot of money by then, we were not used with the money, if you make sales of ksh600 you were ahead of others, the money was for paying rent and raising young family. From then the businesses flourished because the money circulated. What I would like to say is that the Table Banking money wherever they come from be it from the government, or from the pockets, management matters.

It does not matter even if the Member of Parliament without discipline it won't make sense. It does not matter if a bank manager is given the money without discipline its useless. What matters on Table Banking is to put money together , if you lent you repay it slowly, It raises ones living standard, pay children school fees and boost your business or any other needs, with discipline. If the government will release the Hustler Fund. It must train people and put up structures like others said that will help, because there are no structures, without Education someone given KES 20,000 will not know what to do with the money, you find that a woman or man wants to make their fiancé happy, they

will spend the money in the supermarket to fill the trolley, forgetting the money is loaned. The money was meant for business and the borrower defaults creating a problem. The other thing is that like my other fellows said, the government funds benefitting Table Banking groups should not go through the bank, because Banks are Table Banking Competitors. The funds which went through Equity Bank from the government to support established Table Banking Groups, they started forming their own groups and put them out there and gave them money, they started a similar product and the common people were not included. So, you find the competitors whether you put it money on the table or bank account , still the Banks are number one , when the money goes through the Bank the bank plans for it give might give minimal interest, there will be no dividends at the end of year. The other thing is it is good to know, if the hustlers funds might come as campaign it won't be used in a proper way, even today I have youth if given KES 20,000, if they do not have plans or do not know how to utilise it, the government might give out funds to people who might fail to repay and for sure they might have paid school fees. Education, discipline and money to be brought to the grassroots not in the bank

Moderator: Have you faced any challenges when in Table Banking

Luke: There are challenges, whenever there is something good, there must be a side effect. In business like Table Banking, the money will be given to be returned in a specific date, for instance a member was lent KES 20,000 and suppose to repay Ksh KES 22,000 with an interest of 10%, during the fixed date the member will pay principal amount of KES 20,000 and interest of KES 2,000, and a saving of KES 500 , out of the ten members all save KES10,000 plus the KES 22,000 it will be KES 27,000, another person was to pay Ksh 2,000, did have insufficient finances and brought KES 1,500 and you cannot turn them away, the defaulter will not be able to loan any money that day.

Anna: Challenges cannot be avoided and that's why table banking was formed, sometime there inadequate funds to loan members, also lack of information because if the money is available and given without observation, for instance some business needs

is KES 5000 and person takes KES 50,000. Lack of information affects the operations of Table Banking Groups. The Table Banking members should be educated on business expansion, how to diversify their market and how to validation.

Mark: Some are thieves who come to join the groups without, our knowledge , because they come with the motive and intention to access the funds and plan not to repay the borrowed funds, those are challenges the initiators of Table Banking groups face.

John: As the group grows more people join, people can meet when venturing in the same line of business. The expansion of the group reaches a point and SACCO is formed because of good management with 100 members, the social services advised us that the group as gone beyond as requirement by the regulation. The more the group grows, people spread the word if the groups is doing well, con men and women get recruited. For us we groups of 5 people who form the team of 30 members, all major groups should not exceed 50 individuals. You find that a woman will join the group, especially women are bad, though am not against women, they find 5 members to join, they pay KES 1,000 for registration, will be mastering the loopholes of the SACCO with the aim of disappearance with the money lent or the loan knowing there will be no sequences. You find that there are such groups, one had a history had taken a loan from Equity Bank and vanished. Normal when someone saves money for example if its KES.10,000 they will not get ksh10,000 but will get twice or thrice the money as loan, so if the person is given KES 30,000 and default ,others will have lengthy excuses from January to December, this person , the KES 20,000 seems to have been lost.

Moderator: You have said something which as stroke my mind, if someone takes money and fails to pay, what do you do?

John: That's why, education matters, maybe you did not do a proper appraisal, like Anna, has said, someone as brought money and passed your threshold ,but back home the items registered are not sufficient, if they cannot repay the items will be taken. Others might plan to take you to a neighbor's house pretending the home belong to them. In some cases, a person might sale the listed items in advance when financially vulnerable. If you visit their homes, you cannot recover the money.

Moderator: For example, you came to my house took a photo of my grade cow will that help in repaying the money. That's where the challenge is

John: The problem is it will not help, not unless we go a notch higher like Equity Bank they put a track in the cow, taking a photo you will find it sold. In our SACCO if the cow was the collateral and dies on the process of loan payment, the remaining loan debt will be cancelled.

Moderator: What can you recommend, to avoid defaulting?

Mark: Experience is the best teacher, the more you participate in such groups the more cases you come across, the more you become cleaver, you make various rules, if they think of stealing , they know they will be held responsible. With us the way we have divided the group, we have fixed the rules that when anyone disappears we can search for them as a mob, because controlling a crowd is difficult, "in some cases the mob can kill someone and no one will be held accountable." There is no law that governs it. Initially, we send a smaller group to talk to you, when you don't listen then all group goes ,over 30 women and men, when coming we will use the information researched by the first team who will disclose where the defaulter might have hidden the household items. The group take the items, they take them to their office, and the owner of the property will follow. The SACCO will press rules to the defaulter, demanding for the loan repayment. Being ripped of finances made the SACCO learn the hard way, because if the debtor is taken to the police/court, if asked how much they can, they say what they can afford is ksh50.00 every month, no one will ask them anything and that's what will be written, and there is nothing you can do. That's what the SACCO avoids. Many people have taken advantage of the court and failed to pay loans as promised, this results to us using the "jungle way".

Moderator: You have said it's good to improve the by-laws, when I was young when one failed to pay rent a group of 40 people come to your door, you have spouse and kids, and the psychological embarrassment forces you to pay.

Luke: To add on, ours the structure is that the groups include 50 members. After, appraisal officer visits the business they assess the value of the venture, a KES20, 000 stock cannot service a loan of KES200, 000, letter of appraisal be observed, where will the money come from without qualification. If one intends to buy a car, when the car does not bring any revenue, how will the money be paid, the leaders should be keen on such issues. The group of 50 members are the guarantors, us as leaders when a member defaults, the first thing is to reduce the loan using their savings, and if the loan was ksh.200.00 it will be divided among the 50 members. The funds will be paid to the SACCO. How will the saving taken from the 50 members be recovered? The SACCO will take the 50 members to the defaulters home, what they will take from the home, if the owner does not pay the debt in time, the items will be sold, if sold KES 150,000,the difference will be paid by the SACCO, the members will never loss their savings, at any cost.

Moderator: You get that Anna

Eric: There is a challenge that people from the urban areas, exploit people in rural areas in Table Banking. They are invite the group in a workshop in Nakuru town , the people involved know where they come from, they come to the ground, after a while they wane, when you try to look for them, you find out it's a Praise and Worship Hall and individuals the cannot be found. The groups which are most affected are people form the rural set ups, the swindlers come with nice cars, mostly they claimed they are Microfinance, when it reaches a certain period they disappear. In a day they can have 40 groups, the following day they go to another area, that's the biggest challenge. I have interacted with many groups that's the challenge they face, people involved them and at the end leave them. Many groups have no idea of Uwezo fund and Women Enterprise Fund, they can access the funds which are friendly in payment. To finish there is a group recently I met, they are a self- Help group, I helped them get a land they bought three acres .they divide into plots and sell, if they bought at Ksh 4 M, they sell it at ksh850, 000, and it is a Table Banking, for them they put money on the table, which is only for property buying.

Moderator: Let's go ahead with leadership of Table Banking

Luke: Our SACCO, there are rules and they are six groups with approximately 30 to 60 members that form the SACCO called Reality. The structure of leadership the government gives an outline to govern the group, it as board members who are chosen by the entire group, comprising of the chairperson, vice chairman, honorable secretary.Treasurer. A credit department with three members, supervisory three members making a total of 10 members. The supervisory committee are totally independent they observe what people are doing and they are the watch dog. When the other departments finish with the accounting books, bank slips, they observe how much was banked and the time the banking was done, the Supervisory committees goes through all the transactions, the work is done every Monday after the meeting.

Moderator: What of yours

Jane: We are an NGO us we are managed a board of directors, we have chairperson, vice secretary, Chief executive Officer who is the secretary, vice secretary , treasurer and the staff who include programs manager, finance officer and field officers who facilitate the Table Banking groups. For the Table Banking groups we have gate keepers called mobilisers, who work closely with the office.

Moderator: Very interesting structure

Jane: The work of the staff is to mobilise funds to bring to the group members, the work of the board of directors is to manage and govern the finances to benefit the groups.

Rose: Ours we deal with awareness of the teenage mothers, the group elects the leaders, and we have the chairperson, secretary and treasurer.
John: Ours as the same structure with the other SACCO. We have three managers who report to the CEO and the CEO report to the Board on a monthly basis.

Sue: Ours is a Self-Help Group, we train them on the projects to do, if they get WEF money, in the case they take ksh10, 000 and pay school fees they won't be able to repay.

We train them to do small projects how to make detergents, yoghurt if they have milk because they are women from the rural with little money.

Moderator: In your group you have leaders

Sue: The leaders we have are the Chairlady and the vice, Secretary and vice, treasurer, total of 5.

Moderator: We learning a lot may be failure comes because of the structure

Eric: I am in a group as well, The Table Banking model we do nowadays ,we have an incubator , when we meet we contribute ksh2000 we buy eggs and incubate, when hatched the chicks are treated for one week. The chicks are divided among the group. In the community people have an interest to buy the chicks. We incubate the chicks, on the agreed terms with the group the cost charged should cover for the quality eggs and electricity. For discipline, the cash will buy the eggs and pay for power. In future we want to go for solar.

The structure of the Self-Help group Chairman, vice chairman, secretary, treasurer and one person who is in charge of the broader.

Anna: My structure is the government one.

Moderator; If someone wants to become a member

Moderator: In the government, there's a way of processing someone till you go to election till one day you become an MP. So, how do you process members here? Yes?

Jane: In ours, one needs to have an ID. Of course, you have to be over 18 years [old].

Moderator: You must be an adult? A Kenyan?

Jane: Yes. A Kenyan adult. You must be acceptable to others because we work in groups and we usually use trust, no collateral.
Moderator: Can you explain that? Very interesting.

Jane: In our groups, for you to become a member… Maybe Nelly, in your research, will look at that because we are doing it in rural areas and usually, one must be known by your colleagues. As a teacher or an officer, I cannot introduce you to a group. It's the other way round. You form a group, you who know each other, then you call us in the office to come and train you on the concepts.

Moderator: So, that trust comes from the group?

Jane: Yes. If you are not accepted, if they don't trust you, they don't… take you in. Moderator: Okay. Interesting. Let me ask you because I want to understand. Do you have some documentation you've made that will help a group to test someone on trust?\ Jane: No.

Moderator: Or, you've left them to do it…

Jane: Yes. Mostly, I would say that in effectiveness, training is very, very important, from the word go.

Moderator: So, you train them?

Jane: Yea, and we give them also, they make, there are table banking rules and they come up with their own. So, you cannot. Of course, if you enter into a group, not everyone remains to the end or continue in it for long. Of course, there's a way in which the system removes you [from the group].

Moderator: It removes you?

Jane: If you are not able to follow those rules, there's just a way in which the system will remove you, or you just leave. When we are training, we insist on by-laws and the rules.

Moderator: So, from your experience, because research is about what has taken place, then you learn from what has taken place. From your experience, you take a group of let's say 10 people, a group of 10 members. How many people make it to the end, averagely?

Jane: Maybe 5 will drop out because we encourage the maximum number to be 25. Of course, for social services, it's about 35 and for us it's a must to have a certificate. So, the moment we train you, we tell you for a certificate you must go to social services because that's your license to hold meetings.
Moderator: So, you say around 5 might drop out?

Jane: 5 or even 10, but they keep on recruiting others, and the moment they recruit, we have to train because out of experience, we have seen that those who were not around during training are the ones who disturb a lot.

Moderator: So, those who drop out a lot are those who?

Jane: Those who don't train and maybe those "criminals" we've heard of. They exist!

There are some who enter groups with bad intentions.

Moderator: Thank you so much. Let's go to Reality. How do you process your members?

Anna,: It's not purely trust!

Moderator: I need to learn. Yes. Okay. That's my observation. There could be some…
Anna: That's the image they sell to us.
Moderator: Okay. It could be. That's what we see… Anna: Take that box, take it back home.
Moderator: You'll get papers?

Anna: Just try.

Moderator: Just share with us your experiences.

Luke: But trust works. It depends on how you understand it or how you take it.

Anna: It does, it does.

f you believe in what she is speaking about, it will work on your side. If they use genies

or witchcraft, now...

Anna: That's why I'm telling you, even in Kenya, the reason why banks fail, SACCOs fail, ? fail is trust and lack of enforcement. Period. There is a way they enforce theirs. They reason why they succeed and the reason why we fail is because our enforcement is lacking.

Moderator: So, just to reinforce on what you're saying, if I take that box, I'm going to find a something else. To build the trust. So, if I cannot touch, let the owner come. Thank you.

Luke: Okay. So, we also have laws we have made. First, you must be over 18. Then, there's a registration fee.

Moderator: Registration fee? Let's put that in investment because when you register, your first put? your investment there.

Luke: Then also, in ours, you must be brought by a member. You cannot bring yourself.

Moderator: Member? Introduced by a member, yes?

Luke: Yes. That member is the one who will even guarantee your first loan. If I bring you, the first loan of 20,000 Kenyan shillings, they take full responsibility. Then, after that, you're carried on by the other members of your group. So, there's registration, there's being introduced, then you become a member. If you have something to add…

Mark: Maybe just a little. When you come to Reality, so, it is a must that a member has done what? [brought you?] And there are things that I'm explaining to you we do in Reality, all of us together. I've told to you that to us, attendance is compulsory. If it is a Monday 9 o'clock, all the 50 members must be in the hall. 5 minutes to 10, that hall is empty and everyone has paid his money. If you don't pay the money, there's a fine. If you miss attendance, there's a fine. If you're late, there's a fine. So, if you can't do all those things, ? because you'll suffer. So, once I've explained to you all those things, now you'll weigh yourself. Because you don't come to us to try. You come to us once

I've sat down with you and I've explained this is how it works. If you miss bringing the money, it's 100. If you're late, it's 50. If you miss attendance, it's 100. Then, by 9:45 o'clock, ? one or group one has left. We don't take our money to the office, ? to use on the table. ? So, if you cannot, don't join that group, don't join us. And that has helped us because a person comes there well prepared. Then, the one who introduces you is the one who passes you the 20,000 loan. If you fail to pay the first time, the second, the third – I, Mark,have no questions. "You are the one who brought him?" "Yes." Their whole 20,000 [shillings] is ? savings because I am the one who knows you. The other members don't. ? . The group members walk to know who you are. Now, this man, Joel takes the group member, and finds his way to reach you and then the others. If they are 50, all of them 50, will help you. ? . So, these things have helped us to understand people who you bring to the group. And don't just pick anybody. If you know that this place has rules like these, you don't just pick people from the streets and you take them there. They'll make you suffer first. So, it has helped us a lot. For a group member to bring the money ?.

Moderator: Thank you. Yes, Julius.

John: Well, I think what we do is that you must be over 18, have an ID, then you must be referred to our SACCO by one of our members. And usually, to grow, it is a must for every member to refer at least two in his or her life in the SACCO, two members. So, if you bring a [new] member, we call it 'factor tree', if you bring two, the other can bring four, and they bring others. So, we grow like that. Then, we have a registration form. You must fill it and registration fee which is non-refundable. 1,000 Kenyan shillings, which is non-refundable. Then, because we also wanted serious people, because we have now grown, we have 3,000 members, so we don't know each other well. Even if we want to know each other, it will be difficult. When you bring the members, we buy minimum shares…

Moderator: Shares of how much?

John: 5,000.

Moderator: One share?

John: No. One share is 20 shillings.

Moderator: But minimum is 5?

John: No. You buy 250 shares. That is 5,000. Then from there, you know, shares is the backbone of society. Because even if you leave, you'll get back the others but those [shares], maybe you sell those. Then, after that, when you fill that registration form, there's a nominee section.

Moderator: Where he signs, eh?
John: Yes. The nominee is like a … Nominee is [there] in case of a demise. Maybe, you're a young person and your children are young.

Moderator: Next of kin?

John: Well, we have a next of kin…

Moderator: But you also have a nominee?

John: We have a nominee. You know, like now, myself. I have a wife and two kids. Those are my nominees because you could die. We call them nominees. That is, you nominate them and you nominate the percentage they can get when you are not there. So, even if the father has left you, even if he marries [elsewhere], whatever is yours [is yours], as long as the child has a birth certificate, even if they're one day old.
So, we do those nominations to cater for whatever is yours in the SACCO. So, that's how we recruit them and that's how we get to know our members.

Moderator: Thanks a lot.…

John: And then we give you a shares' certificate, out of the 250 shares, we give you a share certificate. Now, that's what you'll use to come to you? or any other event that we have. That's your ID to show that you are one of ours.

Moderator: Thank you.

Anna: I wanted to mention about… there are groups that are for the media group enterprises, there are those which are for small [businesses]. For the medium [ones], before you take a loan, they usually identify [you with] their own advocate. So, if you want to apply for a loan, you must pass through there…

Moderator: Through their advocates…

Anna: Yes. You sign documents that, "If I fail, it will not be the group [following] up with my debts." Advocates and auctioneers will do the rest. And also, capacity building. For example, the communities you've said. They give that money, for example, we hear that for Indians, their children are not helped to look for jobs. When they finish school, they? are secured. So, this child who has been secured, or the family which has secured a job, they are given money… But they are monitored. If the money decreases, they have to say why. They have to report progress. Every time, they have to keep a report of the business. And if there's something that's not going right, the community, they're very structured, will come to see why and they make interventions. But the money which was used to secure a job for that family is not a donation. They have to refund.
Moderator: Is it a loan?

Anna: So, that's why you see that they are monitored. And that's one of the things we lack in our enterprises.

Moderator: Because if a job is secured for you, you say it's yours. You disappear.

Anna: Yes, it is monitored and you're told that you must return the money. So, they return the money. That's why Indians are very hardworking. Even if they get it for free, that kind of strict ?, you must think hard.

Moderator: Before we come to you, let us listen to Eric. Your group…

Eric: In ours, we have table banking and we have welfare. They have been structured together. You know, we Luhyas like to go to Ingo [home]. So, there's a form you fill and you define the degree of consanguinity. Degree of consanguinity means the relationship. If it's a nuclear family, you must state [it]. If it's your wife, your children, your father and mother. On your side and on your [wife's side], so that people don't ?. They are usually very strict. If one parent passed, you state it there early and if they live, you produce their ID, so that it isn't confusing. If it's nuclear, it's nuclear, either on your side or on your spouse's. The problem that usually rises, especially these groups. ? it has lowered everything but table banking typically, traditional table banking, it all depends on trust amongst the members. Most times you find that we gather people who live in our area so we know so and so, their behavioural changes and what not. And it's very important, that aspect of social trust. I have a friend from Germany, who is also doing Master's. She came to stay here for six months, and she was saying that back at home, there's nothing like that. They don't trust anybody. She wanted to come to study the aspects of table banking. I wrote the concept and sent it. She read it and based her Master's [research], and she came to stay for 6 months. She didn't stay in a hotel, she stayed in a member's place. She paid everything. If it's 5,000 per day, she pays for one month. That other month she comes to Senior, she comes to an in-law. I want to see that social trust and it's very important in these table banking [groups]. When it's not structured, ? . I had told you that you cannot regulate morality, and I think that's what helps. There's one problem: greed takes people and they start shifting goals weekly. If you've decided that table banking is 500 and social welfare is 100, they want to increase the social welfare to make it more than the actual activity, because it is a low-hanging fruit. That's usually where there is a bait.

Moderator: Thank you. Yes, Veronica

Sue: It is standard, let's say. We had met with ? but then you find that in those women's groups, five women work. They're in an upper class. Like when I went to visit ?, some are lecturers, some are high school teachers. Then you find other women are farmers at home. They don't understand it ?. So, you find that those who are educated harass the

others because they don't know it well, they don't even know how much they have saved. They are robbed.

Moderator: They are robbed?

Sue: It's theft, because the women don't know how much they gave. The learned ones could withdraw the money and they take one unlearned woman, the treasurer. They take her on their car, she goes to sign, they buy her lunch, the money is gone. There are these challenges in rural areas.

Moderator: Thank you so much.

John: You also see, especially, if we go back a bit to leadership, you find that there are people who build you and make the SACCOs crumble. Maybe they don't have any idea that they're good. They can convince people. They have papers but they are not businesspeople. So, if you set that person as a manager, they cannot generate their own revenue, revenue for the SACCO. So, you see, as she has said, that only the educated are placed on top like the Parliament. You know that's where people simply complain with their mouths but this is where people do business. So, like now in our SACCO, if you as an individual cannot save with us up to 300,000, you can't be allowed to join the board.

Moderator: To be a board member?

John: You can't be a board member. You could even find that an old woman, a farmer, but she can save with us like 300,000. This person knows what she's doing. What she does to raise her own money, she can do to lift up the SACCO. Others are just motivational speakers.

Moderator: Why do you say that?

John: That person could speak until you think it's church, you rise up, Amen, but they themselves cannot perform. They'll give you ideas, which if you implement, they work,

but they themselves don't work. You can even find them without fuel by the roadside, with all their ideas. So, it's not about the… But I'm speaking about ours. In ours, we decided that if you cannot raise 300,000 and save with us, you cannot be a leader. In 2016, we had a very big challenge. At that time, our SACCO was [popular], it had a lot of money and everything, the members were many. Then, people like these started to come in. So, when elections happen, heckling… The board elections. There was heckling and other things because some were with this [or that] group. There were actual politicians, some who ran for the seat of MCA, with propaganda such as misuse of money etc. They demonize the good leaders. And that's when we were advised by the cooperative DCO who was there. He told us that what you should do is because these things have occurred, [new] people should not come. Now, when you join, you must stay with us for 2 years for you to vie to be a board member. You will have understood all our structures and such. From there, the money issue was that all the money would be [released] but now when we ?, you find that our cycle stabilizes.

Moderator: Thank you. We'll make a step. Ana, we want to see if the SACCOs and TBGs that you interact with, if they understand the laws of government and how they use them to drive their business.

Mark: There's something which Madam Anna mentioned. SACCOs, if you don't follow up well, they make groups fail, when it comes to loaning money, even if ? . When you give somebody money, you must always make a follow-up. I gave you money to do a certain business. How is that business doing? We gave this person money and they used it in a good way and if they return to ask for more money, we could increase their loan from 20,000 to 50,000. You don't just trust because they usually save and pay back that their business is doing well. You make a follow-up. You find that in many groups they don't do follow-up. They just give you 100,000 are wait for you to return it. When you fail to pay back, they say, "So and so has defaulted." But if there were a follow-up, they would even discover that the ? business doesn't do well nowadays. If someone buys stock for 200,000 but the stock now is 150,000 showing that something went wrong somewhere. You see? So, maybe we in Reality, one, once we give you money, before we

give you any other loan, you must tell us, we must visit you, you and your family. In our loan forms, the wife must sign and, as a woman, we cannot give you money if your husband does not know. If you are a man, your wife must know. If you don't want your wife to know, we will not give you that money. Why are you hiding her? Why are you hiding him? Tomorrow, if a problem rises, we will come to that house. So, the last qualification for you to bet money, your husband or spouse must sign this form. And even when they get the loan, we call them. "Mr. Luke how are you?" "Fine, fine." "Today, we have given Mrs. Luke 150,000. Are you aware about that? The form you signed; the money is being given today." Now, it's okay. Both Mr. and Mrs. Luke know about this money and they'll pay. In case of anything, we will reach out to them both in that house.

Moderator: Thank you. Anna, now tell us. When you do, maybe, a bit of capacity building and information sharing with the table banking groups. Do you communicate to the government regulations on things like registrations?

Anna: Registration of what?

Moderator: Registration. I believe some of them are registered as SACCOs and TBs, some are registered in social welfare. Let's say, all the registrations required.

Anna: You see, mostly, when a group is started, most of the activities are savings and welfare. So, by the time they come to do table banking, most [groups] are already registered.

Moderator: So, the explanation comes when the information comes early or later? Ann: It comes at the time of registration. And if you want to know if they usually have provision of capacity use by the government to groups, it's not available. But it's something that depends on the officer because of staffing and resources issues. For example, here in Nakuru town, what we are doing these days is, when people write their constitutions or when they register, we are trying to incorporate some of the… In response to the feedback that most groups give us during renewal, some of the challenges are fraud and conflicts where one refuses to pay or not understanding how to loan well. Some table banking regulations are on resource mobilization. So, what it does is ? the new groups that were

started within the last two years, their constitution must incorporate table banking rules if they have a vision to do table banking. If it's about resource mobilization, we tell them, we sensitize them because we don't have the capacity to return to them again. When we have the capacity, we tell them about the available funds. When you come to our office, we have ? funds. Now, when they are opening the group's account, we ask them which goal they have. If their goal is they want to save and in the future, maybe they have a vision to take a loan, we tell them that the regulations that are in the bank as requirements to take a loan and the group's SACCO. Then, at the bank, when you go, if you want to save to get a loan from the bank, you must have collateral. "Do you see if you could have it?" Then, you give them the SACCO's requirements. For SACCOs, if you want to have a loan, maybe for a year, this will be the requirement. So, they themselves decide…

Moderator: Where to go…

Anna: Where to go. Otherwise, most of the groups which choose the bank, having a vision to take a loan, open a bank [account], they return within some months saying,
"We don't want to be with the bank. Close it [bank account]. Let's go to the SACCO." You see? So, we try the best we can to give them the least information, the most important information, when they register so that in the future they can choose. But as for a provision of capacity building by the government… Moderator: A challenge.

Anna: That's where… The government can't do everything. We link them to, maybe, the private sector which does consultancy.

Moderator: Thank you.
Eric: go there. Just a question to Madam. Are they allowed to have both? Can they have a SACCO account and a bank account?

Anna: It's not allowed.

Eric: It's only one?

Anna: But there are provisions, if, for example, you are in a SACCO and you have applied for donor funding or government funding. Sometimes, donors or government funds come with a regulation that this money must be put in a government bank. They even go further to say that one of the savings? Should be a government officer. So, if you bring us that communication, we can open it for you in another institution.

Moderator: Okay.

Eric: Because many? Say that they need a bank account because of swift?

Moderator: Okay. So, let's make another step. Joel. In the next five years, where do you see yourselves?

Luke: For now, we are operating behind the scenes. Let's say, there's something like a fraud officer? And every time a child is born, they want to become adults, and we desire to one day become a bank. That is, to do big business. So, we want to have a front office in the next five years and to increase our membership to have many, many people.

Moderator: Like how many?

Luke: Something like 5,000. The more members there are, to handle tasks is very easy.

Let's assume you want to build people homes, because that's one challenge for many people who live in town. If you're many, to buy a large land at a low price is easy. So, we want to increase membership to at least reach the other level of building people homes and to have the ease? to fund people.

Moderator: Thank you. Dennis In the next five years, where do you see yourselves?
Mark: We also want to have a front office. We are close to reach there?. Also, we are looking forward, maybe, to settle many of our members because many of the challenges we have…

Moderator: Settle means that everyone has their own home?

Mark: Yes, even though we are doing it in such a way that, like the structure we have from next month, next year sorry, we are buying one plot. Even if it's a two-bedroom or bedsitter, our members take them as loans and they pay. We settle them and when they finish [to pay], it's there's.

Moderator: So, that's a sort of mortgage, eh?

Mark: Yes. It's a sort of mortgage. And it's also a way to not lose too much money. You know, for the others, you see someone comes and take. Let me tell you, I don't know, but this issue about conpeople, it's so bad. Like, someone gave us a plot and we gave them money like 3 million.

Moderator: Loan? One person.

Mark: Yes. One person. The highest loan we have given is 6 million to one person. 6 million, the highest. But you see, here comes this good woman who has a title [deed] which has her name and everything. You do a search and you see it's hers. Then, it is charged and she isn't able to pay the loan. She didn't even pay a cent. I don't know how it went but with time, when she didn't pay, we looked for an auctioneer to sell that plot. When we did valuation at that time it was like 7 million and another was done and it was sold for 9 million. But when it was sold to someone, there was a problem. Search wasn't working. The auctioneer went by the first search we did and sold it. The person who was sold to went there and found goons. Then our lawyer at that time, when we took the case to him, he withdrew himself because the case is of a plot which had prior cases and someone was supervising it. They've done it for over ten years. So, as you see, these challenges now, you try to put everything in place… So, we are now trying to settle with the one who bought it, we give him back the money because he had already paid the 9 million. Then, we'll now take this one to court for it to help us to get any other [of theirs] property to sell. So, you see, such challenges are there. As you grow, the more the challenges. So, such things do happen at any level.

Moderator: We are about to finish. Are you aware of any SACCO which has failed? It could be, one, you were a member or you've witnessed one fail completely. Eric, have you seen a SACCO?

Eric: Yes. I was a member, and it failed. It failed with my money, over 60,000. In 2006, 60,000 was a lot of money.

Moderator: So, yours alone was over 60,000? And all of it…

Eric: It was finished and you don't even know how. When you begin to consider, it was egg-laying chicken and?

Moderator: It's interesting.

Mark: In fact, they told us, there were so many SACCOs during COVID and whatever which failed so badly. Members are crying. In our Reality, we had around 15 members who came to join us. You ask them where they came from and they tell you their problems. They say that they came out, they lost. If they want school fees, they can't get it. Then they came and joined us. So, there are SACCOs which failed. They exist. If you go out there, you meet their members. They'll tell you how they have suffered.

Eric: I think the general polls would show that, after COVID, you know, government capitation goes through the bank but lunch programme, because of closeness to community, instead of banking? They pay small SACCOs. But a circular [memo] came out that schools should not pay because many went with fees. You want to go buy maize, is given, you're given a cheque, you go there, absent present.

Moderator: So, what can we do to avoid such failures? You know, because one has failed, there's also a possibility [that] many can fail.

Anna: I could say, it's mostly strengthening the leadership and management because they are the ones who mostly fail [SACCOs] because of greed, actually. I can say its greed. So, I think at the top, there's where the problem is.

Moderator: She's saying a very funny but interesting thing that the failure of SACCOs starts at the top, the middle, or the bottom?

John: It starts from the top. Because it's like a home, when it crumbles, it's not the children's doing. No. Even if there are challenges, it's not the children's doing. It's the parents.

Moderator: So, it starts from the top?
John: To bring failure, we have said its management. That's the problem. It depends on who you place there.

Moderator: An example you gave is that you choose someone who talks a lot but…

Eric: They don't bring new members.

Moderator: And they don't bring in money too.

John: You know, you've chosen a politician. A politician is not a manager. He's not a businessperson. So, even if they have many ideas, they can't make them work.

Moderator: So, you've mentioned leadership, management. What other things can you give?

John There was this SACCO Medy line. ?line had a very powerful SACCO. You know it was failed by leaders? They took money and gave themselves one 3 million, another 5, another 8, and they went to the bush.

Moderator: So, leadership…

John: For a SACCO to fail you only need one minute. In the twinkling of an eye, it is gone because of leaders.

Moderator: So, apart from leadership and management, what other thing can make a SACCO fail?

John: Politics. If politics take a group, members too can be used to bring bad politics? They can demonize leaders that they have done something and it spreads to other members and causes leaders to fail in doing their job.

Eric: Then they bring tribalism into the leadership… Moderator: Tribalism?

John: Okay. Another comes, as you've heard, politics. We had it during COVID, and it took most of, some of the board members and most of them were in executive. We had now our treasurer, the former. We had the vice-chair, who was also a lady. And we had regulated? Chairperson, also a lady. So, you see, our groups are many, over 80 groups countrywide. Because we have a branch in Nairobi and one in Murang'a, the head office is here. So, they were able to give themselves loans and some gave their fiancés. They were not following the procedures. We don't have a problem [as long as] you're following procedures. So, if you want a property loan, you're not supposed to get, even if your property is worth millions, which you use as security, you cannot get more than 1 million for the first time. But now they gave [loans] carelessly, they gave their husbands and all these. And they themselves also take loans, and when you check it has been approved by someone. So, when COVID came, the challenge was still great. So, you know what they did, they began going round. They were influential members and members are listening to them. Because they have debts, they went away saying, "Medy is failing. It is over. Even those who haven't taken a loan, go take it. Withdraw your money. It is failing." We had to do a meeting of members in the three branches. We were telling the members, because of politics, "Those who are telling you that it's failing. First of all, ask them if they have a loan debt and if they have arrears or bank debts." And you find that at that time, the people who they were able to convince were like 500 members, who left [the SACCO], just like that.

Moderator: That's a lot of people. It's a terrible thing in a SACCO.

John: So such politics make that… One of them was the one who had a title [deed, of a plot] worth 9 million. She was our treasurer. And she had given her husband 5 million.

When they knew, I don't know what happened, they know what they did. The husband came and took the title. He had used another title, and they removed it. The one who was credit chairperson had given her husband 1.2 [million], the title was hers, and they finished and removed the title.

Moderator: Interesting. I want us to finish because the time is gone.

Eric: There's one thing only. A fish rots from the head. What they've said is true. We have a founder?-member syndrome. That brings a lot of issues in the…

Moderator: So, let me ask. I have this question. We have heard how SACCOs and table banking groups mobilise their funds. Apart from members' funds, is there another way you get money to invest in either the SACCO or table banking groups?

Mark: Okay. There is one question that I wanted to direct to our government officer.

We hear many times there are grants or people from outside who want to fund or give SACCOs money. Just grants. We are asking if those funds go through the government or which channel, they use so that if someone wants to follow-up because we hear there are grants but we have never received them. How can someone follow up?

Moderator: Yes, Anna. That sounds like a hard question but try.

Anna: It's not. Grants, that I'm aware of, maybe those that were with the Women Rep. You see, now, what I usually advise people [to do] is, "Don't run after grants. Work with devolved funds." For example, or rather the opportunities that are available, starting from the grants which were from the Women Rep, and she wasn't offering lots of money. So, I usually advise people to work, for example, with Women Enterprise Fund.
You take your members, "Because all of them are your members, right?" So, of all the members, say 250, how many are women?

Mark: About 60 percent.

Anna: 60? So, 60 percent of 250 is how many?

Mark: About 160.

Anna: Now, if you divide them into groups of 10, how many groups are those?

Mark: 16.: If they all apply for? And they receive 100,000 per group, how much is that?
Mark: 1.6 [million].
Anna: Now, if they pay as regulated by your SACCO. If they pay 200[000], how much is that?

Mark: 3.2 [million].

Anna: If you listened well to Veronica, she said they were given 500,000 and they've invested it to produce 1 million, right? So, out of 500[000] you're getting 100 percent.

So, out of 2 million you will have gotten your 2 million. Now, they pay and get 300[000 in loans], they pay [again] they get 500[000 in loans]. If out of 16 groups you get 500[000], how much is that?

Mark: What you're speaking about is devolved funds? Now…

Anna: Yes. Specifically, Women Enterprise Funds. You see, let us not focus on what has not worked. Let us focus on what is working, right?

Mark: Maybe a question before you continue…

Luke: You know, there's something, like now the Women Fund. You know, they put their quotations that the leadership must be women. So, it is now limiting us because…

Anna: No, I've given you… I'm not talking about the SACCO. I'm speaking about your membership.

Mark: So, we'll form all those groups [within the SACCO]

Anna: And I'm telling you something that has been done [for sustainability]. You said you have about 160 women, right? So that they form 16 groups. So, in the first loan, they have all applied, and you got 1.6 [million]…

Mark: But now that 1.6 [million] goes to the subgroups' accounts which you have formed?

Anna: You enter into an MOU [with your members]. "That this money that we are getting as subgroups to boost our main agenda." You get it?

Mark: That's impossible.

Luke: It will finish us.

Eric: That's impossible.

Anna: It is possible. It has been done.

Mark: When the money has entered the women's accounts, and it's a group they have formed, they'll want to dominate the money.

Anna: That's why I'm telling you, if you do an MOU at the table, and you show the goal first… Remember, inasmuch as they're your members, they're still in Women Enterprise Fund. You've said you're at Pivot, near… I know your members. They're in that plan which I've told you has worked. And they have worked together and they have got plans and constructions.

Moderator: So, Anna, what you're saying [is that], they can even go ahead with that hiring advocate to develop that law to protect them?

Anna You see, the beauty of this… They might not agree, all the 16, but you can work with those that will, you see? Women Enterprise Fund will give you [a loan] at an interest of 5% and you at your rate…

Mark: Now, you see, these women know that they were given loans at an interest rate of 5%, then you give it to them at 8%

Anna: It's the goal. What's the goal? That is all that matters. If they buy… Remember, these guys are with you because of your vision. It's not that they don't have other places

in mind. They can go. If you sell them a good idea which will make them stick, they'll stick.

Mark: But now, they are there to benefit…

Sue: You can tell them that the money they get from WEF, if they bring it, you'll give them with interest of 3%. So, you'll give them more. The money will multiply, you see? So, if they borrow 50,000, you give them more so, the day the money is returned, they'll return yours and that of the WEF, and you'll profit and they'll profit.

Moderator: Anna has seen that, except Anna, your thoughts are far away.

Eric: I can agree with Anna. It can work.

Moderator: Because what she has said [is] the money will multiply and it will check off the interest automatically.

Mark: Now, here is the deal. Because, the Women Rep one, I tried although we didn't succeed. But now, you see, even those women want them [the groups] to be registered. How many…

Luke: When they get registered, then those people are independent. So, what we are forming now is a coalition, not…

Moderator: Anna has a solution. We have a solution. Let's have one meeting. Yes,

Anna…

Anna: You see, I'm saying, in one group, maybe what we might say [is] you don't have the capacity, which can be built. For example, one of you agenda is to settle some members, or all of them. You could say, these groups, our aim now, apart from accessing funds, you can borrow and pay at a friendly pace and interest. You can have a second, you already have a second idea, which is to settle them down, right? And give them the idea that you want to settle them down in a cheaper way, which can also be cheaper than what you're [now] providing. Much cheaper because if WEF is giving you

[a loan] at 5%, you can take it at 5%, loan it at 8%, you take 3%, you see? You settle them. Have you achieved your vision? And why is it being difficult [to understand]?

Mark: It becomes difficult because in case you discover that we take this loan with 5% and we loan it to you at 8%...

Anna: Do you think we don't know? I'm telling you, you'll never see it on the books but we know it is happening.

Mark: But we are asking…

Anna: We will not ask you, as long as they're paying.

Moderator: So long as the loan is being paid.

Mark: Now, here, we're considering. Yes, it can happen, but how many in 10 groups will be willing. They take the money and pay it back, and you do the business like that, however good it is. It's just like home. When you see that the wife's business is good, you're always sitting with her to negotiate.

Sue: That's why there's training on capacity building…

Anna: My point is,how you sell your idea…

Moderator: And your goal…

Mark: Okay. Let me say, for self-help groups, that is possible but when we try that WEF, they want us to register them independently and they "grow horns".

Anna: Now, that is the first product. Wait a bit…

Mark: Now, for example, the women we had [as leaders], they had tried to… What if they got this one? Would they pay back?

Anna: Through the chair, through the chair…

Mark: It's challenging but it's a very good idea.

Moderator: Let Anna speak. A little bit…

Anna: That is the first product of WEF, Women Enterprise Fund. They channel money through separate groups. That's why they even came up with an idea of umbrella CBOs. There are different CBOs. There's one called amalgamation, which is the host [of that money], where all the groups under that umbrella must abide. It is legal entity?. The second product is where WEF channels money directly to the SACCO… Mark: So, it's possible?

Anna: Unfortunately, it must be a women SACCO.

Moderator: Women-owned SACCO?

Anna: Yes.

Moderator: And don't fear. Why can't you promote women-owned SACCO, and you have one woman in your house?

Anna: Or, you register twice, so long as they don't "throw" [] you.

Moderator: So that you promote from your house…

Anna: Or, you register a company with the group's name but the majority are women.

Moderator: Majority will be women. Men [should be] only 30%? 70% women...
?: Better registering your company… Mark: But the management must be women…
Moderator: So, that again comes back to trust.
Eric: You can have women in the papers; men behind the scenes. And it can work…

Moderator: Now, let me ask you, as we log off. Let me ask you. Are you aware of any Table Banking which has succeeded, which you can copy, so that this TB, if we look for a way, we can succeed as they have?

Anna: Yes. There's Naivasha Women SACCO which was given the money I was telling you about WEF. Just a women group. It has passed just as Kenya Women Finance Trust (KWFT) did.

Moderator: But Naivasha is now a local SACCO. A SACCO beyond our borders… Beyond our borders, are you aware of any TB which has succeeded?

Anna: International, no.

Mark: No. But now, before we leave here, there's a model which I saw in Uasin Gishu during Mandago's time. He, Mandago, had set funds to give to SACCOs directly at that rate of 5% and they were returning it. So, even though our county governments, it could be so helpful.

Moderator: We can find out that also. are you aware of that?

Luke: There is a funding from the county and SACCO, but they're mostly for production, like dairy SACCO, milk SACCO? They're given equipment and such

Mark: There was a time when, it seems, the government was channeling money through the counties but now here, they formed a thing they called "Bunge SACCO" which was for MCAs and the rest but it didn't even succeed. So, you see. If that money [was given to] the SACCOs which do well… Because what is needed is to regulate. For example, you see when matatus were being regulated, they had their SACCOs, they were doing well, and they had discipline, because they are regulated. So, if this money is given to SACCOs which have good structures or they do this, it can work. Luke: There are grants, SACCO grants through international partners… Moderator: Like which international partners?

Luke: There's USAID. There's ILO. They give out fund 25 million in grants…

Moderator: To a SACCO?

Luke: As long as you have an audited account, is okay, you have your AGM minutes, and you show them how it's going to benefit the others. If all these things are good, it's direct. There's not much to do. If you want to do housing or farming, input machineries, they can give you 25 million.

Moderator: So, I want to stop here. It has been a very interesting subject, which is also difficult to discuss, but I want us to stop you because time is up. I want to say thank you. I have learnt so many things. So there are things which are hidden? I've learnt so much from Anna, that you can leverage on women around and build a big empire.

Anna: That's what people do.

Mark: We have made a SACCO, with my wife, and it has gathered the women who are near, and they've already been given that WEF or UNAITAS fund. So, they finish paying one today, and they're being allowed to get 500,000. They're continuing to grow…

Moderator: So, I've really learnt quite a lot. I believe you have also learnt from one another. I have learnt from your SACCOs, especially on the idea that "Let all members be guarantors, then you'll not lose money." That one, I've never heard. And I've also learnt from Anna, something. That "the culture of Indians is deeper than you think… more than what you see." Those are very good lessons that I think we'll take home. So, thank you so much. May God bless you? And, I think, out of this you can still create a network of sharing information and knowledge. When this study is out, you can use that network to share the results of this study. Once again, thank you very much.

Mark: Before you close, we could note down our phone numbers, if one wants to contact the other…

Moderator: We have a form here. We'll generate it, and you'll take photos of it.

THANK YOU FOR YOUR GENEROSITY

Appendix H

QUESTIONNAIRE FOR TABLE BANKING GROUPS

TOPIC: ORGANISATIONAL EFFECTIVENESS IN TABLE BANKING: PRACTICE AND POLICY IMPLICATIONS FROM A KENYAN CASE STUDY.

RESEARCH QUESTIONS

1. **Which roles do the Umbrella NGOs have towards the Table Banking Groups?**

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2. **What skills have you been trained in?**

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i) Who provides training to Table Banking Groups?

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ii) Have you been trained on how to draw the business plans?

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3. How do the TB as an organisation handle loan defaulting?

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i) How best can risks be managed?

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ii) What policies are in place to govern the TB in case of loan defaults?

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4. **Does the loan borrowers get appraised before acquiring the loans?**

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5. **Which leadership traits enables the Table Banking Groups to succeed?**

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6. **Explain the level of your Table Banking Groups achievements?**

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i) Social economic situation

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ii) Social status

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iii) Employment

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7. Explain the social economic level of your Table Banking Group?

i) Successful

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ii) At average

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iii) **At verge of failure**

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8. How did covid-19 pandemic affect your social economic activities?

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i) **What strategies did your Umbrella organisation put in place to support you?**

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ii) **What can be done in the future to manage such risks?**

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9. What external funds can you access?

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10. Do you know any TBGs that have progressed to the level of SACCOs?

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11. Where will you achieve in five years?

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12. **Where will you be in 10 years?**

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Phase 2 Results of Table Banking Groups held in Rosewo office on 18th January 2023

	Joy	Faith	Mercy	Agnes	Maggie
Which roles do the Umbrella NGOs have towards the Table Banking Groups?	Facilitate financial services to the groups. Enable the Table Banking groups to meet together to benefit from the pooled funds. Provide training on the Table Banking concept.	The umbrella organisation provide funds for running the businesses. The NGO train on managing the group finances and safeguard the finances.	The NGO provides financial services to the Table Banking Groups at a fee with maximum of KES 3,000. Provides meeting space for the TBGs.	Facilitate and train the women to save and borrow loans. Empower mostly the women to venture into businesses.	The organisation mobilise the women to form groups to pool resources together to build up the revolving fund. Facilitate the saving and loaning financial services. The officer maintains the finances.
What skills have you been trained in?	No training has been provided	No training	Trained by officers from ROSEWO on how to manage funds	No training	The TBGs officials are trained by ROSEWO trainers to manage the groups.
Who provides training to Table Banking Groups?	None	None	None	The officials of the TBGs are trained by the NGO trainers	UWEZO fund trainers WEF trainers
	No	No	No	No	No

Have you been trained on how to draw the business plans?					
How do the TB as an organisation handle loan defaulting?	The person has a chance to pay coming month or pay interest.	Follows up with the borrower to find the declared collateral.	The group members follows up with the defaulters, they visit their homes sell property to recovery the loans. Follow up with the guarantor.	The officer follow up and allow the person to pay in small instalments. The savings are balanced with the loans for recovery.	The group will take the items identified as security when taking the loans. The process of loan defaulting is follow
					will be given three months to pay. The local chief (administrator) will be involved by the group officials, with borrower to agree on terms of payments.
How to best manage risks	If one fails to pay the guarantor as to be followed up to assist in recovery of the loan.	The borrower need to be appraised and loaned against their savings. If one haves a long term should not access short term	Being a peer-to-peer risk management Follow up with defaulter and their guarantor	The appraisal of existing loans should be considered to avoid giving excessive loans	Their savings will pay the defaulted loans

		loans to avoid over lapping.			
What policies are in place to govern the TB in case of loan defaults?	The TB member need to be informed of the rules and the regulations improve.	The members need to be informed of rules and regulations on defaulting	The group have the regulations and rules on defaulting	The group have formed regulations that allow the group to recover from the securities given by the borrow	The group policies requires the members to guarantee each other The group draw down the regulation to govern defaulting
Does the loan borrowers get appraised before acquiring the loans?	The amount of savings and how the participants pay their loans. Available personal property like the cows, goats and sheep.	The amount of savings. How one pays advances given as a loan.	The training officer visit the business premises. The members should confirm that the businesses is the borrower.	The borrower's home will be visited. The person have to be known by at least 5 people.	The group members should know where the member lives, is it rental or own home. Who referred the member and who will be the guarantor?
Which leadership traits enables the	Able treasurer, secretary and chairperson Disciplined leader,	Trustworthy person who can keep money for the group in case of banking.	Strong in directing the group to follow policies. Strict and being firm on the rules.	Someone known in the community Straight forward (transparent)	Active and committed to the group activities. Communicate

Table Banking Groups to succeed?	respectful, communicates to the group well, have meetings with members	Respectful to all the members. Reasonable Responsible person who can make decisions		Disciplined Accountable and with integrity	effectively to the members about the issues. Respectful, keeps time, maintain and encourage togetherness.
Explain the level of your Table Banking Groups achievements?	The group members pay their advance loans in time and borrow loans. The group as insurance.	The group members are able to pay loans in time.	The group is an average with revolving funds KES800, 000.	The members are able to take children to school, raise living standard.	Depends on the savings and loan payments, education booster, more Revenue will be earned at end of the year.
Social economic situation	The financing of the businesses have	The group is growing with resilience	The group as progressed well, businesses have expanded	The members have progressed well borrowing loans of KES 300.000	The group as progressed the long term loans have

	boasted the economic activities				increased and the grocers have Increased their stocks.
Social status	Being in the group have enabled the members to socialise, share ideas, hard work. Experienced changes	Feel empowered because they have a place to get financing (ROSEWO)	Empowered and appreciated in the community	The communities have embraced the TB and want to join them	The TBGs members get involved in welfare funds to the community in weddings and school fees for their children.
Employment	Self-employed having accessed finances for staring business from the TB.	Self-employment was able to employ herself after joining the Table Banking Group.	The participant is selfemployed after joining the group.	The umbrella organisation have employed trainers using the resources from the TBGs. The groups who started long time are able to employ workers in their businesses.	TB group member has a hotel business which employs casual workers, the waiters and cook. Self- employment.
Explain the social economic level of your Table Banking Group? Successful	The group has been successful when they started they pooled funds from KES 100,000 and now have KES 300,000	-	The group started the year 2018, progressing social economically, with members venturing into different businesses	The TB participants are successful started grocery stall with stock of KES 1,000 and now have KES 10,000 in 7 years	-
At average		-	-	None	

	The group is at average, the members can access KES 200,000 The members savings are increasing				The level of the group is on average as compared to other groups. Started 3 years, have developed and improved with increased dividends.
At verge of failure	None	-	-	None	-

How did covid-19 pandemic affect your social economic activities?	The businesses were closed for 6 months, the participants observed the social distance, wearing of masks and	Closed the group from MarchAugust with no operations The business was on the low, fearing to meet people in	During the pandemic there was no business, members contributed the little they could. The NGOs relaxed the payments to be flexible.	There was no meeting and the business returns were low, which took the business backwards.	The businesses were closed in which the hotels were most affected.

	sanitising which had to cost them money.	case of transmission of covid-19.			
What strategies did your Umbrella organisation put in place to support you?	The organisation stopped the group activities for 5 months The participants were allowed to pay their loans slowly.	The groups were closed for 5 months The members were allowed to pay in small instalments	The covid-19 pandemic, measures were put in place with social distancing, sanitising and masks	Only the officials could meet, waited for 6 months, used mpesa to transact TB savings and loans	The organisation sensitised the group to social distance The organisation closed for 5 months
What can be done in the future to manage such risks?	To avoid contacts with people during pandemics in the future mobile money transfer should be introduced for savings and loans.	The organisation should support the TBGs with grants to boost business The government need to support the TBGs businesses in times of pandemics	Provide enough time for repayment of loans. The NGOs should pay the loans by asking the government to assist with grants. The loans need to be insured in case of calamities such as covid-19.	Electronic money transfer system need to be formed.	Prevention and safety strategies should be put in place. The mobile money transfer system should there.
What external funds can you access?	Profits from own business Money from farming Funds from merrygo-	Women Enterprise Fund	SACCOs loans (Skyline) Hustler Fund	WEF	Hustler Fund Income from business Relatives and friends

	round with neighbours Money from friends				
Do you know any TBGs that have progressed to the level of SACCOs?	None	None	None	None	None
What will you achieve in five years?	Will have saved around KES 1.5 M.	Purchase of land for hiring/ leasing	Have a revolving fund of KES 5 M.	Will be owning land and a house.	Sustainable businesses purchased land and

	Purchases property (land) or plots. Build rental houses.	for keeping poultry and goats. Venture into tents and chairs hiring business.	Purchase of land and building rentals. Personal land. Expand businesses. Venture into new business.		educated the children.
Where will you be in 10 years?	Purchase own piece of land. Educate the children.	Have an NGO's to train others on Table Banking. Everyone should have land and housing.	Build own house.	Sustainable business.	Each member will have parcel of land

Appendix I

Table Banking Group Feedback

Appendix J

1.

i) Which SACCOs are successful?

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ii) How does success of such SACCOs look like?

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2. What features make SACCOs effective as organisations?

i) What are the structures of high range SACCOs?

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ii) What are processes of high range SACCOs?

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iii) What are processes of medium range SACCOs?

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iv) What are structures of medium range SACCOs?

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v) What are structures and processes of low range SACCOs?

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3. Which sources of funds do the SACCOs depend on?

i) What government funding do the SACCOs access?

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ii) What international funding do the SACCOs access?

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iii) What other funding do the SACCOs access?

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4. Do SACCOs have standard policy regulations of how to manage Risk in the organisation?

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5. How do SACCOs handle issues of loan defaulters?

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6. What traits of leadership do SACCO's leaders have?

   i) Are they trained how to manage the organisation?

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   ii) Are there criteria of choosing the leaders?

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7. What leadership skills should TBGs acquire to enable them transition to SACCOs?

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8. What strategies have the SACCOs used?

   i) To promote investment?

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   ii) To train in capacity building?

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   iii) Attract external funding?

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9. What practices and policies need to be improved to enable TBG's to be as effective as the SACCOs?

   i) How should TBGs be regulated to attain effective levels as the SACCOs?

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   ii) What policies would enable the TBGs to be less informal?

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10. Which community values and norms have made the SACCOs to be successful?

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11. Where do you see the SACCOs in the next 5 years in regards to investments?

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12. What about both TBGs and SACCOs in the next 10 years?

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Appendix K

SACCO Umbrella Organisation Feedback

	R1	R2	R3
Which Saccos Successful?	SACCOs have a number of categories those with a large number of membership, high returns of dividends, deposit taking and those who have invested prominently in property	SACCOs that are deposit taking.	The check-off based SACCOs.
How does success of such SACCOs look like?	SACCOs which do well are efficient and effective when delivering services to their members, prosperous SACCOs have financial ability in surplus	Have increased deposits, effective loan repayments, increased membership and return on investment.	Contributions and deductions are done from the check off system where the contributor as formal employment, and also SACCOs that have amplified returns on investments
What features make SACCOs effective as an organisation structures of high range SACCOs	As stipulated in the Cooperative Societies Act, members are the supreme authority, an elected board of directors/management committee is charged with overseeing the management of the Sacco, but day to day running is left done by employees	An effective structures of high range SACCOs with an asset base of KES 5 billion and with a share capital of over KES 10million.	SACCOs that draw members from ministries and have branches in Cities and major towns are advantageous compared to ones in the rural and small cities.
What are processes of high range SACCOs?	Mobilizing savings and giving credit, and managing both processes by ensuring members are saving, taking loans and repaying loans. The board, staff and members are trained to	-	Representation is done through delegate system

	enhance their efficienc y and participation.		
Processes medium of range SACCOs	An operational SACCOs was required to mobilise savings and give credit, and manag both processes to ensu members are saving, e taking loans and re repaying the loans. The board, staff and members are trained to enhance their efficienc and participation y	Asset base of 1.5 to 5 billion Tier 2	Are regulated by SACCOs Societies Regulatory Authority (SASRA). At the tier 1 level representation is done through a delegation system
Processes medium of range SACCOs	Mobilising savings and giving credit, and managing both processes by ensuring members are savings, taking loans and repaying the loans. Th board, staff and members are trained to enhance their e efficienc and participation y	The Tier 2 SACCOs operate at a medium level follow the procedures as given by SASRA.	The check-off based SACCOs in the medium level operate either through delegate system or membership depending on the number of members.
Structures of low range SACCOs	Mobilising savings and giving credit, and managing both processes by ensuring members are saving, taking loans and repaying the loans. The board, staff and members	An asset base of between KES 1.5 to KES 5 billion in order to operate as Tier 2. Another characteristic is that	The membership might be drawn from community based organisation to SACCOs for example Multinationals.

	are trained to enhance their efficienc and participation y		
Which sources of funds do the SACCOs depend access?	The majority of Saccos raise funds from member savings which are loaned to them.	Not applicable	Most SACCOs built their finances through members' contributions.
Government funding do the SACCOs access	a few Saccos access Revolving and	Not applicable	There was no governmen t funding directed to the

	affirmative fund s mostly as interm ediaries		SACCOs. Though, funds from WEF and Hustler Fund finance the SACCOs.
International funding do the SACCOs access	SACCOs had no access to international funds	N/A	N/A
Other funding do the SACCOs access	The SACCOs source finances from Banks to facilitate loans to their members when they have higher demand for loans and their deposits are not sufficient	Donations grants from wellwishers are rarely available	Borrowings financial institutions.
Do Saccos have standard policy regulations on how to manage Risk in the organisation?	SACCOs have standar d regulations as per the legal framework-but additionally Saccos develop their own specific policies to govern them	Risk management policies ca n be made by each SACCO as per IFRS the provision of loan loss is provided based on loan s agreed. The standard policy regulations	Yes. Each SACCO should come up with risk management policy. As per IFRS-9, provision of loan loss is provided based on loan ageing.
How do SACCOs handle issues of loan defaulters?	The debt are recovered from the guarantors who acted as the loan security, on the hand collateral attached	The guarantors are accountable for their failed loans repayments in the	By attaching guarantors funds/assets to recover the defaulted amount.

	might be auctioned for recovery of the defaulted loans. Also, the defaulters are black listed and further listed with CRB which causes the defaulters not to access any loan from SACCOs or any other financial institutions covered with the CRB	SACCOs and attaching guarantor's funds and assets t recover the defaulted amount o .	
Traits of leadership in the SACCO's Managers training to manage the organisation	Training as been provided for the leaders. a leader need to be a visionary leader need to have the mission of the	Training as been provided for the leaders. The leader character and virtues have to be honest when handling the SACCOs	
	organisation, the lead support have to demonstrate transparency and the other trait is providing quality services with selflessness.	managerial matters, anothe r ties ity, relevant virtues of a good leader when performing du in the organisation is integr because of the nature of the SACCO being a financial institution accountable.	
What traits of leadership do Sacco's leaders have?	Yes	Honesty, visionary, integrity , transparency and accountability. Yes.	Honesty, selflessness an integrity. Yes. .
Are they trained how to manage the organisation?			
Are there criteria of choosing the leadership?	Yes, provided for in th e Cooperative Act and rules, and respective SACCO by-laws	Yes, clearly stated in the SACCO by-laws.	Yes. They are well stipulated on the Cooperati Socie and in the SACCO lav
		Transparency	Financial management

What leadership skills should TBGs acquire to enable them transition to SACCOs?	All they need is to have the economic capacity to mobilize savings, and some members who have basic education levels to enable keeping.	Visionary Accountability	Good governance
What strategies have the SACCOs used? To promote investment?	Internal resource mobilization	High disciplined savings culture Provide asset financing facilities Members access low intere loans st	By coming up with different investment facilities/products in t SACCO
To train in capacity building?	Budgeting annually for education programmes	Have budgets on education and training for the board, management and members	By carrying out training, need assessment for commi staff and members.
Attract external funding?	Internal mobilization is the key sources of funds. They don't do external fundraising. In limited cases, proper governance structure and providing credit to	Have a policy on the issue of borrowing	By embracing savings culture and capacity to s back the funds
	the rural vulnera attracts ble funding		
What practices and policies need to be improved to enable TBGs to be as effective as the SACCOs? How should TBGs be regulated to attain the level of effective as the SACCOs?	Not able to com ment on TBGs	Must have a regulat ory legal framework to overs work ee their	Through amendments and strengthening the laws and govern them
What policies would enable the TBGs to be less informal?	-	Voluntary and open membership	By-laws, savings and credit p
	Self help	Voluntary and open	Equity

Appendix L

Victoria University Ethics Approval

Which community values and norms made the SACCOs succeed?	Mutual responsi Equality and eq Honesty Openness and s responsibility in activities	bility uity ocial all its	membership Economic member participation Concern for the co	mmunity	Equality Honesty Self help Openness
Where do you see the SACCOs in the next 5 years in regards to investments?	Core business of SACCOs is savi credit, hence the have mobilized savings to enabl to credit	ngs and y will more e access	They will deepen fi access and meet the needs of individual enterprises in the fu	nancial credit and ture	They will be in a position to the welfare and economic ir its members
What about both TBGs and SACCOs in the next 10 years?	Core business of SACCOs is savi credit, hence the have mobilized savings to enabl to credit	ngs and y will more e access	The TBGs will hav transformed themse SACCOs SACCOs as vital pl mobilize finances	e lves to ayer to	They will be a financial solut members

Appendix M

Research License

NACOSTI Certificate for permission to collect Data from participants in Nakuru County, Kenya, was issued on 27th September 2022 and License No: NACOSTI/P/22/20647

Signature Date

